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EDITORIAL

The successful publication of this journal by the HKPAA and The HK PolyU SPEED enters its sixth year in 2017. Since 2012, we have published ten issues on many aspects of public administration and policy, including one special issue on "Health Policies" and two on "Tertiary Education". We are currently in the final stage of negotiating with an international renowned publisher to go for global open access publishing and citations tracking. It will start with the Spring Issue in 2018. We hope this will enhance the Journal's circulation and citations of our authors' articles.

An International Conference jointly organized by the HKPAA and the College of Professional and Continuing Education of The HK PolyU to mark the 20th Anniversary of the establishment of the Hong Kong Special Administrative Region of China will be held on Friday, 19 May 2017 at The HK PolyU. The theme of the conference is "Retrospect and Prospect on Public Policies, Administration and Management". We will select some good papers presented at this International Conference and publish a special issue later.

In this issue, we have four articles and one book review. The first article is by David Briggs who discusses the Challenges for Health Systems: Australian Perspectives. Benjamen F. Gussen then raises the question of Can Charter Cities 'Anabolize′ the Australian Federation. Anthony K.C. Ip & Thomas Yip propose Hong Kong's East Lantau Smart City: Some Innovative Development Concepts. In the last article, Ted T.H. Poon & Joseph W.C. Lau revisit Students' Perception of Effective Part-time Lecturers: The Impact of Students' Background. In the book review section, Cliff Buddle comments on the "Introduction to the Hong Kong Basic Law" by Danny Gittings.

We wish to thank all the paper contributors to this issue as well as the reviewers for their constructive comments and suggestions in helping the authors to improve their articles. I also sincerely thank our editorial team for making the journal publication on time as usual.

Peter K.W. Fong

Editor-in-Chief, PAAP Journal
President, Hong Kong Public Administration Association

Challenges for Health Systems: Australian Perspectives

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Abstract

This article describes the Australian Health care system which is one of the best performing health systems across the range of OECD countries. The system has experienced continuous health reform focused on structure and restructure. Demand and utilization of services are high while health expenditure has risen faster than either population growth or ageing. Challenges for the Australian health system are identified as managing downward fiscal pressure and increasing capacity and demand for services; ensuring delivery of the right mix of care for the chronically ill, frail aged by allocating resources optimally; a continued concern for improved quality and safety of care. The article is developed from contemporary literature about the Australian health system, the future directions are identified from invited expert papers in the current issue of APJHM 3(11). The article describes possible responses to the challenges described; suggests emerging themes and approaches to reform. The emphasis of reform will move from structure to an emphasis on health outcomes using knowledge, research and social movement, the improvement of collaborative and networked practice. The article concludes by suggesting probable future directions from an analysis of the language of health reform.

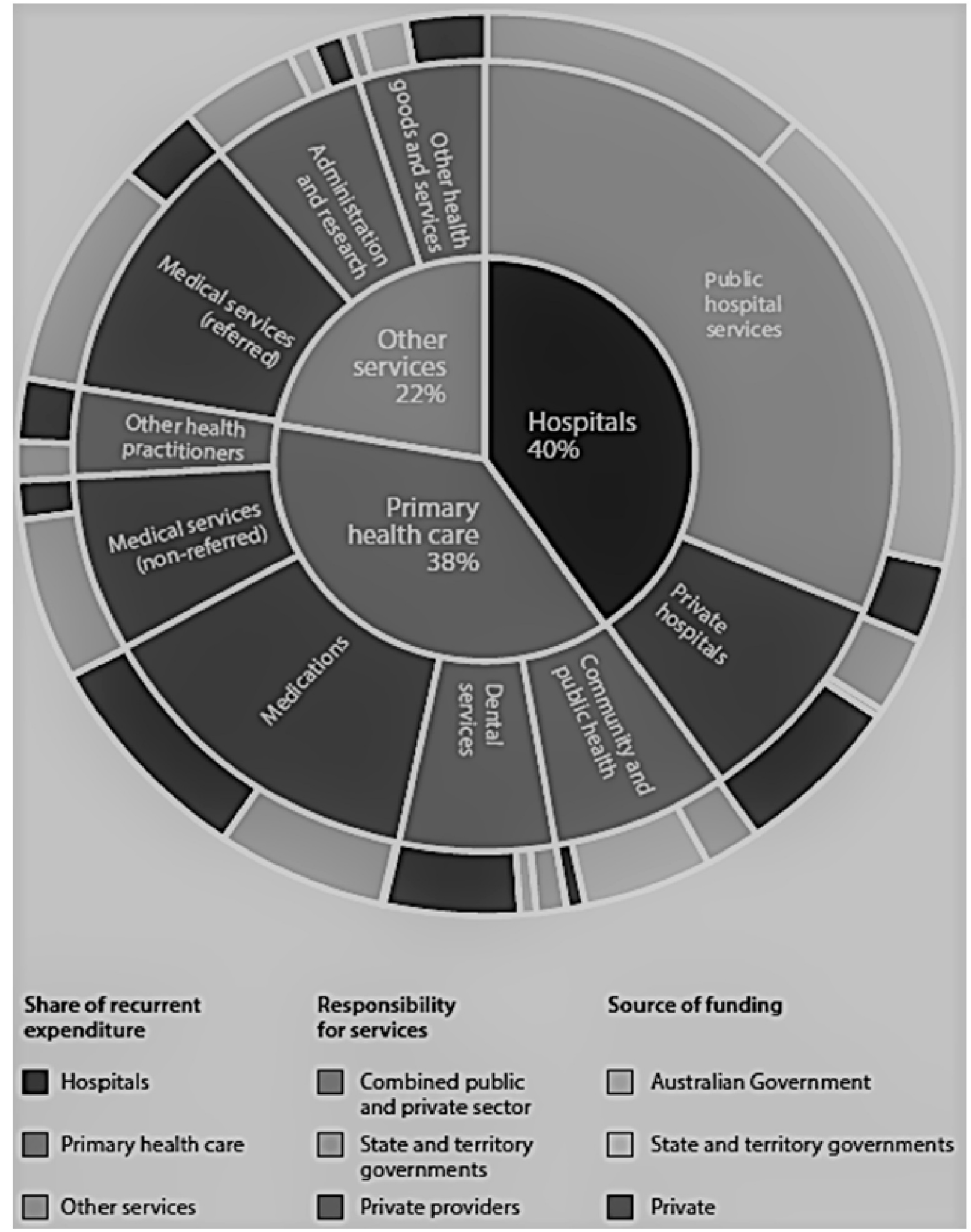
Key words: health reform, health systems challenges, Acute care, aged and disability, Primary health, universal health care.

Context

Australia is a nation best described as a Commonwealth of States, a Federation consisting of eight states and territories, each with their own elected government, together with a Commonwealth Parliament where the majority political party or coalitions form the National government. There is also local government at the more localized community level. There is divided responsibility between the Commonwealth and the States on responsibility for both funding and delivery of services and these divisions are negotiated from time to time through Councils of Australian Government (COAG). This institution consists of the first ministers of the States and the Commonwealth with a collective responsibility, such as the Australian Health Ministers Advisory Council (AHMAC). This provides a forum for negotiated agreement on service levels, funding, outputs, and priorities. Most but not all revenues are collected by the Commonwealth and in part redistributed to States for predetermined service provision (Podger, 2016). This context suggests that health reform in Australia is

complex and difficult to achieve and that substantially most reforms have been partially implemented before the next attempt at reform is initiated at State or Commonwealth level or at both levels. The complexity of health service responsibilities for financing and service delivery are best expressed in Figure 1 below.

Figure 1: Australian Health Services - funding and delivery responsibility, 2013-14



Source: Published AIHW material, Australia's Health 2016. Http://www.aihw.gov.au/australias-health/2016/

Australia is a large continent and in size could easily accommodate more than the area of approximately 20 other countries. However, it is also a very dry continent with large areas of the interior very sparsely habitated. Australians are essentially urban dwellers, located on the coastal strips, with more than 71% living in major cities (AIHW 2016a). The population is currently at more than 24 million with 28% overseas born and some 3% Indigenous Aboriginal and Torres Strait Islanders (AIHW 2014). Population growth is through natural increase (40%) and migration (60%). Australia ranks as the 56th most populous country in the world. Life expectancy has increased towards the mid 80 years old (AIHW 2016a).

Health Status

As described by Podger (2016) Australia's success in increased lifestyle, decreased mortality amongst children and the middle aged has now led to reductions in mortality at older ages increasingly up to 90 years with increased rates above that age (Podger, 2016, P.30) and this means that we will experience the burden of chronic disease within an ageing and perhaps frailer population. The implications are a shift from episodic care to a need for more continuous and integrated care. The increased epidemic of obesity also extends to younger age groups and Australia is not alone in being described as having more than 23% of the population as having 'insufficient physical activity to be healthy' (Martins 2016, p.47) and with obesity levels greater than a quarter of the population. Closing the gap on the poorer outcomes of the Indigenous population remains a challenge for Australia with that gap being at 11years less than the Australian population as at 2010-2012 (AIHW, 2015; Martins, 2016).

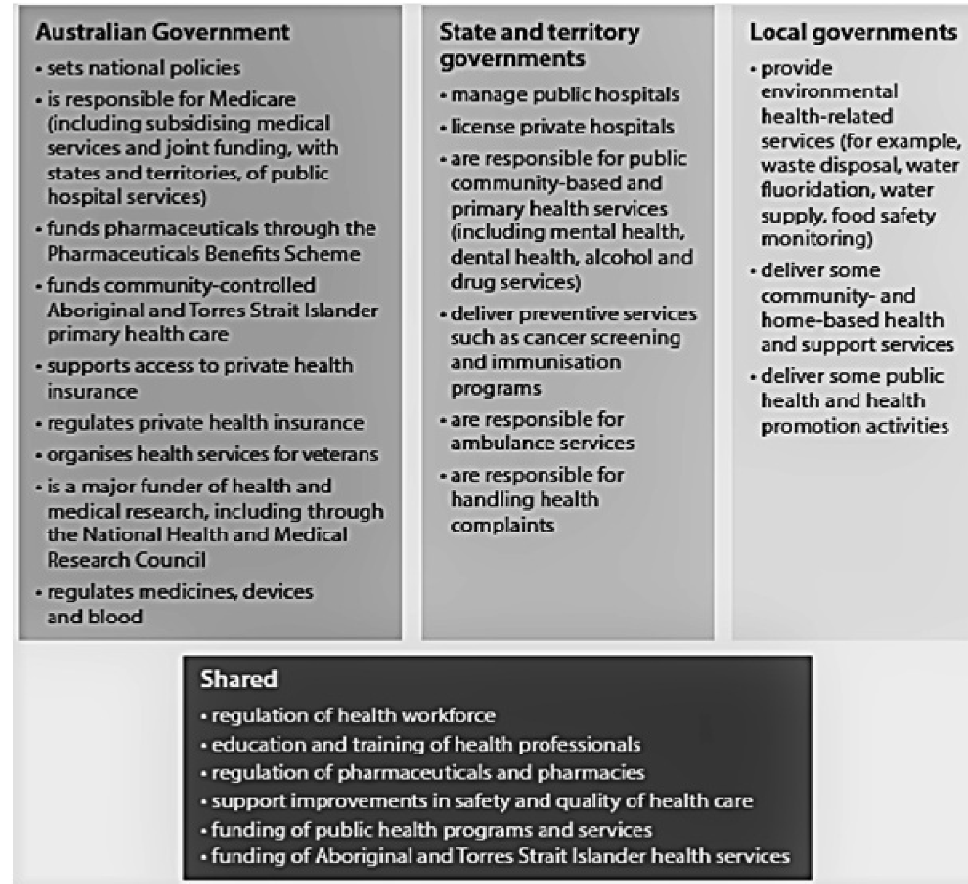
There has been a 'long and continuing fall in death rates and... coronary heart disease remains the leading underlying cause of death', followed by stroke, dementias and lung cancer. Cardiovascular diseases, cancer, injury, diabetes and respiratory diseases 'are the leading cause of death for Indigenous Australians' (AIHW, 2016a, p.20). Chronic diseases represent the health burden for Australians whilst mortality rates are amongst the lowest of OECD countries (AIHWa, 2016, p. 2,5).

The Australian Health System

The above heading suggests a national health system but the descriptor falls short of what might constitute a truly national system. As a federation, there is a division of power between the Commonwealth and the States in the Constitution that adds to the difficulty of understanding how it is financed and how services are delivered. This complexity is in part an outcome of the division of powers between the Commonwealth and states and interpretation of the powers and meaning over time and as tested since Federation in 1901. For a fuller discussion of the complexity of our federated system please see the discussion by Podger (2016) and the Commonwealth Fund analysis of International Health systems profiles (2016, pp. 11-19). Martins (2016) also provides a comparative analysis of the Australian health system to that of four other countries. Responsibility for the funding and delivery of major services of primary care, acute

care, aged and disability services and health insurance context are described in Figure 2 below.

Figure 2: Main roles of government in Australia's health system



Sources: Biggs 2013; COAG 2012; Department of Health 2015b; Duckett & Willcox 2015; PM&C 2014. As presented in Australia's Health 2016. http://www.aihw.gov.au/australias-health/2016/

Further details about the main areas of healthcare delivery are now analysed below.

Primary Care

Essentially, The Commonwealth has direct responsibility for the funding of primary health care. This is achieved by direct reimbursement (fee for service) to general practitioners and/or patients for individual medical services through the Medical Benefits Schedule (MBS). There is potential for general practice to 'bulk bill' the Commonwealth rather than charge the patients who seek the reimbursement. The MBS fee is not mandated and individual doctors can and do charge above that fee and that component is not recoverable by the patient. Australia has a process of approval for pharmaceuticals before they can be added to the Pharmaceutical Benefits Scheme (PBS) which provides relatively low cost pharmaceuticals on prescription with an emphasis on the generic rather than 'brand' product and safety nets for the chronically ill. (AIHW, 2016, Podger, 2016)

The delivery of primary care in Australia is mostly through general practice operating as individual or group providers in for profit and not for profit practices. General practice has had a history of being poorly supported and partly sitting outside mainstream health systems as practitioners conduct their practice in small business fashion. This approach has subsequently seen an aggregation of practitioners in larger group practices in both not for profit and for profit contexts. To address the earlier feelings of isolation and the perceived exclusion of general practice from mainstream health care it was recognized as a distinct medical discipline in 1989 and a future orientated policy to support general practice - 'The Future of General Practice: a strategy for the nineties and beyond' (1992) was established, followed by the establishment of Divisions of General Practice together with practice grant funding in 1992/93 (Harris & Zwar, 2014).

110 geographically defined divisions of general practice were established across Australia, each governed by a Board consisting mostly of general practitioners to provide continuing professional development of PHC health professionals, practice support, business services, information and workforce support, advocacy and clinical services. These Divisions provide an effective role in support of general practice for a considerable time until an incoming Federal government rolled them up into larger and fewer entities named 'Medicare Locals' some 61 in number. They had similar functions to the former divisions but had extended roles of improving patient journeys through integrated and coordinated care, identifying local health needs, developing positive responses, facilitating implementation of PHC initiatives and programs.

These entities were governed by general practitioners, other primary care professionals and citizen appointed board members. The life of Medicare Locals was short lived given suspicion based on the name that government was moving into direct provision of PHC services, in competition with general practitioners and that the close affinity experienced with GPs in the former Divisions had been lost. The Medicare locals were closed and the market was opened for potential providers to become Primary Health Networks (PHNs).

In all 30 PHNs were established by contestable bids. They had similar roles to MLs but were not to be service providers. Instead their primary roles were to purchase, contract and commission services, reduce fragmentation of care, leverage improved healthcare as facilitators and purchasers. GP engagement was paramount in addition to that of other health professionals together with effective community engagement. Interestingly, all this was to be achieved with little written or established public policy to guide or provide consistency to the implementation processes. The PHNs have been established and are at the end of the second operational year. The author has direct involvement at the governance level of one PHNs and would encourage readers to visit http://www.hneccphn.com.au/ to gain a better appreciation of how a PHN works.

Acute Care

This sector is essentially a public health system, predominately the responsibility of State and Territory governments, mostly directly delivered by those State governments through entities currently described as Local Health Districts (LHDs) across Australia. The Acute care sector had been the subject of almost continuous organizational restructures over recent decades, mostly away from localized community engagement and control to increasingly larger centrally (State) controlled Area Health Services. Major failures of these large systems in two States saw Special Inquiries and a Judicial Inquiry (Davies, 2005, Forster,2005, NSW Health, 2008) into the failures and a National Health Reform Commission (NHHRC, 2009) outcomes saw a more localized geographic organization of hospital and community health services called Local Health Districts/networks (LHD/LHN). The essence of this approach is that hospitals are organized into a system of care to meet the differing needs of patients and communities. Increasingly this process is being informed by the adoption of evidence based clinical pathways to ensure a patient transition through that system.

