

**HONG KONG IN 2013: GOVERNANCE
CHALLENGES IN A DIVIDED SOCIETY**

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EAI Background Brief No. 884

Date of Publication: 9 January 2014

Executive Summary

1. The recent Hong Kong Television controversy signals a pressing need to reform Hong Kong's political system in terms of enfranchising Hong Kongers in the coming elections and reforming the legislature.
2. Hong Kong's governance problems are compounded by an increasingly polarized society in which a few notable fissures have continued to widen.
3. A half-yearly opinion poll showed that the proportion of 18-to-29-year-olds identifying themselves with Hong Kong rather than China had climbed significantly over the years.
4. Young Hong Kongers were also less trusting of the current government. Disillusionment with Hong Kong is apparently pushing more Hong Kongers to migrate.
5. In September 2013, Hong Kong set an official poverty line at half the median household income before tax and welfare transfer. About 1.3 million people or close to one-fifth of the city's population lived below the poverty line.
6. In the meantime, Hong Kong economy is still going strong with a growth forecast of three percent in 2013. Unemployment remained low at 3.3% for the three-month period ending October 2013.
7. Tensions between native Hong Kongers and Mainlanders were still simmering in 2013 as the two groups competed for the supply of infant milk formula and school placements in Hong Kong.
8. Slated to take place in 2014, the nonviolent Occupy Central campaign aims to mobilize protesters to block the streets of the city's business district in order to pressure Beijing into granting genuine universal suffrage to Hong Kong.

9. In opposition to the Occupy Central campaign, the Hong Kong business community has organized a rival campaign “Silent Majority” calling for “democracy without chaos.”
10. In December 2013, the Hong Kong government kick-started a public consultation on the 2016 Legislative Council election and the 2017 Chief Executive election. Debates over the form of universal suffrage are likely to intensify in the coming months.