From the perspective of this author there are important lessons to learn from the Australian pre-occupation in the early 2000s with an over- emphasis on restructuring of organization as an approach to health reform, presumably where an improved more effective delivery system is the anticipated outcome. First, the move to large centralized health systems without community engagement at the governance and service delivery level is likely to produce systems failures, poor health outcomes and a dis-affected health workforce as described in the abovementioned Inquiries. Secondly and subsequently the emphasis on the word 'local' to redress those adverse outcomes brings into play the concepts of localism and subsidiarity (Briggs, 2014, Podger, 2016). These suggest that services should be engaged and delivered as close to those who use them as possible and both are important principles that have helped reduce the extent of constant structural change and brought a greater period of stability to the governance and management of health organizations in Australia, post 2010. Finally, the development of hospitals into large systemized health systems continues to demonstrate variable utilization and outcomes evident across the system and between States and territories (Productivity Commission, 2017).

While hospital services are predominantly delivered by the States, their funding is shared between States and the Commonwealth agreements negotiated through the AHMAC and COAG processes. It is ironic that Australia was a leader in the Australian National Diagnostic Groups (ANDRG) costing system but apart from Victoria, most States avoided its implementation as a funding system. Since the National Health Reforms, agreement has been reached to adopt a national 'fair price' concept that will be the basis of future hospital funding. While perhaps fairer, most hospitals currently operate with waiting lists for elective surgery and with emergency departments often dealing with overload through being used for care normally delivered through general practice. There is also known variation around public hospital utilisation suggesting that we could do better. The health reform language is about, 'preventability' of hospital acquired diagnoses, 'avoidable' admissions and variable utilization. Duckett (2016) describes the use of the term 'preventable' as fraught and as a 'slippery' concept and goes to several reasons as to why this is so. Despite these difficulties, the COAG has agreed to utilize the fair price concept to place greater emphasis on both clinicians and manager's accountability in the safety and quality space in agreements from 2017.

Australia also enjoys a high quality private hospital sector that provides 34% of available Australian beds (AIHW) and that also operates internationally. For those who hold private hospital insurance this provides options of choice about where elective surgery is undertaken and what specialist might provide that care and, the added advantage of avoiding waiting lists operating in the public sector. There is also an increased propensity for State governments to enter into contracts for private sector involvement in the design, development and management of public hospitals.

Public hospital expenditure at 2014-5 was at $AUD 57 billion and private hospitals at $AUD 12 billion. While public hospitals are State run, their funding is shared. In 2013, this was 37% by the Australian Government, 54% by State and Territory governments with 9% funding from non-government sources. 66% of private hospital funding came from non- government sources (AIHW, 2016b).

Aged Care and Disability

Aged care and Disability services both community and residential, services are a Commonwealth government funding responsibility and are delivered through a myriad of both for profit and not for profit non-government organizations. The main services are *residential care* for permanent care and for temporary respite care. In addition, *community based care* is delivered through the Commonwealth Home Support Program for assistance with daily living to enable people to live independently at home, through a jointly funded Commonwealth - State funded Home and Community (HACC) program. More complex, coordinated and personalized care at home is delivered through four packages of increasing levels of need and the consumer directs the purchase and preferences for provider options. Of the Australian population over 65 7.8% (270,559) were in residential aged care facilities over the 2013 - 14 year. 2.4% of those aged 65 and over received Home Care (AIHW, 2017).

In response to an earlier Productivity Report on Ageing, the Commonwealth government in 2012 announced 'The living longer living better' $3.7 billion program over five years as the start of a 10-year reform to 'create a flexible, seamless system providing consumers with more choice, control and easier access to services. The reforms are also meant 'to meet the social and economic challenges of the nation's ageing population' (DoH&A, 2017). The evidence suggests increased longevity of older people with recourse to acute care occurring later in life for an acuter but shorter utilisation period of that care. The interface between aged care, residential care and the acute sector remains problematical with approaches to improve access for those in

residential care to avoid acute care by better access to primary care being implemented.

Universal Health Care (UHC) and Health Insurance

Even though the above description of who funds and delivers health care in Australia suggests that we do not have a national health systems but a complicated arrangement between levels of government and the private sector, we can claim to have a national health insurance system. Medicare is the name mostly used to describe that system. However, the bulk of funding for the health system comes from general tax revenues and this is supplemented by a Medicare tax level nominally set at 1.5% of income. This is a nominal rate because low income earners are exempt and the percentage increases to 1.5% at higher levels. Equally if you are a high-income earner without private health insurance you are subject to an additional 1% surcharge. If you privately insure at a young age your levy is discounted long term to encourage the maintenance of your private insurance. The Commonwealth government also provides a subsidy to private health insurance. In recent times a .5% levy was added to support the funding of national approach to disability service funding. Private health insurance provides those insured with choice of specialist care and private or public hospitalization of choice, together with optional cover for allied health services, optical and dental type services as well as some support to healthy lifestyle choices. Access to general practice and pharmaceutical services are covered by MBS and PBS schemes described earlier. You cannot insure for gap payments paid by patients directly to general practitioners above the 'scheduled' MBS fee.

This context describes that Australia is committed to UHC. However, that position has been contested by both sides of politics over the evolution of the health and insurance systems but is not enshrined in constitutional or legislative arrangements. At the most recent federal election, the opposition party was able to suggest that plans to privatise the 'back office' accounting and IT arrangements for Medicare was tantamount to its privatization. This became the 'Mediscare' campaign that in the end saw both sides of politics solemnly declare that Medicare would not be privatized. It is evident that the Australian public has a very strong attachment to Medicare and the concept of UHC. Podger (2016) has suggested some principles that might be enshrined to ensure the place of UHC and Medicare and are repeated here in the hope that public policy and the political process might adopt them:

1. Universal coverage: that all Australians should have access to health services according to their health needs;

2. Equitable financing: that the health system should be funded according to people's capacity to pay;

3. Efficiency and effectiveness: that government support for the system should be based on cost effectiveness in terms of health outcomes; and

4. Consumer and provider satisfaction: that the system should be oriented to

> patients and consumers, providing safe, high quality and convenient healthcare, while also respecting the professionalism of those providing the services (Podger, 2016, p.34).

Challenges and Opportunities

Fiscal Considerations

Australia and I suspect most countries are in a period of low economic growth following the well-publicized global financial crisis (GFC) and are focused on reducing the national debt no doubt created by the profligate spending on such things as health by previous governments (that are now 'the opposition'). Australia spends about (9.7% of GDP on health against an OECD average of 9.3 %. So, at the moment health policy is as much directed by fiscal policy that focusses on cutting expenditure rather than necessarily improving health outcomes. This downward pressure is directed to ensuing that health expenditure will not increase faster than GDP in the face of increased needs for chronic care in an ageing and perhaps frailer population and providers wishing to respond to that demand and the utilisation expectation of the acute hospital sector. The increased focus on disability services and a growing concern of communities about access to health services being variable as demonstrated by socio determinants of health, add to the pressure and demand for more services (Podger, 2016; AIHW 2016).

Despite the political posturing and the reasonable concern about growth in the sector it needs to be remembered that other nation states, such as Thailand, implemented UHC and dramatically improved a national health system at a time and during a period of low fiscal growth and from a much lower base than Australia (Tejativaddhana et al., 2016). So, this suggests that we need to be sanguine about political posturing around financing and the economics of health service delivery.

The way forward to improve the Australian health care system is not necessarily to pursue more structural reform as the evidence suggests that that approach may not achieve positive outcomes. In fact, recent research suggests that we all should move away from a culture that values healthcare to one that values a culture of health (Weil, 2016). Evidence further suggests that utilisation and cost of healthcare remains variable and there is room for improvement across the system (Hillis et al., 2016). Bikshandi (2017) draws attention to the perverse outcomes of some clinical outcomes with the use of antibiotics meant to address infections leading to antibiotic resistant bacteria, with prosthetics presenting an array of new problems, as a few examples. Elshaug (2017) focusses on combatting overuse and under use of healthcare. He cites the use of high cost services of little or no use while cost effective proven approaches are ignored. While suggesting that we are all heading in the wrong direction he remains positive given the problems are well stated and recognized and can no longer be ignored.

Universal Healthcare

Australians emphatically have endorsed their preference for them to have access to

universal healthcare but as this is not yet enshrined and will continue to be an area of tensions with opposing ideological views and it would seem prudent for a supportive government to at some stage codify the principles espoused by Podger (2016).

Chronic Care, Frail aged and Obese Populations

While concerns about aging populations are not new the experience so far suggests that the aged population is living longer with shortened periods of need for acute care extending out to the 80+ population. A coming threat already of significant proportion is the obesity epidemic and the rise of diabetes in younger populations who may not demonstrate the same robust resilience of the existing aged population. In the Australian context, this will require a greater integration of service provision and increased coordination and collaboration across the various health subsectors. It will require significant support to the new and emerging PHNs still in their formative years, to ensure that we have the right mix of accessible care in community settings (Podger, 2016, AIHW 2016).

Local Approaches and Innovation

While some commentators in Australia express some frustration at operating in a federated system of competing responsibilities for health it appears that the challenges facing unitary, national health systems such as those of New Zealand and Thailand report that their systems facing very similar challenges to the Australian experience (Tejativaddhana et al., 2016, Gauld, 2016).

The recent establishment of PHN's in Australian was notable in that the geographic definition of PHNs by the Commonwealth government see them replicate the same geographic boundaries as the LHD's that deliver state based acute care services. This alignment might suggest that we are being given license to engage across those boundaries to collaborate and improve the coordination of care. The creation of the PHN to commission PHC services also suggests the potential to develop local approaches to regional funding without too much prescription. It also suggests that innovative frameworks of service delivery might become possible locally as evidenced by efforts to undertake extensive population health and planning approaches by the emergent PHNs exampled at http://www.hneccphn.com.au/population-health/ and an increased use of social media engagement in newer and more cost effective ways as exampled by 'PeopleBank' at http://peoplebank.hneccphn.com.au/ (Briggs & Isouard, 2016).

Conclusion

This analysis of health reform and the research of others has led this author to conclude that health reform is increasingly becoming focused on achieving better outcomes by seeking systems improvement and the earlier focus on reform through restructuring is much diminished. The focus on performance measurement needs to have a broader focus on health outcomes particularly system level measures.

The health workforce has become global, is a critical issue and requires a coordinated focus by nation states of the Asia Pacific region. There is much to be accomplished in the education development and personal learning of health professionals in the emerging language of 'collaboration, innovation and collaboration' through networks and from the diversity of differences of health systems across the nation states of the Asia Pacific region.

In that learning, there needs to be a greater emphasis on evidence-based management, health prevention, promotion, wellness and meaningful 'engagement of communities, consumers and being patient centric'. This learning needs to be strengthened by a greater emphasis on the evidence base of population health, the socio-economics determinants of health and the achievement of forthcoming sustainable development goals.

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Can Charter Cities 'Anabolise'[1] the Australian Federation?

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Abstract

This paper explores a new form of governance for Australia: the 'charter city.' Should Australia have cities that are governed independently? Can such cities 'anabolise' the development of the nation as a whole? The Commonwealth is largely a network of cities that power our political, social and economic systems. Reforming this federalism might not only necessitate creating more 'Alpha,' or world-class cities but also affording these cities a wider (asymmetrical) margin of autonomy. City governance structures and their relationship to higher order political entities are context driven. Today's administrative structures - formed in the 19th century - are not responsive to global dynamics. More agile structures may be needed to take full advantage of globalization. Bringing about such change may be more pragmatic than proposals relying on the vagaries of constitutional amendments.

Key words: charter cities, city-regions, federalism, global cities, nation-states, subsidiarity

Introduction

Reforming the Federation seems to be once again a national priority. A full 125 years has passed since Sir Henry Parkes advocated a political process that led to the Federation. On 27 October 2014, the then Australian Prime Minster, Tony Abbott, called for a bipartisan reform plan to fix the Federation (Crowe, 2014). On the same day, The Committee for the Economic Development of Australia (CEDA) published a report on some reform options (CEDA, 2014). In September 2015, the incumbent Prime Minister, Malcolm Turnbull, indicated that urban policy is a priority for him and appointed a 'Minister for Cities and the Built Environment.' Six months later, this role was replaced by the role of 'Assistant Minister to the Prime Minister for Cities and Digital Transformation.' Since then, the Federation reform agenda has been largely abandoned.

The CEDA report incorporates some proposals for reform. The proposal by Lucy Hughes Turnbull AO comes closest to the ruminations in this paper (Hughes Turnbull, 2014).[2] However, Turnbull stops short of clarifying that empowering cities requires a move from seeing them as a 'body corporate,' as stipulated for under Local Government Acts,[3] to seeing them as a 'body politic' with a jurisdiction to which the state and federal governments are only subsidiary. Black's Law Dictionary (2004) defines a 'body politic'

as "a group of people regarded in a political (rather than private) sense and organized under a common governmental authority." Turnbull cites Edward Glaeser's *The Triumph of the City* in support of the importance of cities to a nation's economic success (Glaeser, 2011). In that book, Glaeser gives examples of thriving cities from around the world. In particular, he discusses Singapore, a city-state that has had full representation in the United Nations since 1965. He points out that "Singapore [is an] imperfect model for cities that are neither independent states nor national capitals... No American, European, Indian, or Chinese city has that much control. In larger countries, economic policies are determined mostly at the national level, not the municipal level" (ibid., pp. 231-2). However, it is precisely this point that needs to be addressed. The issue is understanding the link between the power of cities, their prosperity and their legal status.

This paper is about creating 'charter cities' in Australia. A 'charter city' is governed according to a treaty that devolves most governance functions to the city. This governance model allows cities to have their own political and legal systems including currency, immigration laws (including refugee quotas), employment laws, and so forth. The city remains under Australian sovereignty but has a separate citizenship that does not lead to any residency rights in Australia. 'Charter cities' are sometimes also referred to as special administrative regions (such as Hong Kong or Macau), or as economic zones (such as the Visakhapatnam Special Economic Zone in Andhra Pradesh, India).

This charter-city proposition is radically different from current proposals for reforming the Australian Federation. Presently, Australia focuses on free trade agreements and specific sectors for growth opportunities. The charter-city approach focuses instead on 'anabolising' Australia: on introducing multi-governance systems within Australia as a means of boosting economic growth. Instead of searching for increased exports overseas, this approach increases exports to 'overseas-like' 'charter cities,' but on Australian soil (mostly in hitherto barren, uninhabited areas or regions with low economic activity) - much closer to our resources. With Australia being a democracy under the rule of law, such charter-city partnership is not only less volatile but is also a drawing card for potential investors. Benefits from 'charter cities' flow to the regions. Commonwealth states can now focus their resources on these areas rather than on cross-subsidising world-class cities. Under this vision, Australian state and Commonwealth governments' role is first and foremost to create new 'charter cities,' both on greenfield sites and from existing metropolitan areas and then to concentrate on governing and developing other regions.

'Charter cities' have an independent legal personality. Legal personality refers to the "device by which the law creates or recognizes units to which it ascribes certain powers and capacities" (Paton, 1973, p. 393). Such units could either be natural or artificial. In Australia, a legal person can include a body politic and a body corporate.[4] Throughout history, cities oscillate between strong and weak personalities. Strong personalities dominated when higher orders of political organisation (e.g. nation-states) were undergoing crises, while weak personalities dominated under the reverse conditions.

The assertion is that throughout history, cities oscillated between strong and weak personalities. Strong personalities dominated when higher orders of political organisation were undergoing crises, while weak personalities dominated under the reverse conditions.

To understand these different personalities better we need to take a detour to introduce - if only briefly - the legal theories behind them. These theories are usually discussed in the context of corporations, but apply equally to cities, especially in an analysis of international legal personality, as the latter continues to be understood as a body corporate. Some theories focus on the question of the reality of city legal personality, while others focus on the source of legal personality. For our purposes, the former theories are of particular interest, and two theories among these are most pertinent. Under the positivist 'fiction theory,' championed by Friedrich Carl von Savigny, John Salmond, Edward Coke, and William Blackstone, the legal personality of the city is fictional. Nevertheless, this personality is different from that of its inhabitants, which means that changes in the population would not alter the legal personality of the city. The property of the city is not, in law, the property of its inhabitants. On the other hand, the 'Realist Theory,' a natural rights theory that found favour with Johannes Althusius and Otto von Gierke, asserts that cities are 'social organisms' with a real (psychological rather than physical) existence separate from its inhabitants. This later came to be known as the "Cooley-Eaton-McQuillin thesis" which denied "the existence of absolute state supremacy over cities" (Frug, 1980, pp. 1113-1115). The 'realist' theory accounts for the possibility of cities' strong personality, while the 'fiction' theory suggests a weaker version.

The success of cities depends more or less upon their ability to exercise control over their economic surplus (Griffith & Thomas, 1981; Abu-Lughod, 1989).[5]

However, in a clear departure from the historical trend where cities were created not by governments but by their citizens,[6] most legal systems today treat cities as creatures of state and statute (the Dillon doctrine) - as implementation agencies of national and supra-national agendas.[7] In most legal frameworks today, cities do not have any 'natural' or 'inherent' powers (Frug, 1980, pp. 1062-1063, 1109). They are governed more as bureaucracies than democracies. For example, in the United States, cities are treated as administrative subdivisions of their states (Frug, 1999, pp. 3-7). Unlike states, they are not "general lawmaking bodies" (Frug, 1980, p. 1065), even though there have been attempts in the 19th and 20th centuries to model American cities after European 'free' cities. When American cities faced urban crises, which were largely driven by unprecedented growth, they looked to the old continent for inspiration. Comparative analysis of the legal frameworks governing cities in the US and Europe resulted in constitutional amendments where many states granted their cities 'home rule' (Frug & Barron, 2006, p. 6), although denied them planning powers commensurate to those seen in Europe. As a result, the 'home rule' given to American cities did not alleviate their powerlessness. The most liberal plans for 'home rule' reserved to the states powers that would be most injurious to the city, such as policing and the power to regulate elections and local finances (Brooks, 1915, p. 239).

Current local government law envisages state administrative control over city-regions regardless of their varying capacities and competencies. For example, local government law in the United States simply decentralises power by moving its location without reshaping the nature of the relationship between central and local governments (Frug, 1999, p. 10). To be precise, there has been real limits to local (financial) autonomy as evidenced by increasing fiscal dependence on central governments and less policy discretion over resources (Caulfield & Larsen, 2002). The legal conception today is that "cities are governmental bodies with delegated powers created and limited by the authority of state governments" (Frug, 1980). Cities have only powers delegated to them by state governments, and even these have traditionally been severely limited by the courts. In fact the US Supreme Court has excessively emphasized the absolute power states have over cities.[8] The rationale for this approach stems from two main arguments. The first enlists the complexity of today's world, with its large scale organisations, to evidence the impossibility of decentralising power to cities. A related second argument sets up the sovereign city as a selfish entity that cannot be trusted to exercise unsupervised power. City power is feared for it strangles capitalism by a maze of local regulations and frustrates national political objectives by parochial agendas. City discretion invokes images of corruption and even foolishness. Both arguments allude to a necessity of the powerlessness of cities - a necessity whom Tocqueville, Marx and Hegel identified as a cornerstone of government policies in the democratic era (Arendt, 1965, pp. 113-115).

Both arguments are flawed. The first for misunderstanding the nature of complexity involved (Gussen, 2012), the second for conflating the concept of legal empowerment (as a form of bounded autonomy) with that of sovereignty (Golub, 2006; 2010). Increasing people's control over their lives is not tantamount to prohibiting interference from other stakeholders. This conflation harks back to an already archaic formulation of sovereignty where it only exhibits an abstract absolute, or to a formulation that envisages only a division of sovereignty (as under federalism), rather than a sharing of sovereignty (as under subsidiarity). As discussed in Gussen (2013), sovereignty is a relational construct that envisages sharing sovereignty, which in turn imports organising jurisdictions on a small scale. On the other hand, ensuring city-regions are the primary unit of political organisation also forces cities to take regional considerations into account.

It was twentieth liberalism that brought about the current powerlessness of cities. Liberalism, with its model of the world as dualities, saw participatory democracy on a small scale like the city-region as unworkable. Cities with real power were intermediate structures between the state and the individual. Through legal doctrine, liberalism proceeded to eliminate this intermediate structure and replace it with powerless, coercive instruments of the state (Frug, 1980, pp. 1074-1080).

City power is again on the ascendancy. Today we can discern a move towards empowering cities on two fronts: one is domestic where there is constitutional recognition, under cooperative models of federalism, of the local governments of city-regions as co-equal to federal and state governments, and the development of what is known as the 'doctrine of usurpation of jurisdiction.' The approach does not emphasise political autonomy but rather the idea of subsidiarity where general competence powers are extended to city-regions (Caulfield & Larsen, 2002). The second front is international, where there is an emerging field of law that acknowledges city-regions as independent international actors. International law has long had an *indirect* impact on cities, but now we see an emerging trend where cities are becoming distinct international actors almost co-equal to their nation states. International law is enlarging the nation-state club that dominated its institutions since their emergence, to admit sub-national governance structures, most notably city-regions, mainly through regulating the relationship between cities and their nation states.

The traditional approach where local government is simply an administrative division of the state is now being replaced by an approach, driven largely by globalization (as a modality of economic integration), where international institutions redefine the scope of domestic frameworks. This has come to be known as 'International Local Government Law', a hitherto uncodified interdisciplinary field that draws on comparative urban governance (which focuses on domestic rules) as well as on the 'world cities' hypothesis which highlights the impact of economic forces in shaping 'world systems' (Frug & Barron, 2006, p. 2).[9] Unlike these other disciplines, however, international local government law emphasises the dual legal nature of city-regions as both sub-national governments and as independent international actors. This emerging field would determine both, who should regulate the legal framework for city-regions, and the nature of that framework. Examples of this approach include decisions by international arbitration tribunals regulating cities' land use. This international framework envisages (at least tentatively) empowering cities "principally as a mechanism for promoting private economic development" (Frug & Barron, 2006, p. 4).

International instruments such as the United Nations International Covenant on Civil and Political Rights (ICCPR) and the International Convention on Economic, Social and Cultural Rights (ICESCR), *inter alia*, are altering the relationship between cities and nation-states. City-regions are becoming "nodal points for radially distinct governance projects that have as their common goal to transform cities from mere subdivisions of sovereign states into legally empowered entities, able to advance goals and values that are different from their states" (Blank, 2006, p. 899).

The rest of this paper outlines the historical context of 'charter cities' and recent developments. Some specific implementation challenges are also addressed. The paper

ends with some recommendations.

The Economic Performance of Australian Cities and Their Governance Structures

A stepping stone for understanding the correlation between economic growth and city governance structures is amalgamation. A case in point is the amalgamation of Auckland, New Zealand. In 2009, a Royal Commission on Auckland Governance proposed changes to the local governance structure (Salmon, Bazley & Shand, 2009). The Commission's report reviews the economic literature on economic growth, both at the national and city-region levels. In particular, the Commission summarises the economic factors provided by cities. These factors could be divided into scale economies (e.g. larger plant sizes and larger parks and libraries), shared inputs (e.g. legal and accounting services and recreational facilities including theatres and restaurants), transaction costs (e.g. matching in labour markets and in large shopping malls), and statistical economies (e.g. lower unemployment and lower inventory levels). The Commission also refers to the centripetal and centrifugal forces of economic activity arising from agglomeration. In additon, the Commission adopts the distinction between the effects of localisation, which refers to congregations of similar firms, and urbanisation, which refers to diversity (congregations of different firms). However, in a given locale, these effects could - and usually do - work simultaneously.

While amalgamation does not necessarily lead to innovation, there is a large body of literature that looks specifically at the role of cities in innovation. A relatively recent review concludes that the literature is not definitive, in particular, due to definitional issues around cities and innovation (Shearmur, 2012). Such problems can be attenuated by focusing on a subset of cities, namely 'charter cities.' Focusing on subsets of innovation could also be informative. The difficulty, however, is that 'charter cities' are an 'ideal type.' Hence, we need to use a proxy construct, namely polycentricity (Aligica & Tarko, 2012), as it applies to existing levels of governance, and extrapolate its effect on innovation to that of 'charter cities.' For example, in the context of the United States, Derek Kauneckis showed that an increasingly proactive role for the states in setting the research agenda (as opposed to being implementation instruments of a national research program) is having positive effects on innovation (Kauneckis, 2009, June).

More broadly, we need to invoke an analogy between 'charter cities' and competitive markets. The latter, as Adam Smith would remind us, align the interests of private and public agents. In particular, 'charter cities' allow for the creation of competing legal systems. Under this analogy, we find evidence of enhancing innovation by competition between 'charter cities.' For example, Elinor Ostrom argues that "any governance system that is designed to regulate complex biological systems [such as cities] must have as much variety in the actions that it can take as there exists in the systems being regulated." (Ostrom, 1998, p. 150). Ostrom elaborates that "[a]mong the institutions that humans utilize for generating highly desirable future goods are open, competitive markets. [These markets]...create incentives for innovation and entrepreneurship" (ibid.). This competition becomes more difficult when public goods are offered, but not impossible. Provided voters have (perfect) mobility and (perfect) information, they will move from one city to another, which maximizes their personal utility (Tiebout, 1956). Allowing cities to differentiate their public goods allows not only for efficiency gains but also for innovation to attract more residents.

Besides governance structures, there are other factors affecting the economic performance of cities. Storper (2013) identifies institutions as one of these factors. While institutions include legal systems, they go beyond. They include firms, markets, and social conventions. Porter (2003) joins in the emphasis on innovation, in particular in the performance of regions. He also emphasises the role of (trade industry) clusters (ibid.). This emphasis chimes with Putnam (2000) who emphasises culture as a predictor of economic development (Putnam, Leonardi & Nonetti, 1994). Putnam made the conjecture that social capital is a function of autonomous governance at the local level, especially as exemplified by free city-states in the Middle Ages (Guiso, Sapienza & Zingales 2008). Another insight comes from the literature on the resilience of regional and local economies to recessions. For example, Martin et al. suggest a complex array of factors (Martin, Sunley, Gardiner & Tyler, 2016). These include industrial and business structure (e.g. firm size and ownership, debt structure and financial strength, and supply chains), financial arrangements with national governments, equity market conditions, and labour market conditions (e.g. skill profiles, gender profile, and mobility). Martin et al. (ibid.) also identify governance structures as one of the factors of resilience, including national and local policies, and international regulatory arrangements.

Economic rationale plays a major part in informing our federal designs. To get the choices right, we need to mull over, if only briefly, the basis of this economic rationale.[10] To this end, the next section delineates propositions leading to a 'federalism' centred on empowering 'city-regions' as the backbone political entities for state and federal governments.

Richest countries are more complex

Economic prosperity is related to economic complexity, especially as measured by the Economic Complexity Index (ECI). The ECI is a holistic measure developed at MIT and Harvard to express the accumulation of knowledge in a given country (Hausmann et al. 2011). Its creators suggest that modern societies are prosperous because they grasp a diversity of know-how which they could leverage to create smarter and better products. The top countries in the 2011 ECI ranking are also some of the richest economies in the world (by nominal per capita). The top five countries, in descending order, were: Japan, Germany, Switzerland, Sweden and Austria. In this ranking, Australia came in at 79 out of 86 ranked countries, below Chile and above Zimbabwe (ibid., p. 65).[11] The United Kingdom was ranked at 11, the United States at 13, Canada at 41, and New Zealand at 48. Even countries that are perceived to be dependent on

fossil fuels were ranked higher than Australia. Norway, for example, came in at 33, while Saudi Arabia at 68.

Complex economies require 'world cities'

'Fixing' the Australian Federation requires a federal design that allows economic complexity to emerge. This requirement, in turn, leads directly to the primacy of innovation. World cities are the nuclei of innovation worldwide (Bettencourt & West, 2011; Chakrabarti, 2013).

We can argue the nexus between complex economies and city-regions from a number of different angles. Here focus is on only one angle, probably, the most important one: innovation. In fact, by definition, cities are the social structures that stimulate innovation through individuality (Sennett, 1969, p. 6). Cities allow for 'public freedom' where citizens participate actively in decision-making (Arendt, 1965, p. 119). Cities are the microcosm of civilization. They release passions and energies. They enable public opinion to evolve beyond tradition and custom (Park, 1969, p. 139). The high population densities found in cities triggers an evolutionary process that leads to differentiation and specialisation (Wirth, 1969a, pp. 151-154). This is the basis of what later came to be known in the US as 'human ecology' (Wirth 1969b, p. 170), or in Europe as 'social morphology' (Dickinson, 2007 [1947], p. xiii). More precisely, innovation occurs in firms that are nurtured by city-regions (the core urban cities and their hinterland as an integrated entity). Glaeser cites the example of innovation seen in 18th century Manchester (England), which led to the Industrial Revolution, to suggest that cities are a superhighway for ideas which in turn leads to innovation (Glaeser, 2011).[12] The transfer of knowledge over long distances is costly, and hence innovation tends to cluster spatially (Beugelsdijk, 2007, p. 183). This is the essence of agglomeration economies. Cities cause productivity. An individual's productivity rises when he or she are near other individuals (Glaeser, 2008, p. 116).

The Innovation Cities Global Index (ICGI) measures the potential of cities as innovation economies and ranks 445 cities worldwide on innovation (2thinknow, 2014, p. 23). In the 2014 version, the top five cities were (in descending order): San Francisco, New York, London, Boston, and Paris. The top five complex economies (from the ECI) had the following cities in the top 100 (numbers refer to ranking): Japan (Tokyo 15, Kyoto 34, Osaka 37, Kobe 61, and Fukuoka 88); Germany (Munich 7, Berlin 13, Hamburg 18, Stuttgart 22, Frankfurt 30, Leipzig 33, Düsseldorf 43, Cologne 53, Dresden 72, Karlsruhe 75, Hannover 79); Switzerland (Zürich 59, Geneva 73); Sweden (Stockholm 16); and Austria (Vienna 6). In comparison, Australia had only Sydney (17), Melbourne (23), and Brisbane (60). When we take the size of Australia (in total square kilometres) into account, it becomes somewhat clearer that we have a fatal imbalance in the strength of our cities' innovation. The other state capitals are ranked low in the ICGI: Adelaide (160), Perth (183), Canberra (188), and Hobart (278), with Darwin not even making it to the list. These indicators point to the crux of the problem: the Federation is unable to produce the type of cities that can take the lead on innovation, and by doing so push this nation into its rightful place among the leading economies of the twenty-first century.

Australia needs to: (1) empower existing Australian cities, and (2) create 'charter cities' in Australia. The best definition of empowerment is what is known as a 'global city,' namely a city that has a direct effect on global affairs (Sassen, 2001). Such cities exhibit a level of infrastructure concentration that enables them to influence global processes (Sassen, 1995). Such cities function as the "organising nodes of a global economic system" (Friedmann, 1995, p. 25),[13] defined by dense patterns of interaction between people, goods and information (Keeling, 1995). Such cities are linked in a single network (Smith & Timberlake, 1995, pp. 80 and 88),[14] sometimes referred to as a 'world-system,' which sharpens the competition between them (Friedmann, 1995; Wallerstein, 1983). The spatial dispersion of economic activities and global integration has contributed to the strategic role of these cities in the current world-system (Sassen, 1997).

The Globalization and World Cities Research (GaWC) Network, a think-tank at Loughborough University in England, provides one of the oldest rankings of such cities (Taylor, 2003). According to the Globalization and World Cities Research (GaWC) Network ranking of 2012, the highest ranked global cities, the Alpha cities, are the following (GaWC, 2012):

Alpha++	London, New York.
Alpha +	Hong Kong, Paris, Singapore, Shanghai, Tokyo, Beijing, Sydney, Dubai.
Alpha	Seoul, Johannesburg, Buenos Aires, Vienna, San Francisco, Istanbul, Jakarta, Zurich, Warsaw, Washington, Melbourne, New Delhi, Miami, Barcelona, Bangkok, Boston, Dublin, Taipei, Munich, Stockholm, Prague, Atlanta.

At first glance there seems to be very little in common between these cities. This requires a delineation of the GaWC model, and how it ranks cities. The GaWC model is a city-centric flow model, as opposed to a model based on the boundaries of nation-states. The model ranks cities based on their "advanced producer services," using an interlocking network model (Taylor, 2001). These 'advanced producer services' include accounting, advertising, finance, insurance, and law applied in transnational contexts. In particular, the model interprets cities as being nodes, but not as primary actors. The model evaluates the presence of 'advanced producer service' firms in cities, and the size of this presence. In other words (Beaverstock, Smith, and Taylor 2000; cited in Taylor, 2001, p. 183):

> World cities have become centres for the production and consumption of the advanced services in the organisation of global capital. As locales for service innovations in such areas as multi-jurisdictional law and new financial instruments, world cities constitute concentrations of information and knowledge necessary for new service productions by advanced producer service firms.

In the words of Saskia Sassen (1991, 126), these cities have "a particular component in their economic base" which gives them a "specific role in the current phase of the world economy" (cited in Taylor, 2001). The model uses indirect measures of flows to compute a city's network connectivity, which is a measure of a city's integration into the world city network. These connectivity measures are then used to classify cities into levels of world city network integration, as follows:

Alpha++	cities stand out as more integrated than all other cities and constitute their own high level of integration.
Alpha+	cities are highly integrated cities that complement Alpha ++ cities, largely filling in advanced service needs for Asia Pacific.
Alpha & Alpha-	cities are very important world cities that link major economic regions and states into the world economy.

There are also Beta and Gamma level cities. Beta cities are instrumental in linking their region or state into the world economy. Gamma cities are either cities that link smaller regions or states into the world-economy or cities whose major global capacity is not in advanced producer services.

Some might argue that Alpha cities function within national jurisdictions. Why would we require 'charter cities'? The answer starts from a historical perspective. First, nation-states are not necessary for the creation of Alpha cities. Probably, the Hanseatic League is the quintessential example (Harreld, 2015). Historically, territorial states were the League's nemesis. From the 16th century, with the ascendancy of the Westphalian model of sovereignty that led to the Peace of Westphalia in 1648, the League succumbed to the political authority of nation-states. The last formal meeting of the League took place in 1669 (Dollinger, 2000). Second, Alpha cities *used* to function within national jurisdictions. That is not the case anymore. The contemporary city is no more 'installed' in a territory. The city is diverging from its historical model as part of a larger 'national' framework. Today, cities are about the economic flows permeating the world-system, and hence are perennially on the move. Today, cities are about a continuous percolation of a non-resident, migrant, population that seem to be exponentially growing in all directions. Perulli (2012) illustrates the point with statistics on the number of migrants worldwide, and how they concentrate in global cities. Global cities are transcending the limitations imposed by the nation-state and its constructs of citizenship and sovereignty. Ideas such as the 'fatherland' and 'our country' are being replaced by economic considerations. Third, cities such as Singapore and Hong Kong are classified as Alpha + cities and share a specific characteristic. They did not need to go through the long evolutionary path of other Alpha + cities like Paris and Beijing. They achieved their status within one or maybe two generations. Notwithstanding, all

Alpha + cities enjoyed- and some continue to enjoy- a privileged position. The position of the *capital* city. Both Sydney and Dubai are capitals of their states.

To summarise, a key fact to highlight from the GaWC ranking is the very high scores that many city-states have achieved: Hong Kong, Singapore, and Dubai (Alpha +). Next, this fact is analysed further to ascertain the type of empowerment that could lead to such Alpha cities.

The principle of subsidiarity empowers cities

In 2013, Benjamin Barber, an eminent American political scientist, argued that cities can save the world from a deepening crisis of democracy. According to Barber, the nation-state is failing to perform both on the local and global scales (Barber, 2013). He advocates a world where "cities, the most networked and interconnected of our political associations, defined above all by collaboration and pragmatism, by creativity and multiculture, do what states cannot" (Barber, 2013, p. 4). Barber's vision is being advocated by global organizations such as the United Cities and Local Governments network (UCLG) and the Cities Alliance. The UCLG is a global network of cities, local and regional governments. The network's mission is to be "the united voice and world advocate of democratic local self-government, promoting its values, objectives and interests, through cooperation between local governments, and within the wider international community."[15] In 2010, the UCLG called for cities to be self-governed (UCLG, 2010). Similarly, the Alliance, which was launched in 1999 by the World Bank and the United Nations Human Settlements Programme (UN-Habitat) as a global partnership, continues to promote the role of cities in sustainable development.[16]

The principle of subsidiarity provides the mechanism to fulfill the vision shared by Barber, the UCLG, and the Cities Alliance. The approach is not too remote from the one espoused on 'charter cities.' It is, in fact, similar to what Baruch Spinoza proposed in the 17th century in his analysis of the Dutch Federation that existed between 1581 and 1795 (Gussen, 2013).

The origins of the principle of subsidiarity could be traced back to ancient Greece if not even all the way back to the Sumerian city-states (Gussen 2013; 2014b; 2015a; 2015b; 2015c). Subsidiarity entails the following decision rule: as much freedom as possible and as much state as necessary (Dölken 2013, p. 3). Put differently, subsidiarity envisages so much expertise in the ever smaller social units as possible, and as much competence for ever larger social units as necessary (Dölken, 2013, pp. 3-4). Subsidiarity is hence an analytical principle to decide the optimal size for political, legal and social organisation, although it has a legal presumption in favour of smaller community units (Dölken, 2013, p. 8). Some suggest, however, that the fundamental purpose of the principle is "to reinforce the right of local government to take the first legislative action" (Bayer, 2003, p. 1459). These different representations of subsidiarity can be reconciled when the principle is understood as both a principle for constitutional design and a guiding principle for sharing power between different

entities.

In Australia, there has already been a healthy debate on the application of the principle of subsidiarity for reforming the Federation (Gussen, 2016b). For example, Evans (2012) suggests borrowing from the German '*Bundesrat*' model where there is a strong constitutional link between the Senate and the states. To be precise, Evans proposes to have the Commonwealth Senate comprised of members of the executive branches of the Australian states (ibid., pp. 303-304). This constitutional link would give Australian states immense powers to influence political decision-making. However, Evans does not make a connection between the efficient application of subsidiarity and city power, nor suggests any need for increasing the current number of Australian states (total of six).

Why Sign Up to Such an Arrangement?

State and Commonwealth governments have many incentives for creating 'charter cities.' A hypothetical could probably best illustrate the most salient of these. Note however that numerous issues are not spelled out in the scenario below. The intention is only to *illustrate* the main incentives. These are inevitably a function of constitutional designs. Some options are more commonsensical than others. The following scenario attempts to flesh out the former.

Imagine that it has been decided to create a greenfield charter city in the northwest of Western Australia (Gussen, 2017, January 24). The charter city is christened *Dilga* (after the *Karadjeri* goddess of fertility and growth). Dilga is to be developed by a holding Charter City Company (CCC), which is a joint venture between four groups. First, there is the government of Western Australia. They obtain equity in CCC by providing 1000 square kilometres on which Dilga is to be built (roughly the size of Hong Kong). The Commonwealth government obtains equity by constructing and operating a military base next to Dilga, and by providing ongoing defence and security (intelligence) services for the city. The third partner is the government of Singapore. Singapore obtains CCC equity by providing Dilga's infrastructure, includes ports, airports, roads, and electricity. The assets provided by each party account for 25% of the total equity. The last 25% comes from the private sector in exchange for rights to utilise Dilga's land and infrastructure. Dilga increases its equity (in agreement with the original partners) by selling new shares in CCC, as well as through debt instruments. The city makes its profit through a mix of city-owned corporations and tax revenue. All four partners share in this profit.

Dilga is finally fully functional. It requires a steady stream of natural resources such as iron ore, gas, and petroleum. Western Australia capitalises on the new market that is much closer to the source. Savings in transportation cost alone are creating a competitive advantage. Dilga is playing a growing role on the international stage too. It is absorbing Australia's refugee quota. Dilga is also becoming a showcase for green technologies, especially renewable energy resources, and efficient seawater desalination plants.

On the 50th anniversary of promulgating the Dilgan Constitution, Australia is creating 'charter cities' on every continent. Recently, they secured a concession for a CCC in Libya, where a new 'charter city' (yet to be named) is being created using the 'hands on' expertise gained in places like Dilga. Australia is seen as a trustworthy partner. A 'network' of 'charter cities' is adding considerable growth to the Australian economy, both directly, in new labour markets, and in synergies.

Why Opt for Charters Rather Than Agglomeration?

A useful comparison presents itself with the UK. The *Cities and Local Government Act 2016* (UK) (CLGA 2016) received the Royal Assent in January 2016. The philosophy behind the CLGA can be gleaned from previous Acts, including the Local Democracy, Economic Development and Construction Act 2009 (UK) (LDEDCA 2009). Part 6 of the LDEDCA 2009 stipulates for the creation of corporate bodies called 'combined authorities,' which are intended to improve the efficiency and effectiveness of transport and economic development by enabling local authorities to work jointly. The LDEDCA 2009 was preceded by the Local Government Act 2000 (UK)(LGA 2000), which was intended to reform the local government in Wales and England. The LGA 2000 innovation was to give constituencies the option of directly electing mayors. The LGA 2000 was followed by the Local Government Act 2003 (UK) which created the concept of 'business improvement districts' (BID). These special zones are intended to provide business services supplemental to those provided by municipalities. These added services are funded through additional taxes levied on occupiers within the boundaries of the district. These Acts were followed by the Localism Act (2011) (UK) which aimed at devolving powers to local authorities.

The CLGA 2016 operationalises these objectives through a deal-making approach between the UK government and local governments, which is envisaged to lead to asymmetrical outcomes, based on local preferences. So far, the primary example of such deals is the Greater Manchester Combined Authority (GMCA). From 2017, the GMCA is expected to receive new powers and funding streams for economic growth and social care (including health). Similar deals have been struck between the Government and the Cornwall Council, the Sheffield City Region Combined Authority, and the West Yorkshire Combined Authority. Other deals include the Liverpool City Region Combined Authority. The Authority's first ever mayoral election was held on 4 May 2017.

While the objective is efficiency gains through amalgamation, this *should* be a step toward competitiveness- globally. As these city-regions gain more competencies, it would only be reasonable for further devolution to occur. In the long-run, these city-regions will resemble 'charter cities' with unique legal personal identities.

Should we then opt for amalgamation instead of charter cities? Both envisage

efficiency gains from economies of scale, of scope, and from network (agglomeration) effects, where the amalgamation of numerous local government areas (LGA) into one strong 'regional' government streamlines economic activity through an integrated approach to infrastructure development (Dollery, 2009). Amalgamation is a cost-saving measure. It relates to governance structures that are not recognised constitutionally. Hence, unlike the charter option, amalgamation has been happening very much on an 'ongoing basis' (Dollery, 2009). Amalgamation has been happening all along. Did it propel our cities into 'global city' status? Would more amalgamation, for example in the case of Melbourne and Sydney, bring the envisaged economic productivity? The answer comes from Jane Jacobs, who opposed the City of Toronto Bill 103 (to amalgamate six municipalities into one large city) (Schumacher, 1999 [1973], pp. 52-3). Neither Jacobs nor a referendum in the six municipalities, showing opposition to the merger by more than 3:1, were successful in persuading the Standing Committee of the negative externalities of amalgamation. The *City of Toronto Act 1997* (O) was passed, and the 'supercity' of Toronto came into existence on 1 January 1998.[17] Ten years later, a similar amalgamation created the Auckland 'supercity' (Gussen, 2010).

So, how did the restructuring affect the fortunes of Toronto and Auckland? In the decade following amalgamation (2000-2010), Toronto registered negative growth in its productivity (Kelman, 2000; Bish, 2001). It would be insightful to also mention that Montréal too had undergone a similar amalgamation in the period between 2002 and 2005 (Sancton, 2004). A report on the Auckland 'super city' seems to suggest similar results (Neill et al. 2013, p. 19). By 2020, it would be interesting to see how Auckland's productivity stacks up against that of Toronto, or for that matter, other cities that had undergone amalgamation.

To summarise, 'charter cities' provide not only cost savings similar to those from amalgamation, but also productivity gains, which are not available through amalgamation. 'Charter cities' allow our urban agglomerations to have tailor-made economic policies to the end of elevating them to 'Alpha' cities.

Implementation Issues

There are potential implementation issues that need to be addressed before 'charter cities' are introduced in Australia. These include cheap labour, immigration, and competition with Australian goods. This section considers these issues in some detail, together with possible mitigation strategies.

The creation of 'charter cities' is driven by efficiency and equity considerations. If 'charter cities' can attract labour at wages lower than those elsewhere in Australia, how would that affect equitable considerations? The issue is not specific to 'charter cities.' More and more, trade agreements are putting Australian wages in direct competition with cheap labour overseas. Our policies are hence geared towards competitive advantages from exports (natural resources), rather than goods and services. While this rationale also applies in the case of 'charter cities,' these cities can increase wages given potential savings in other costs, especially transportation. Businesses producing in China would find it more cost-effective to relocate closer to Australian and South-East Asian markets.

As to competition between 'charter cities' and Australian exports, we need a closer look at economic complexity. According to the MIT Observatory of Economic Complexity (OEC), Australia ranks 79th out of 186 countries (Hausmann et al., 2011), because its economy is heavily dependent on exporting raw materials. Introducing 'charter cities' does not affect these resources. However, Australia's economic complexity could be enhanced by such cities. 'Charter cities' export added value finished products. Imagine if we can have 'charter cities' with financial centres like those in Dubai, or information technology clusters like those in Silicon Valley. Private capital would commit to such projects, given the assurances of autonomy that come directly from the governance structure of 'charter cities.'

Another issue facing implementation is that of immigrants. 'Charter cities' should have autonomy over their immigration policies. Greenfield 'charter cities,' in particular, will require large immigration inflows. How will this affect Australian citizens and their quality of life? Here, there are two points to be made. First, 'charter cities' require a rethinking of the concept of 'citizenship.' Immigrants to 'charter cities' do not access any rights (to public goods) within Australia.[18] Australian citizens who choose to live outside 'charter cities' will not experience any added burden on the provision of public goods. Second, citizens of 'charter cities' have a say in their immigration policies- both directly and indirectly. Directly, through formal *vox populi* processes such as elections; and indirectly, through voting 'with their feet.'

How can the 'charter city' system be driven through the policy-making process in Australia? The starting point is to emphasise that 'charter cities' do not alter the boundaries of existing Australian states, nor introduces new Commonwealth states. In particular, the *Australian Constitution* stipulates for a specific (and cumbersome) process where there are any (territorial) changes to the existing states.[19] Rienstra and Williams (2015) provide a detailed analysis of this process. The relevant part is Chapter VI of the Constitution. Opting to create 'charter cities' instead of new states is likely to circumvent the (legal) requirements of this Chapter. Introducing 'charter cities' is more akin to the introduction of local government areas (LGAs). LGAs are introduced by ordinary legislation in state parliaments. For example, the *City of Brisbane Act 2010* (Qld) was passed by the Queensland unicameral parliament by a simple majority. However, for Brisbane to be reconstituted as a 'charter city' would require a 'basic law' through which state and Commonwealth governments devolve laws to the 'charter city.' Such devolution is likely to require parallel legislation by Queensland and the Commonwealth. It would not require referenda as under Chapter VI of the Constitution, although pragmatically, a broad consultation process, especially with affected constituencies, is envisaged.

In summary, there will be implementation issues when it comes to introducing 'charter cities' in Australia. However, such issues could be resolved through legal instruments imposed on these cities by their charters. Admittedly, this is a process of trial and error. However, arriving at the right mix of policies to enable both efficiency and equity is not necessarily an impossible task.

Summing Up and Future Research

The key issues with the Australian federal system can be underlined by the following comparison. In 990 CE, Europe had one city of 10,000 inhabitants for every twenty or thirty states. In 1490 CE, one such city existed for every one or two states. By 1890, the average state in Europe had about 60 cities of 10,000 inhabitants or more (Tilly, 1992, p. 51). In comparison, in Queensland, which has an area larger than France, Germany, and Italy combined, there are less than 25 such cities- today. The whole Australian continent has roughly around 114 cities of 10,000 inhabitants or more, less than what two average European states had more than a century ago. While there are historical and geographical limitations as to the comparison between Queensland and Europe, the historical and contextual development of Australian cities makes them a natural candidate for a 'charter city' status.

Sydney, in particular, is of interest to our discussion, given that it was the first European settlement in Australia. Sydney's economy was always based on trade and distribution, rather than manufacturing, like its English or American counterparts. This gave the city a natural edge towards advanced producer services such as accounting and finance, which brought it the Alpha + classification it enjoys today. Enabling Sydney to differentiate its legal system through a 'charter city' status will enable it to become even more integrated into the global economy, by attracting more producer services based on more favourable regulatory and fiscal environments. Sydney was the first city to be incorporated in Australia, in 1842. It was established in 1788 as a penal colony and had its first Charter of Justice in 1814. By the 1820s it became a bustling seaport with a population of around 12,000 (Frost, 1990, p. 3). Its primary function was to act as the base for opening up new farmland. Sydney and the other state capitals played a pivotal role as links between the United Kingdom, and the natural resources in Australia. To this date, they continue to play the same role, even though China has largely replaced the United Kingdom as our major trading partner. As suggested by Lionel Frost, "[w]ithout the demand generated by British industrial and urban growth, and the inputs provided by Britain [such as labour, capital and technology], Australia would have followed a very different path of economic development" (Frost, 1990, p. 4), probably more analogous to that seen in New England, with its emphasis on innovation (Gussen, 2014a). From the very beginning, Sydney was a commercial-tertiary centre rather than an industrial city like those in England or New England. It was a centre for labour intensive services such as transport and processing - what could be thought of as the predecessor to GaWC model's 'advanced producer services.' Sydney played the role of food and raw material provider in the Atlantic-cantered economy of the 19th century.

Today, Sydney's economy is largely geared towards trading, finance and distribution.

'Charter cities' do not need to be the size of Sydney or Melbourne. The key criterion is that they have a wider *asymmetrical* margin of autonomy - an autonomy wider than that afforded to territorial towns and villages. The current policy approach of one-size-fits-all only exacerbates the economic pathologies we witness today (especially low economic growth rates).

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Notes

1. Organisms construct larger structures by 'anabolism' (also known as 'biosynthesis'). This process increases an organism's size by differentiating cells. These processes allow the formation of more complex molecules, which in turn leads to growth. In this analogy, cities constitute the cellular scale. Providing these cities with their own basic law (Charter), allows them to differentiate. This in turn allows Australia more leverage over economic complexity. For further information on anabolic pathways and developmental biology, see Campbell (1996, p. 90), Wolpert (2011) and Koyutürk et al. (2012).
2. Hughes Turnbull is a former Lord Mayor of Sydney, a former deputy chair of the Council of Australian Government's City Expert Advisory Panel, and a board member of the US Studies Centre at Sydney University and the Australian Technology Park. Her husband, Malcolm Turnbull, is the current Prime Minister of Australia.
3. For example, s 11, *Local Government Act 2009* (Qld).
4. See *Acts Interpretation Act 1901* (Cth), s 2C; *Acts Interpretation Act 1954* (Qld), Schedule 1; *Interpretation Act 1987* (NSW), s 21; *Acts Interpretation Act 1915* (SA), s 4.
5. Historically, this control over economic surplus was a necessary but not sufficient condition for economic prosperity. Other conditions such as location and resource endowment would have also mattered.
6. Although historically, some cities were created by proto-governments or groups of elites that were akin to governments.
7. For the Dillion Doctrine, see, for example, Gere (1982).
8. See for example *Hunter v City of Pittsburgh* (1907) 207 US 161, 178-179, cited in Frug (1999, p. 17).
9. Although Frug and Barron suggest that international local government law "should not be evaluated in terms of whether the world is enhancing or limiting local power. The focus instead should be on the kinds of cities that international local government law is trying to create" (Frug & Barron, 2006, pp. 3, 60-61), this author argues that international local government law enables city-regions to become *independent* international actors (ibid., p. 2), which would make sense only if we empower them to act in such capacity. This author suggests that international local government law does in fact empower city-regions rather than simply making cities creatures of international statutes rather than domestic ones.
10. On this point, see also Gussen (2013; 2016a; 2016, July).
11. See the UN Statistics Division, National Accounts Main Aggregates Database. Available from: http://unstats.un.org/unsd/snaama/selbasicFast.asp.
12. Note that the use of 'city' and 'city-region' does not carry a size qualifier (neither in terms of population nor area). The difference between a city and a town (like Manchester was at the down of the Industrial Revolution) is not size. It is jurisdictional differentiation that gives a city its identity.
13. The term 'world city' or '*Weltstadt*' can be traced back to the Johann Wolfgang von Goethe who used it to refer to the cultural eminence of Paris and Rome. See King (1995, p. 219).
14. A network is a system of nodes with connecting links. The network that cities form has a particular type of topology called 'scale-free topology,' which refers to the distribution principle of how many links there are per any given node in the network. These networks follow a power law distribution and hence are scale invariant. See Ottino (2003, p. 296).
15. See https://www.uclg.org.
16. See http://www.citiesalliance.org.
17. Boudreau, Keil & Young (2009) provide a good account of the Toronto amalgamation and its background. There are also interesting arguments in Milroy (2002) as to the rights of Toronto citizens to oppose this amalgamation.
18. People who are already Australian citizens would be entitled to hold parallel citizenships in 'charter cities.'
19. See clause 9, *Commonwealth of Australia Constitution Act 1900* (Imp). In particular, Chapter VI.

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Hong Kong's East Lantau Smart City: Some Innovative Development Concepts

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Abstract

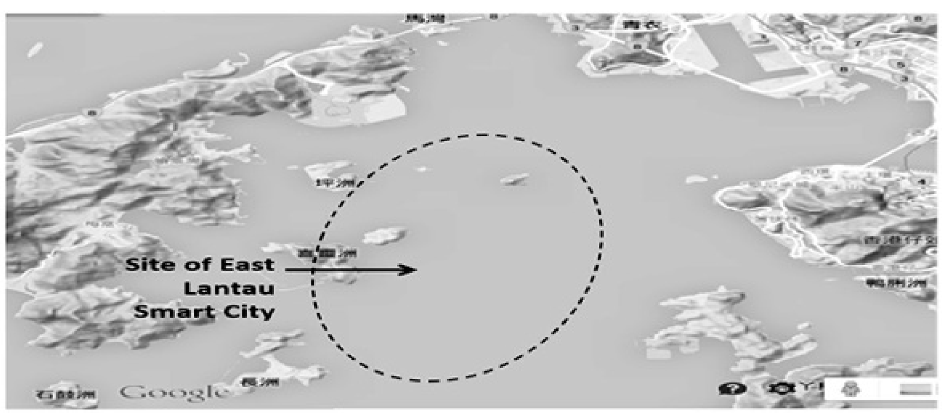
With chronic land shortage, Hong Kong (HK) has been reclaiming land for development during 1842-2014. In the past two decades, waves of globalization and rising China in particular its Pearl River Delta (PRD) have intensified competition, while offering new regional development opportunities crossing several borders. Although development needs and processes in Hong Kong have intertwined with a bottom-up planning process, societal common values have been diluting, often leading to a stall of governance. Aside from risks of elevating costs, HK is losing lead time and talents to its regional competitors in many ways. It has been sliding on innovation indices, when compared to Singapore, Taiwan and Korea. Locally the economic structures have become monolithic, with over 80% gross domestic production (GDP) generated by the financial sector. Several economic pillars were proposed to rebalance diversity and to keep the talents, but realization efforts are ad hoc and results are difficult to measure. Policies to respond timely to develop a knowledge and high-tech infrastructure for the 21st century are haphazard, with some being criticized as more property developments. In 2014, with imminent completion of the HK-Zhuhai-Macau Bridge, the East Lantau Metropolis with over 2,000 hectares of land reclamation is tabled in the Legislative Council for debate. However, virtual, physical, housing and human infrastructures will still need coordination. This paper identifies certain key issues of East Lantau, reviews some cases on knowledge organizations in China and overseas. They will serve as lessons on development by competitors and partners for HK and PRD. Finally, this paper identifies an opportunity to create a new "smart city with a special zone" in HK, based on three critical components: "The Brain, The Farm and The Bee Hive", cultivating into a "Smart Swarm" ecology. Having achieved such conditions, the intellectuals and progressive entrepreneurs in HK may then enhance competitiveness, exchanges and venture incubations with empathy on eco- and sustainable development.

Key words: Hong Kong, Pearl River Delta, East Lantau, Smart City, special zone, entrepreneurship, venture incubation

Introduction: China in Feudalism and Great Transformation

Feudalistic China as a *"Central Kingdom"* (中國) and ruling *"Son of Heaven"* (天子) might have passed away in history for more than a century (Wheatley, 1971), but great transformation has continued in the 21st Century. It was not until 1978 that China came up with a true sense of modernization and industrialization. Thereafter in just over thirty years, China has via leaps and bounce caught up with the advanced economies in many ways, with double digit growths of over 25% in some years, notably in Special Economic Zones like Shenzhen. Having achieved *"moderate prosperity"* in the 2000s, the concept of a peaceful rise politically and economically as originally initiated by Deng Xiaoping has continued for nation building. Since the late 1990s, China's leaders have come to realize that *"...The Crux of the four modernizations is the mastery of modern science and technology ..."* After over a century of being a large but weak nation, China has visions to the four corners of the world, though *"... hide your strengths, bide your time..."* (Watkins, 2013) is still occasionally practiced as a tactic. As the fastest growing nation in the world today, it sometimes also appears to be *"stretching and releasing an arrow(s) on a bow."* (Fig. C). The three regional economies at the Beijing-Tientsin Nexus, Yangtze River Delta and Pearl River Delta (PRD) have prospered and led development, now followed by its interior west. A Greater PRD was also initiated. In the 2010s, the China's People Congress has deliberately called for *"scientific administration"* and stressed on *"knowledge development"*. Many medium and high-level officials are encouraged to pursue various kinds of education and training to upgrade themselves. China has begun to learn the critical importance of *"[state] competence"*, which is also shared by the west (Hamel, 1990). At the forefront of development, the GPRD may now be analogous to a *"necklace"*, a shining epicenter of growth and development, underpinned by fusion of human resources, cultural advancement, overlaying public, private, academic, and social organizations (Fig. B). This may well be an excellent development opportunity for Hong Kong's East Lantau (Fig. A).

Fig. A: Hong Kong's East Lantau Smart City: Site Location



(Source: www.google.com, retrieved on 1 March 2015 and by Authors)

This paper is intended to be an advocacy document in planning and development practices. It focuses on real world issues most pressing to Hong Kong from the perspective of innovation. It does not mean to be academic, i.e. develop, prove or disapprove a hypothesis in the abstract world. In presenting a robust and logical profile of cases from around the world and particularly those in Asia and China, it shows the experiences and lessons that can be learned from our development competitors and partners. By integrating *"Design Thinking"* with *"Science Thinking"* (Owen, 2006), it mutually complements the two thinking systems by filling their inherent intellectual gaps. Nor is this paper a comprehensive professional consultancy study because its scope is highly constrained by limited resources, requiring a formal team organization and substantial funding to realize. Its key purpose is to arouse the interests and awareness of government, industry, university and social sector on the imminent issues Time is running out for Hong Kong! Central in reviewing our policies is the *"One Belt, One Road"* (OBOR, 一帶一路) development in the past few years, in which HK has been identified by Xi Jinping as a *"Super Connector"* in 2013 (Hong Kong Trade Development Council, 2015).

"Design Thinking" is widely used in urban design, architecture, landscape, product, fashion, graphic and ICT media disciplines. These have been classified as cultural creative industries by advanced and emerging economies like US, UK, HK and Mainland China since the late 1990s. The industries collectively are intended by the HK Government to become one of the 6 economic pillars in the 2010s. The general grouping of Design Thinking elements is in the Right Brain of the Two Brain System, focusing on creative and artistic capabilities by using qualitative approaches. Science Thinking including Social Sciences tend to use quantitative, empirical data, technical and technological analyses. But the conclusions often end briefly in qualitative terms. Examples of *"Design Thinking"* can be reflected by Deng Xiaoping's proverbs such as *"Touch the Stones, Cross the River" (摸著石頭過河), "White Cat, Black Cat, the one that catches a mouse is a Good Cat"* and *"Make a few more HKs"*. Most of these ideas are unclear, tacit with a fuzzy logic, which in management may be termed as *"strategic"*. Yet, it is the highest conceptual level leading to wise decision-making in public and private administrations, including military operations. The quality of Deng's ideas might have built up over several eras of development change in China, leading to *"Open Door, Economic Reform"* in 1978. Short of accurate empirical data and computers at that time, Deng had to rely on his supporting groups on extensive observations, real world experiences, personal perceptions and intuitions, collective decisions and even conflicting paradigms for checks and balances. The proofs of his ideas can only be checked and proven with a pilot or during interim evaluations and after years of policy realization. In recollecting his performances, there are lessons to be learned for HK. The learning process requires a broad background on the liberal arts and strong association skills, i.e. *"Quote One, Reflect on Three"* (舉一反三). Presumably it is this kind of qualitative ideation capabilities that HK is sadly lacking in terms of innovation towards the 2020s.

China in the World: New Roles in 21st Century

In 2014, China's ascension to the global arena has accumulated some US$4 trillion foreign reserves, mainly through its export-oriented and import-substitution economic principles. But post-financial crisis in 2008 has shifted its balance more towards domestic consumption. Externally there is a need, if not a desire to quickly educate and train enough high caliber leaders to take up key roles internationally, so as to sustain its growth as a major power. Despite economic success and grasp of *"hard-technology"* and manufacturing, China still has to enhance its *"soft power"*, one that takes time as a socialization process. It will take even more efforts to blend the two together to achieve that *"smart"* quality. In GPRD, the conditions are particularly favorable for such developments, as Hong Kong Special Administrative Region (HKSAR) under the *"One Country, Two Systems"* premise has attained considerable comparative advantages for some time.

The phenomena of *glocalization* has also occurred, as reflected in various sectors such as property development, retail, high-tech industrial parks, electronic products, fashion and luxurious goods as well as in higher education. Numerous exhibitions are held at the HK Convention & Exhibition Center every year, which are also shared by those in Macau, Shenzhen, Shanghai and Beijing. The international styles of architecture in these cities have portrayed their symbolic meanings from a *"flying geese"*, an *"airplane"* to an enhanced *"cornice of classical architecture in Chinese red"*. They also share the commonalities of high-tensile steel, large glass curtain walls and wide structural spans to enable barrier-free functions and usage. High-powered information and communication technologies have facilitated exchanges and understanding across many borders to create the *"You-in-Me, Me-in-You"* environment as preludes to respond to international and regional development. With urban planning in Shenzhen Special Economic Zone (SEZ) theorized as being more *"path shaping"* than *"path dependent"* a decade ago (Ng and Chan, 2004), HK should seriously look at its own in 2014.

Exploring Development Concepts: The Brain, the Farm and the Bee Hive

To create a development framework, we are proposing three key concepts.

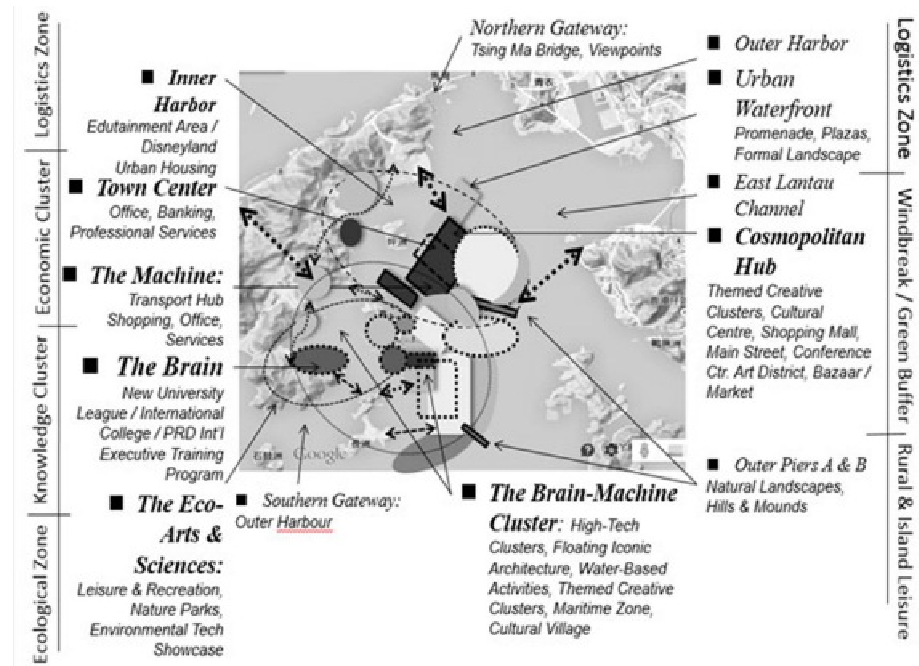
(1) The *"Brain"* is the core. Comprising a series of universities, colleges and academies, it should have the knowledge structures and sets of values, with information and their transmission well linked by humanistic and technological platforms and effectively propelled by policies.

(2) The *"Farm"* could be a firm-knowledge and economic cluster with new ventures and stock listing opportunities to sow the seeds for innovations, i.e. for commercial applications. It is where creative ideas can be well developed into concepts, policies and programs for execution. Alternative new talents should be given opportunities to explore, rather than rotating the same mindsets in the same or across various organizations.

(3) The *"Beehive"* will be various compartments interacting to formulate programs and initiatives to be executed at many levels with diversity. To enhance active networking, knowledge articulation and diffusion, there should be minimum barriers among talents and entrepreneurs for regional development and nation building.

Their overall organization should be holistic, involving various sectors in particular those with the new economic pillars, preferably with a *"flat organization"* to encourage communication and interchange. It should capitalize on the long competitive advantages of East-West fusion in HK as well as its excellent legal and infrastructural systems, including high-powered and freely accessible Internets.

Fig. B: East Lantau Smart City "Necklace of the Orient"



(Source: By Authors)

Institutional Knowledge Hub: Exemplars and Cases

The following education institutions are highlights on the transformation of education over time in China:

(1) The White Deer Cave College (白鹿洞書院), Jiangxi (AD940,江西):

With a 200 hectare site in a natural environment, it was one of the most comprehensive institutions with an emphasis on *"knowledge system"* (理學, 道理).

When led by scholars such as Zhu Xi (朱熹), it reached its climax in the South Song Dynasty (AD1180). Later, Wang Yangming (王陽明, AD1436) continued with its teaching philosophy on *"Every Object Has A Knowledge System"* (格物窮理). It is now preserved as a research and scenic spot, drawing parallels to Cambridge and Oxford in the UK.

(2) Xujiahui, Shanghai (徐家滙), (AD1500s):

This was established as a major *"Integrative East-West Knowledge Urban Clusters"* in Shanghai by Xu Guangxi (徐光啓 -宰相級文淵閣大學士, 1562-1633), after meeting with Matteo Ricci (AD1552-1610). Xu's estate today has become a multi-purpose place for education, training, research, conference, tourism, retail and shopping, finance, transportation and symbols of modernization and industrialization. It is also well linked with the Shanghai Jiaotong University (上海交通大學) and the nurturing of the first batch of state techno-entrepreneurs through the leadership of Li Hung Chang (李鴻章), Zheng Sunhuai (盛宣懷) and Yung Wing (容閎). The last two were key officials in setting up the mineral, railroad and navigation companies etc. and taking the first batch of 120 Qing government-sponsored young students to study in the US. Other latest property developments such as the mega-shopping malls by Hang Lung are juxtaposition on its subway station and have enhanced its vitality in becoming one of the most vibrant places in Shanghai.

(3) Guangya College (廣雅書院), Guangzhou (AD1888):

This was set up as a liberal arts college in Guangzhou, with its motto *"built on resources and be practical", "broad and gentle person-like, extensive knowledge with integrity, knowing and doing"* (務本求實 .... 廣者大也, 雅者正也, 學識淵博, 品行雅正 .... 知行合一). Zhang Zhidong (張之洞) spearheaded the school when the imperial examination system dominated the Chinese elitists, despite its gross deficiencies. During 1888-1921, this *"liberal education institution"* already had over a thousand graduates. Currently the campus is used by Guangdong Guangya Middle School (廣東廣雅中學). By late 1800s, dozens of similar schools were set up in the five open ports Tianjin, Shanghai, Xiamen, Foochow and Guangzhou. Similar institutional concepts that resemble *"liberal education"* in the West are not new in China.

(4) Associated Southwest University (西南聯大), Kunming, Yunnan (AD1937-1945):

With Japan invaded the Beijing area in 1937, the three schools namely Peking, Tsinghua and Nankai (北大, 清華, 南開) had to flee to Kunming in the southwest. By merging together with about 2,000 students, they were able to sustain on quality higher education and to nurture new talents. Despite meager resources, considerable academic freedom and scholarly diversity, the hiring of some overseas faculties was possible. It was the breeding ground of Yang Zhenning and Li Zhengdao (楊振寧, 李政道), the two Nobel Prize Winners in Physics from China before 2013. The organization did not end with the wars. Several conferences were held to explore on how this unique school could be sustained.

(5) United International College (UIC, 聯合國際學院), Zhuhai, PRD (AD2005):

This is a partnership of Beijing Normal University (BNU) and HK Baptist University (HKBU), with the latter granting the degrees. Its medium of teaching is English, with over half of the faculties being expatriates, complemented by many exchanges with overseas institutions. Housed in a 33 hectare campus at Tangjiawan (唐家灣), the student enrolment is about 4,000, distributed over the three Divisions in Arts/Social Sciences, Business and Science. It is also a *"transient gateway"* for many Chinese undergraduates before going overseas. Currently Zuhai has over 120,000 university students, second in numbers only to Guangzhou in the region.

Learning Region & Knowledge Hub: Towards the 21st Century

Today, the following clusters have expanded in scope and scale in Asia and globally to become learning regions:

(1) Shenzhen Qianhai (SZ, 前海) Modern Service Cooperative Zone:

Targeting for a population of some 650,000, it is located on a site of 14.92 km^2. It is developing four pillars in finance, modern logistics, information services and technological services. Transforming from a manufacturing industrial city, *Qianhai* as part of Shenzhen will be enhanced by free-visa entry for many, including expatriates, a low tax rate of 15%, modern arbitration and independent corruption agencies. It will also have incentives for *"third generation"* talents in particular, intellectuals and entrepreneurs on investments and venture incubation. Overlaying these will be a series of innovation-pushed open clusters along quadruple helices of government-university-industry-social sector. SZ has been designated as a City of Design by the United Nations (UN) in 2011. As a new generation of *"Special Economic Zone"(SEZ)*, it is becoming a self-propelled *"Window of Southern China"*. In recent years, it has progressed on fast-paced infrastructures, e.g. subway already in operation along with high-speed rail links, flexible foreign direct investment (FDI) and ownership, building exchangeable financial Renminbi (RMB) platforms and quality lifestyles etc. These are all parts of its top-down knowledge-based comprehensive planning and development schemes with targets and milestones. In brief, *Qianhai* envisions to becoming a *"Dream Factory"*. While Shenzhen University is expanding on student recruitments, Chinese University of Hong Kong (CUHK) has set up extension campus in SZ.

(2) Zhuhai Hengqin Island (ZH, 珠海橫琴島) and University of Macau (UMAC)

In 2014, the UMAC has commenced classes at its new campus in Hengqin Island. Targeting for a total student population of 16,000, it was once handicapped by land shortage. Having leased major plots at Hengqin Island, it is now ready to fulfill the long cherished expansion in all areas, such as Residential Halls to nurture a collective sense of learning, belonging and socialization. In the industrial and business sectors, joint economic thrusts and diversifications in tourism, cultural creative industries, convention and exhibition, Chinese medicine and quality services etc. are likewise in progress. Hengqin Island is also planned with new free trade area incentives for Hong Kong to complement the upcoming HK-ZH-MO Bridge across the PRD. The former UMAC campus in Taipa will be taken up by a new Macau University of Science of Technology.

(3) Singapore-Johore-RIAU (SIJORI) Triangle:

With Singapore taking the lead in quality education and training, the region is becoming a knowledge hub over and beyond a financial and service center, low-cost labor and manufacturing and resource base. Having won international commendations on its governance, efficiencies and high ranking with the National University of Singapore (NUS), this island state has established several new institutions in technology, design, business and international affairs for more diversity, e.g. Singapore University of Technology and Design, Singapore Management University, S. Rajaratnam School of International Studies and others. Its institutional and regional branding has also progressed with joint ventures with Massachusetts Institute of Technology, Yale and other prestigious schools. Singapore has grown from some 2.5m (1980s) to over 5.5m (2014) by tapping numerous talents from elsewhere and by reclaiming land on the south coasts for Sentosa Island and Marina Bay to showcase iconic developments.

(4) Taiwan Knowledge Critical Mass and Cultural Creative Industries:

Having agglomerated as a computer manufacturing center, Taiwan is now a dense virtual data and research hub, serving some 140 domestic universities and many others overseas. Rising medical practice standards have strengthened innovations such as the Taiwanese Biopharmaceutical Innovation System. However, with an over-supply of universities, Taiwan has been restructuring some schools, e.g. the Comprehensive University System (台灣綜合大學) is a merger of four by Professor Paul Chu Chingwu (朱經武). Major thrusts on healthcare tourism and eco-education are through its White Paper on Eco-Tourism (台灣生態旅遊白皮書, 2002) and diverse partnerships, e.g. Taiwan Ecotourism Association.

(5) Daegu (大邱) Medical City, Korea:

With Seoul's Incheon Airport now providing in-transit and extended comprehensive medical services, travelers in need may have to pre-arrange for medical plans and insurance. To the southeast of Seoul is Daegu Medical City with a population of 3.4m. It is dominated by universities and industries, such as Dodong-Seowon (道東書院), Kyungpook National University (慶北國立大學) and more than 30 institutions and traditional academies. Hospitals and traditional medicine markets such as Yangnyeongsi (藥令市) complement the medical cluster. It is also a hub for manufacturing and high-tech industries - a startup place for Anycall/Samsung Mobile, Kolon, Esiapolis and a fashion center of Asia. Its latest knowledge cluster is the Daegu-Gyeongbuk Free Economic Zone (大邱慶北, 2008), with automobile, aviation, IT, education, software, healthcare and green energy in an area of about 20 km^2.

(6) Oresund Region (OR) / Sunny Island Norway-Sweden-Denmark:

This region is on the Danish Strait and is connected by the 7,800m Oresund Bridge. With 12 universities and colleges, it is spearheading creative industries and creating jobs for the new economy. Some of the industrial clusters are Medicon Valley, Nordic brands of Glaxo SmithKline and Astra Zeneca. To the east is the City of Malmo, with a total population of about 1.2m. It is ranked as the fourth most inventive city internationally. Considered as one of the largest ship building clusters in the world, its Kockums Shipyard now has more high-tech, media, IT, product design and pharmaceuticals for military and civilian applications, among others. Malmo University (12,500 students) now occupies parts of the former Kockums Shipyard. Its Faculty of Health and Society have about 4,600 students with a hospital integrating biomedical disciplines with social sciences. One-third of the students have an international background, with 240 partnering university agreements globally. The (Bo01) architecture exposition and waterfront regeneration and the new landmark Turning Torso were some of the projects for economic revival and job creation. It is ranked highly as a green and bicycle friendly city, as part of the sustainable city movement worldwide.

Synthesis and Lessons Learned: Formation of an Imminent Learning Region / PRD Smart Commons and Pilot for Demonstration

The above cases may be summarized in several broad trends:

Competitiveness and competence can be enhanced at many levels for cities in the region and especially HK, which is already in a very matured development stage. With its chronic land and spatial constraints *("brick")*, it should set a top priority to develop an East Lantau Smart-City to usher not just land-based developments, but other frontiers too, e.g. "virtual" *("click")*, *"cultural and creative"* (humanistic, experiential) realms to capture added-value (profitability).

Cities worldwide are competing more as a *"city-region"* by harnessing their collective strengths to grasp new opportunities, thus requiring much closer cooperation built upon mutual understanding on *"top-down, bottom-up, fast-pace and slow-pace"* and a myriad of other approaches.

HK needs to reinvent a class of *"New Leaders"* and *"New Entrepreneurs"* based more on *"New Knowledge"* over and beyond its historical *"Comprador Model"* by maximizing high-brow intellectual development and more liberal forms of education, all enhanced and made more seamless by the use of advanced virtual, physical and active human networks.

The creation of a *"Knowledge Commons"* (智識共享區) by leveraging *"brick, click, organic"* and juxtaposition of a small *"special zone"* in East Lantau, where freedom to access high-level *"knowledge and intelligence"* by encouraging creative clustering of quadruple helices of the government-university-industry-social sector, based on *"flat* *and flexible"* organizations.

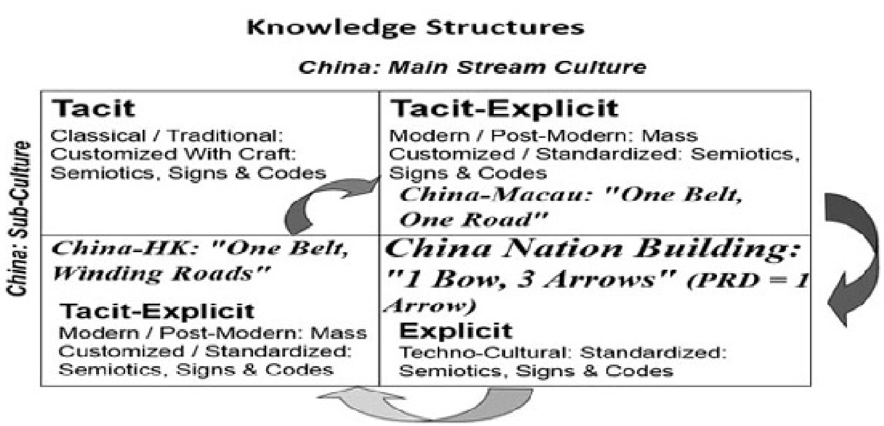
The *"Lab and Kitchen"* (method / process) is to experiment with certain elements to build and showcase a *"Pilot for Demonstration"* (outcome / product). To enhance the success of a future *"Knowledge Hub"*, the government and stakeholders should explore the above cases and new forms of public-private partnerships to tap financial, human and other resources with new visions to develop proper policies and initiatives.

Discussions on Some Issues and Lessons Learned: Articulating Policies, Costs and Benefits on Knowledge Development

(1) HK Design Center and Business of Design Week: Is this a path-dependent (vs. path-shaping) endeavor for knowledge development?

With over 10 years of efforts, the formats have expanded from showcasing simple products to major promotional exercises to honor overseas designers, particularly those from core economies like Europe, North America and Japan with awards. Recently some from Mainland China might have been included. As a federation of some 5-6 designers' organization, is it meant to do intensive research and development like a university or a research academy? Its individual and firm cases have been loose forms of a knowledge-base, sometimes overly diverse and largely *"tacit"*, with few common denominators for coherent synthesis (Fig. C). In 2014, it is still dominated by the *"art and design"* traditions, rather than a knowledge system innovation approach with empathy on management and technology, two of the key innovation enablers in the past two decades. For several decades, the development of a *"design research agenda"* has been difficult. While crossing dozens of disciplines, very little has been articulated in design and management for knowledge diffusion and entrepreneurial development. By borrowing *"elements and principles"* from the arts, design has maintained its loose forms of subjective knowledge ideation and articulation. These attributes have made it idiosyncratic and sometimes self-defeating.

Fig. C: Knowledge Structures: Tacit-Explicit, One Belt-One Road & "1 Bow, 3 Arrows".



(Source: By Authors)

(2) The SZ-HK Innovation Circle: Rebalancing Risks, Participating Conglomerate and Nature of Industry Partner

In 2007, the SZ-HK Innovation Circle was formed at a bi-city level and represented by the Vice-Minister of Science and Technology of the Central People's Government (SZ) and the Secretary of Commerce and Economic Development Bureau (HK) to spearhead innovation. An agenda and series of meetings and milestones such as the building of a solar panel manufacturing plant in 2009 were set, with DuPont Apollo representing the industry sector. In 2014, the same company withdrew from the project, thus generating queries on the viability and appropriateness of the setup. Aside from the attendance of a few universities, representation and progress from the broader innovation community base are uncertain. As a highly structured organization at the bi-city level, it is not sure if the Circle fits the exploration of anything *"innovative"*. The HK Government has always preferred dealing with one single representative or conglomerate with size, scale, technological and financial capabilities to minimize the risks. But even this does not guarantee success, as evidenced in the DuPont Apollo case. If the project is by invitation requiring vast amount of financial deposit and/or track records, then almost all small-medium enterprises (SMEs) would have been excluded, let alone the opportunity to learn from the development process. Have the organizations discussed above performed and coordinated effectively? What are the mechanism and criteria for evaluation?

(3) HK Government Governance: Spreading Units in Organization and Reorganizing for Innovation?

At least 5-6 functional units on innovation are spread out in different units, i.e. Economic Bureau, Development Bureau, Innovation and Technology Fund/Commission (ITF/C), DesignSmart, CreateSmart, Creative Office, Architectural Services Department (ASD), Industry Department (ID), Productivity Council (PC, quasi-public). In the UK, the Department of Culture, Media and Sports (DCMS) was consolidated into one in 1997 to spearhead creative industries under the leadership of Tony Blair. In HK, many of the reviewing panels on project development are replicates and rotations of the same organizational representatives, which are prone to have conflict of interests. Some may have niche industrial and/or sector expertise, but seriously lack broad-based knowledge in policies, which would go over and beyond technology and technical knowledge and skills. There are not too many checks and balances. Simple declarations of interests would be grossly inadequate. Consequently, their views might have been collected just to satisfy policy target purposes, rather than having any genuine contribution on economic development.

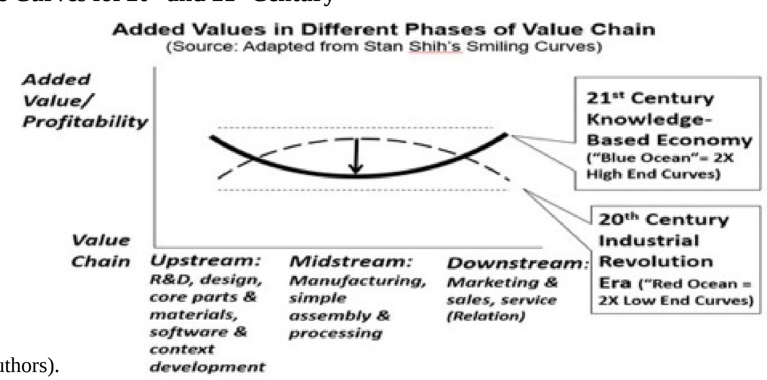
(4) Creative Problem-based Learning Capabilities: Developing Self-Learning Curves?

The HK learning and teaching model is still largely based on *"taught"* programs. Even PhD research has substantial *"taught"* components, if compared to the western ones. The traditional approach is to emphasize *"depth"* on one single pinnacle (specialism), rather than exploring gaps, interstitial needs and new opportunities. The outcomes are evaluated by counting the numbers of papers, rather than the merits of commercialization. For many decades, knowledge systems were artificially compartmentalized, e.g. political science seems to be separate from economics, even though they were components with the same Advanced Level subject before 2013. In North America, a course in *"political economy"* will often make a student awake to the gaps with new enlightenments. From here, we could deduce how students could develop capabilities to structure a fresh problem, follow up with analysis, explore and develop alternative solutions, let alone forming a strong self-learning curve.

(5) Articulating the Elements and Understanding Synergistic Clusters: Regional Knowledge System Mapping and Networks?

The clustering model developed by Michael Porter was taken further in the past two decades, based on cluster mapping. The relationships of values of various products, sectors, cities and regions can also be positioned, sized and analyzed. Each element in question can be identified through the 5-force diamond, value chain and cluster mapping models. They could show profiles of the economy, an industry, sector or cluster, then analyze and explore possible ways to capture *"value-added"* (profitability) (Fig. D) to drive regional economic performance. The themes may range from job growth, wage differentials and innovative capabilities for policy action and framework for economic development. They could also identify attractive opportunities for business investment, exports, site selection, and assess supply change. These are some of the key knowledge-based systems, with which the US Department of Commerce, Economic Development Administration and the Harvard Business School have together built up a website for public reference. It has facilitated public education to build their self-learning curves. In Western Canada, a virtual-human network called TRLabs has developed certain open research and development platforms for government-industry-university-social sector partnerships to develop joint knowledge systems. With wide geographic expanse and sparse population, it has taken state-of-the-art virtual links to overcome its limitations. Overlaying this are other regional clusters like the Pacific Northwest Economic Region (PNWER), where some 8 to 9 states and provinces have representatives. However, it is still dominated by north-south border policies. With rising China, more attention will likely be paid on East-West dialogue, dwelling on issues such as energy, natural resources and ecolopolis.

Fig. D: Value Curves for 20th and 21st Century



(Source: By Authors).

(6) Highlights from West Kowloon and Cultural Creative Industry Clusters in Taiwan: Recapping Lung Ying Tai's (龍應台) Perspective

With some HK$30 billion seed money, HK Government in 2007 has decided to invest on a site in West Kowloon of about 40 hectares to develop a *"world class"* cultural district. However, it is already over-budget in 2013, with total funds required at HK$47 billion. Application for more funds is in progress. As a *"zero sum game"* on a 100% reclaimed site, not much historical and heritage work was done. The project claims to be *"international"* and has employed expatriates to lead, thus marginalizing local contents and artists' participation. There were limits on LegCo input with members constrained by their own background, education levels and capabilities. It is questionable whether debates based on a haphazard *"bottom-up"* representation will suffice. Competence to arrive at well-informed, balanced and above all tasteful decisions has become dubious. Its first round of the design competition has failed by inviting tenders from major property developers, who in turn were to organize the professional teams. However, HK developers tend to have gaps on being a *"cultural entrepreneur"*. The professional teams would rely on past experiences in applications elsewhere, more so than original exploratory research on the physical site, cultural and economic needs and desires of Hong Kong. Imports of western brands such as Guggenheim were brought up, rather than nurturing HK and China cultural resources, some of which are set out in this paper. In contrast, Taiwan has appointed Dr. Lung Yingtai as the Minister of Culture (1999, 2012-2014). She was a rare one with a scholastic background substantiated by loads of critical essays and books on cultures. Having taught in HK and lived in US and Germany for some time, she seemed to be more outspoken than Taiwanese generally. Despite low reading habits as claimed on Taiwanese, the diversity and quantity of publications from there do not seem to have diminished. Bookstores such as Eslite and others are major supporters on knowledge built-up, while Lung has maintained a balance between theory and practice. Many of HK people empathetic on cultures would wish her to continue to involve with HK cultural development, as she might well be with certain relatives staying permanently here.

Program/Project Proposals for East Lantau: Some Food for Thoughts

In the 2009-2010 Policy Address, six new economic pillar industries were unveiled in testing and certification, medical services, innovation and technology, culture and creative industries, environmental industry and education services. With these as a *"city"* development paradigm, HK is still *"singing solo more than a chorus"* with the region. The latest comment from President Xi Jinping (习近平) during the 15th anniversary of Macau's return to China on a policy of *"One Belt, One Road"* as a core strategy of the *"Silk Road Economic Belt"* (Xi, 2014; 江雁南, 2014) should worth noting here. In response, we propose HK to also explore the following:

(1) New Liberal Education Hub in Asia: A 4-dimensional approach for students, faculties, adults and elderlies, as well as the all-important *"New Leaders"*, where synergies can be maximized by integrating selected units of universities, colleges, academies and institutions;

(2) Edutainment as a cross-sector could be explored to make teaching and learning more enjoyable, as reflected in many precedents in movies, media, games, sports and other activities. Disney products such as Alibaba, Mulan and Mickey Mouse are cases in point, where cross-cultural negative images and barriers on certain elements are transformed into something positive;

(3) Recently a HKUST-NIE Social Media Lab has taken edutainment further to explore new social media for the Cyberport by integrating edutainment facilities for researchers and practitioners on creative media and technologies. These are enhanced by a *"draggable"* technology on smart phones, which will likely become the mainstream in the near future (HKUST, 2013);

(4) Executive Entrepreneur Training and Innovation Hub: The designation of a small *"special zone"* with minimum access restrictions for innovators to explore new knowledge, information and data, and to interact with more diverse communities of similar interests, e.g. the China Association of Mayors and American Planners Association have formed partnerships for training programs;

(5) A *"Knowledge Commons"* and a college town (*"Town-and-Gown"*) to attract diversity of people as a central *"place"* to retain them for vitality. Coaching and grooming opportunities for needed youths may be provided by experienced elderlies who are still active to make invaluable contributions. Affordable retirement homes may be coordinated to form a stronger sense of belonging for this community;

(6) High-tech and intellectual properties to be integrated through partnerships and new platforms, i.e. under one *"roof"* for the aforesaid *"Knowledge Commons"*. By exploring new anchor investors in an early stage, the new programs and projects may then create new jobs and new business opportunities;

(7) Support for less favored and under-developed sub-sectors such as Traditional Chinese Medicine, alternative medicine, therapeutic/Spa treatment, medical/dental technologies, DIY device and "green" approaches to more sustainable living and lifestyles, which may need active networks across the PRD borders;

(8) Research and development facilities with affordable costs for venture incubators as well as support of new professional and social organizations, including social enterprises to encourage self-reliance and to develop public funds to support endeavors with high multipliers;

(9) Medical/Healthcare tourism: To integrate the two seemingly unrelated industries by studying examples in Thailand and other successful cases. By articulating them with the newly reclaimed East Lantau, particularly the Inner Bay(s) in this paper where water-based activities are well buffered/protected, urban design concepts should be fully explored during the planning stage;

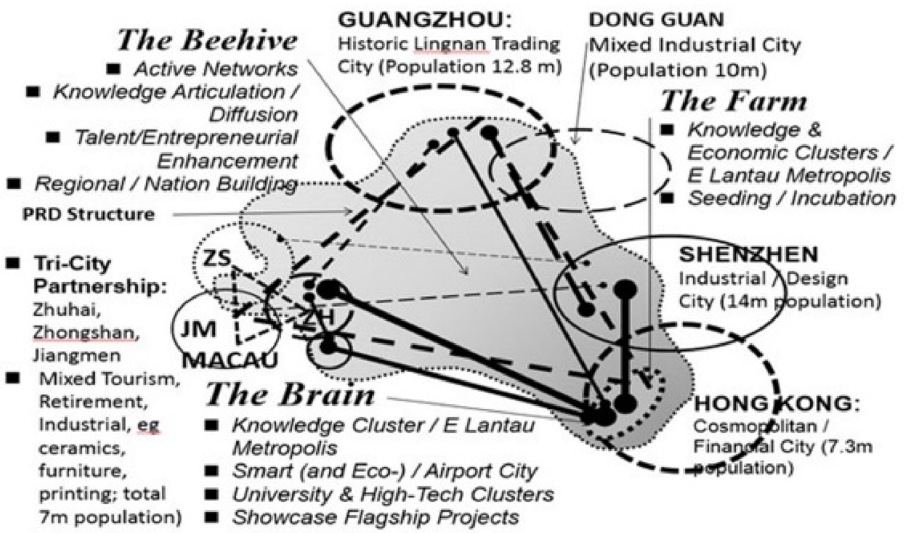
(10) Shopping and hotel facilities to accommodate tremendous growth projections in tourism in the next decade, particularly the creative and innovative populations ("creative class"), who desire to utilize and experience the space. Attempt to develop a touch of East-West fusion and synergies of HK, be they festive, ephemeral or permanent, affordable or luxurious. They should have a strong sense of maritime Lingnan, traditional Chinese heritage and international openness, e.g. a Confucius Trail linking many of the attractions. It could be a kind of "Lantau Clear *Water Revival"* to the regional roots, many of which were lost in the past decades due to fast development;

(11) A wide variety of sustainable micro- and meta-products can be explored in the industrial and interior design realms, e.g. energy-saving urban cars, modular space-saving interior furniture for affordable housing and hotel rooms, DIY self-testing and mobile alert medical devices, which are already in production in many advanced nations;

(12) Develop certain *"Labs and Kitchens"* (methods/processes) to create small pilot/demonstration projects (outcome/products) by combining certain elements and menus to prepare for the larger ones, i.e. a snow-balling approach. Organizations with successful benchmarks may extend and share their experience here, e.g. HK Polytechnic University's School of Hotel Management and its Icon Hotel;

(13) Formation of business associations to create stronger collective efforts for certain sectors and/or location-specific industries, e.g. *"knowledge hub"*, *"economic hub"*, *"eco-hub"*, waterfront, small-medium enterprises, cultural creative industries and environmental technologies such as *"emission discharge recycling systems"* in order to consolidate their interests for lobbying on policy, program and project development. The Small Business Network in San Francisco has dozens of member associations run by both mainstream and non-mainstream sectors and entrepreneurs to form a genuine cosmopolitan city. Its Embarcadero Center also has series of entrepreneurial networks to promote urban waterfront redevelopment. In 2013, San Francisco with a population of less than 0.8m has hosted some 17m tourists.

Fig. E: East Lantau & PRD Learning Region: Enhancing New Talents and Entrepreneurs



(Source: By Authors).

The Brain, Farm and Beehive of East Lantau: Past, Present & Future

In recapitulating the Brain, Farm and Beehive (一畝三分地, 2017; 每日頭條, 2016; Hunter, 2004) ideas with specifics, several figures are set below. In nature-nurturing the most basic conditions on the development of East Lantau, we need innovative talents. The human brain is higher than other forms of social, biological hierarchies and ecological systems. Yet, the Farm and the Beehive may inspire the humans as factories of innovation experiments. With stewardship on land and nature, the lower brain may well be the prototype of the "higher modernized brain".

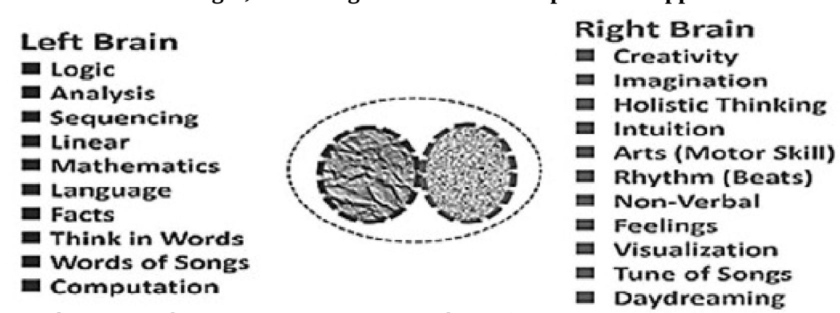
The nature of the *"Brain"* is often defined scientifically by using biological terms like DNA and sociocultural elements like IQ, intelligence or intellectual capability. Measurements are done by lab tests or equivalents. But using the same methods on creativity in the arts and humanities may be difficult and continuous assessments and expert opinions are some of the alternatives. In planning and development, the book *"Cities of Tomorrow: An Intellectual History of Urban Planning and Design Since 1880s"* by Sir Peter Hall sets the positions of major cities around the world. He differentiates HK from many others as a *"City of Enterprise"*, thus reflecting on its sets of predominantly commercial and entrepreneurial values.

The *"Farms"* in HK are reflected in older market towns like Tai Po in the New Territories. Before 1842, they shared the same characteristics as those in Guangdong and China in their governance. Historically, the 9-Quadrant Field Model (井田制) has been in place for many centuries. While each individual farmer of a total of nine would farm their own plot of 1.3 mou (畝), they have to cultivate a common piece together for tax purpose - the ninth plot. But over time the farmers might have different ideas in *"Benefiting Self or Benefiting All / Public" ("For the Common Good").* With intensive

post-1842 urbanization, the entrepreneurs including the early colonial compradors might have inherited this *"Small Holding Farmer"* culture (小農心態) in doing business. It then permeated through the community-at-large as a common value. Their broad ideas of China and Greater China, Asia and the World are intellectually weak, aside from a general understanding of trading, consumption, trading skills and occasional travel experiences. While some may have stronger family and business connections in Southeast Asia, the situations could be better. Someone in HK might be running a multi-billion dollar business, yet he could be concerned only about his/her 1.3 mou plot. Thus the quick changes of Mainland China and beyond HK is less of their business. This is increasingly apparent as globalization, China's desire for international access, ICT and new *"sharing"* economy intensify. Historically, the same *"Small Holder Farmer"* mentality also characterized Emperor Kangxi (康熙). Despite favorable comments on his reign, he was considered as being outperformed by Zheng Sunhuai (盛孫懷) on international and economic visions in a time when China desperately needed modernization.

The development of a *"Beehive"* as symbolic to settlement can be found in the State of Utah, USA. With over 3 million population, this is a sizable group of Mormons who distinguish themselves from traditional Christianity. In the course of community development, the Beehive is consistently used on their iconic buildings and artifacts such as churches, government buildings and artworks. While Mormon celebrities like Elvis Presley can be easily identified, unique cultural traits and beliefs like gaining graces from religious missions and polygamy have become their values. In HK, their grandiose chapel in Kowloon Tong could be viewed at for convenience. In this paper, *"Beehive"* is used to denote the possible formation of a community that advocates *"Culture for Change"*, particularly on innovation. It can be seen that the ICT sector seems to be progressing, likely pushed by its counterparts in the west.

Fig. F: The Brain: Left and Right, Balancing Innovative Development & Application



(Source: Retrieved at www.evolveconciousness.org on 15 March 2016,)

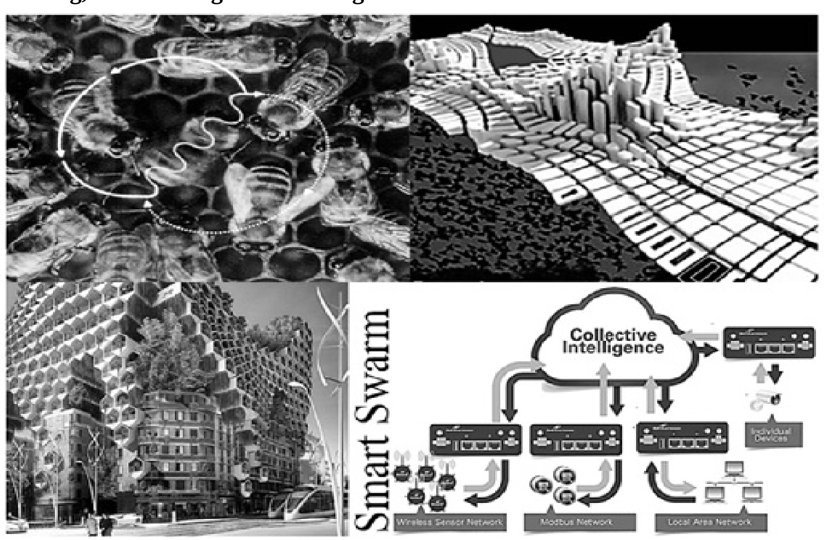
In the 1850s-1970s the comprador-entrepreneurs have played significant roles as small-medium enterprises, until the Zhejiang and Guangdong ones have strengths to compete with the westerners. Innovations are mainly in the form of replications and outsourcing, i.e. to buy ready-made products and services, especially when HK has diseconomy of scale. Once the system is developed, comfort zones are set and overlaid with a culture of *"business as usual"*. The public sector is accustomed to bureaucracy and procedures, and private sector will do only minor improvements but not anything radical. While the west would explore new and impactful innovation systems, Hong Kong will just do the minor and supporting ones, if there are any.

Fig. G: The Farms: Brown and Green Fields; Irrigating, Fertilizing and Planting New Species

(Source: Top Right: JLL Urban Farm; Top Right: Michael Chiang. Bottom: Lok Ma Chai with Shenzhen Backdrop tvb4life.pixnet.net, retrieved on 15 March 2016).

In plowing the farms, both the "talented and intellectual farmer" would have to irrigate, fertilize the land and plant new species conducive for a new ecology in order to be effective and efficient. Comparisons with competing farms reflect on performance, e.g. Innovation Indices and governance. Other indicators could be growth in GDP, per capita income and above all, the use of "added value" on technology and cultural creative industries.

Figure H: Sharing, Co-Working and Creating the Beehive



(Source: Top Left: Bees' Waggling Dance - Media Archaeology Out of Nature: An Interview with Jussi Parikka; Top Right: "City Formation" - USC/Neil Leach; Lower Left: Paris Smart City; Lower Right: The Industrial Ethernet Book; Smart Swarm: Peter Miller, retrieved on 15 March 2016)

In creating an ideal *"ecology*", the farm will include biological communities such as ants, bees and birds with strong "swarming capabilities". These are done often with *"waggling dances"* by sharing *"... information on the direction and distance to patches of flowers yielding nectar and pollen, to water resources, or to new nesting-site locations."*. (Karl von Frisch in Wikipedia, 2016). Other natural and planted species and elements will also benefit, as the *"Beehive*" would take shelter on a big tree in nature or a designated controlled area for development. The Bee Hive will be an area of sharing, co-working and collecting efforts with common positive values to build an innovative community.

Fig. I: Smart City Definition (EU): A Mirror for HK-PRD

Environment	Reduction of CO_2 emissions, use of renewable energy sources, monitoring on energy consumptions
Living	Co-working, cultural initiatives, Living-Lab, crowdsourcing co-design
Mobility	Development of technologies to improve urban mobility, low environmental impact
Governance	Starting of processes for the involvement of citizens about topics of public relevance
Economy	Cooperation among public and private actors, development of social incubators and of small and medium enterprises
People	Sharing of data, security and protection of sources, networking and communications

(Source: www.museumandtheweb.com, retrieved on 15 March 2016)

In analogizing East Lantau and preceding innovative organizations and places in Hong Kong with the Beehive, criteria are borrowed from Europe (Fig. I). Studies have shown their issues and gaps (Our Hong Kong Foundation, 2015; Tse, 2014) and are broadly reflected in Global Innovation Indices and many other studies. In 2016, the desire for a development *"catalyst"* is an imperative with a more balanced use of the Left and Right Brains. All things considered, the innovative development of East Lantau may well be the last chance with scale and scope for Hong Kong to build a competitive *"Beehive"* with vision, hope and impact (Kwong, 2016 & 2017).

Kwong Kin Ming's (鄺建銘) recent book: *"Opposing & Reversing Two Cities: Hong Kong & Singapore"* (「雙城對倒：新加坡模式與香港未來」), compares the two cities from a political and economic perspective. While Shum Yuk Fai's Foreword (沈旭暉推薦序, 放下傲慢, 虛心學習) emphasizes on HK to drop its complacency and learn from Singapore, Kwong's conclusions do not show any quick and specific solution to resolve the development issues, particularly from a lead-time perspective. Learning is a long socialization process, and changes around the world and in China are very quick and dynamic. Since 1998, it has been almost two decades after implementing the Innovation and Technology Report by Tung Chee Wah (董建華) and Tien Chang-lin (田長霖). Most policy measures have been haphazard, leading only to several drops on the Global Innovation Index (2013-2016). HK has very low Learning Curves in this respect.

Summary: Realizing East Lantau Knowledge Hub and PRD City-Region Towards Nation Building

If HK is part of a PRD nexus to showcase new growth, it should enhance its competitiveness in a holistic way (Fig. E). An East Lantau Metropolis Authority is needed to take the lead. In 2014, decision makers should explore more new talents, new leaders, new entrepreneurs and new thinkers, instead of rotating with those *"thinking-inside-the-box"*. To sustain the organization, paring and clustering talents could be considered for new proactive strategic thinkers and executioners. HK needs to create new dimensions to complement its knowledge systems, establish a new set of political institutions to coordinate policies and initiatives, and to create new education and manpower resources in the GPRD. With a new vision and mission empathetic on China development, a GPRD Economic Development Board should be created to advise central, regional and local governments to coordinate on policies and initiatives. It should be represented by the Governments of the two Special Administrative Regions (HK and Macau), Cities around the Pearl River Delta (PRD) and Guangdong Province. Its Chair may serve on a rotation basis, with other government functionaries to take up some of the key supporting roles of the Board. In brief, it will take the quadruple helices of government-industry-university-social sector to work together like the *"Eight Mortals Cross the Sea"* (八仙過海), while each exercising his/her magical powers but all in a concerted manner.

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Revisiting students' perception of effective part-time lecturers: The impact of students' background

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Abstract

A study conducted by Poon and Lau (2014a, 2014b) examined the perceptions of an effective part-time lecturer (PTL) of 225 students in a self-financing tertiary institute using a questionnaire of 31 items. As an extension of the study, the effect of students' background, as measured by their study experience, gender, study mode, and the level of their study programmes is further investigated. Salient background factors which may have a strong influence on students' learning experience are also identified. The results indicate that female students and part-time students have a more favourable impression of PTLs. Regarding the specific traits of PTLs, students with more studying experience prefer PTLs with a Higher academic qualification. Part-time students are considerably more concerned about PTLs' Teaching related competencies as measured by Good subject related knowledge, Many years of work experience, Many years of teaching experience and Good presentation skills. For Relationship-oriented behaviour, part-time students prefer PTLs who can Share experience with them, give Prompt reply to their messages and make the class Interesting. However, part-time students downplay or even dislike psychological consulting from PTLs. Concerning task-oriented behaviour, part-time students favour instructors who can use real examples in teaching, give students a chance to speak in class, modify course content to fit students' needs and interests, and use new approach in class. However, PTLs who can use Cantonese as medium of instruction are more desirable to full-time students. These findings indicate that students' background, particularly the various study modes of students, correlate with different preference sets for PTLs. Higher institutions are advised to modify their decision criteria according to the above findings when they select their PTLs.

Key words: Part-time lecturer, students' perception, students' background, learning motivation, classroom management

Introduction

Self-financing tertiary institutes in Hong Kong are employing more part-time lecturers (PTLs) to reduce personnel costs and provide flexibility in programme operation. In this light, selection criteria which can be used in recruiting effective PTLs have become an important issue.

The managerial administrators of educational institutions express their expectation for a good lecturer in many different ways. One of these ways is to publish their expectations in the form of a Behavioural Code or Suggestions for good practices. For example, the document "*Some Suggestions on the Criteria for Basic, Good and Outstanding Level of Teaching*", offered by the Hong Kong Polytechnic University (2003), lists the basic, good, and outstanding behaviour standards for teachers.

Administrators' views can also be identified by observing their behaviour towards personnel. Researchers have indicated that a higher education teacher gets prestige and promotion not because of their teaching abilities, but usually as a result of research impact and academic positions of authority (Feldman, 1986). Even when teaching evaluation takes place in universities, teaching is not considered important when selection, assessment, and promotion are considered (Pozo-Munoz, Rebolloso-Pacheco & Fernandez-Ramirez, 2000). This seems to indicate that being active in research is viewed as being very important by administrators of universities.

Another way to identify universities' teacher expectations is by examining the wording of their recruitment advertisements. Information collected through this way indicates that the management's viewpoint may be contaminated by various administrative considerations. Other than classroom teaching, lecturers are often expected to perform well in administrative duties such as programme management and student development activities (City University of Hong Kong, 2017).

Even though the criteria discussed above may be good enough as a standard of behaviour for full time lecturers (FTLs), those standards cannot be broadly applied to all PTLs. For example, all lecturers should "*Communicate clearly with students*" and "*Mark work diligently and fairly, and give useful feedback to students*". However, as most PTLs have other obligations during their non-teaching hours, it is much more difficult for PTLs to "*Be available and approachable for student consultation*". In other words, some requirements that can be easily met by full-time faculty can be quite difficult, or even impossible, for PTLs.

Similarly, PTLs are often hired to teach pre-packaged courses developed either by other full-time faculty of the same university, or by faculty of overseas universities that license their programmes to universities in Hong Kong. In either case, the PTL is not expected to come up with his or her own teaching materials. There is really not much room for the PTLs to "*Produce useful teaching resources and handout materials for students*", and because of this, it is not surprising that PTLs are sometimes considered as merely being technical deliverers of guidelines and schemes derived from elsewhere.

By the same token, PTLs are usually not invited to serve on committees or to perform other administrative functions (Monore & Denman, 1991). Hence, it will be difficult for them to perform well "...*in subject/programme development and administration*" or to "*Anticipate and take a proactive role in meeting changing conditions so as to maintain and enhance the quality of teaching and learning*".

In short, most of the criteria (for example, research, course development, programme development) used to measure teachers' behaviour in universities is geared more toward full-time faculty members, and cannot be applied to PTLs. It is suggested that administrators of higher educational institutions should utilise a modified set of criteria for selecting their PTLs.

On the other hand, as students have become the major source of income for self-financing institutes, students' perception of effective PTL has been considered an important factor that should be taken into account and considered for more careful study. It is, however, vital to acknowledge that students are not a homogeneous body; different students may have very different expectations and preferences. This study focuses on how students' background may affect their perceptions of and requirements for an effective PTL.

The current study is an extended analysis of an earlier study by Poon and Lau (2014a, 2014b) on the students' perception of effective PTL. In that study, 225 tertiary level students in a self-financing tertiary institute were surveyed for their preference on part-time lecturers.

Effect of Students' Background on Teacher Preference

Beishuizen et al. (2001) find that students at different levels may have different preferences for a teacher. Primary school students perceive good teachers basically as *competent instructors* capable of transmitting knowledge and skills. However, secondary school students focus much more on *relational aspects* as being indicators of a good teacher.

Students' competence in a specific field may also influence their preference for the teaching approach used by the instructor. Sprinkle (2008) discussed that university students showed no significant preference for instructors who use *information technology* in their teaching. Sprinkle's (2008) study suggests that it may be due to the fact that while younger students embrace technology-based teaching, older students, being less familiar or comfortable with technology, showed a preference for lecture over technology-based medium. Sprinkle (2008) also found that students preferring to work alone would prefer technology-based activities as they decrease face-to-face interaction with classmates.

It should be pointed out that students' personal biases may have a strong influence on their perception of instructors' teaching effectiveness. According to Sprinkle (2008), university students' background and their preferences regarding instructors' traits, such as age, gender, teaching style, faculty ranking, personality, and grade awarded were directly correlated. Sprinkle (2008) discovered that while students' GPA, major, and academic classification (level of study) are not significant factors, students' age and gender do affect their preferences for instructors.

Students of different genders may prefer different learning styles. Keri (2002)

discussed findings from studies on men's and women's learning differences, revealing that men tend to be independent learners, while women tend to be relational learners. Keri (2002) further suggests that more men prefer an applied learning style, whereas women prefer a conceptual mode of learning.

Hong Kong Students' View

In assessing teaching quality, one interesting question is how the ethnic background of students affects their preferences. Hence, literature related to the preferences of Hong Kong students is briefly reviewed.

While higher education students, as 'stakeholders' of higher education could assume a myriad of roles, they may well have different focuses when evaluating the quality of higher education (Lau, 2014). In trying to develop measurement indicators as well as attempting to identify components of quality education, Hampton (1993) treated the university as a service institution while applying an instrument, SERVQUAL, generally used in studying the quality of services offered by professionals such as physicians. Kwan and Ng (1999) modified this SERVQUAL analysis and studied the quality of education in the eyes of university students in Hong Kong and mainland China. They found that both Hong Kong and mainland Chinese students are very practical. In particular, students emphasised study-related matters like course content and facilities rather than social activities. Hong Kong students are even more pragmatic, often focusing directly on how to get good grades.

As for what constitutes quality teaching, Watkins (1992) studied how Hong Kong graduate students evaluate quality of teaching. He used two American instruments designed to assess tertiary students' evaluation of teaching effectiveness, and asked students to complete the questionnaire for both a strong and weak lecturer. Watkins (1992) believed that all but the workload/difficulty items clearly differentiated between 'good' and 'poor' lecturer, which seems to suggest that students may not have a clearly defined view of how workload/difficulty is related to effective teaching.

In studying the effect of students' background, students' mode of study may also be an important factor to take into consideration. Ng, Murphy and Jenkins (2002) probed part-time students' perceptions of effective teaching and suggested that positive relationship behaviour (in terms of teacher availability for interaction, teachers' responsiveness to students and teacher-student mutual respect) would improve student satisfaction. For teaching behaviour, Ng, Murphy and Jenkins (2002) found that students' desire for certain behaviours would be affected by students' beliefs about knowledge. While learners with a didactic/reproductive orientation prefer 'transmissive' type teachers, students with a facilitative/transformative orientation prefer 'facilitator' type teachers.

The effect of student level and class level on (a) overall satisfaction with lecturing performance, (b) overall satisfaction with course design, and (c) a self-rated measure of effort devoted to studying was studied by Ting (2000). It was found that senior level students and students majoring in a subject that was the same as their course tended to be more satisfied with course design, and subsequently worked harder than other students. Various aspects of course design and instructors' lecturing skills, as judged by students, have a strong impact on course rating. Most interestingly, students' perception of instructors' teaching attitude also affects their rating of the course design and the students' own effort in studying.

The view of younger secondary students may provide more insight: Chen (2006) surveyed 1063 Secondary 2 to Secondary 6 students on the important traits of an ideal teacher. The result is shown in Exhibit 1, which indicate that 78% of the surveyed students selected the relational aspect - *Caring for students* - as the most important attribute of an ideal teacher. Far fewer students, only 51%, selected *Use flexible and effective teaching methods* as an important factor. Other relational factors like being *Humorous* and *Treating students as equal* are of intermediate importance. The more pragmatic factors like *Can improve students' grade in examinations* and even *Give tips or hints for tests and examinations* are not considered as being very important. This result supports the theory proposed by Beishuizen et al. (2001), that secondary school students consider relationship as a much more important factor than others in determining the quality of a teacher.

Chen's study (2006) also investigated what factors students considered as 'having a strong impact in their study'. 68% of the students selected 'Ideal teacher' as the most important factor. It should be pointed out that older students (Secondary 6 vs. Secondary 2) assigned a higher importance (78% vs. 64%) to an ideal teacher.

A large majority (87.4%) of the students indicated that having an ideal teacher had improved their academic performance, as measured in their grades. This result is in line with the finding of Ting (2000), which indicated that perception of the instructor's teaching attitude can affect the effort of students. Tam (2002) also revealed that university students who perceive a positive relationship with teachers during their university years tend to state that they had a higher quality involvement in university life overall, especially in course learning activities. If the result of this study can be generalized to all Hong Kong students, then providing desirable teachers will greatly increase the attractiveness of the school in the eyes of students who are concerned about their studying.

Research Hypotheses

This study tested two hypotheses based on the background of the students and the attributes of the PTL:

Hypothesis 1: "Students' background has a significant correlation with their preferences for the *traits* of the PTL".

Hypothesis 2: "Students' background has a significant correlation with their preferences for the *behaviour* of the PTL".

Traits of a PTL are indicated by personal characteristics including *Formal Qualification*, *Social Desirability* and *Teaching-related Competencies* of the PTL. Similarly, behaviours of a PTL are defined by the *Relationship-Oriented Behaviour* and *Task-Oriented Behaviour* of the PTL. Definitions of the key attributes and their sub-attributes are shown in Exhibit 1.

Exhibit 1: Definitions of key attributes and sub-attributes

Key attributes	Sub-attributes	Items related to sub-attributes
1. Traits	1a. Formal Qualification	· Academic Qualification (e.g. PhD or DEd) · Professional Qualification (e.g. CPA or PE)
	1b. Social Desirability	· Career Achievement (e.g. a well-known artist) · Social Status (e.g. member of Leg. Council) · Research or Publication Record · Physical Appearance
	1c. Teaching-related Competencies	· Subject-related Knowledge · Work (Non-teaching) Experience · Teaching Experience · Language Skills · Presentation Skills · Computer Skills
2. Behaviour	2a. Relationship-Oriented Behaviour	· Shares Past Study Experience · Provides Prompt Reply to Questions or E-mail Messages · Keeps Smiling · Provides Psychological Consulting Assistance · Provides Career Consulting Assistance · Provides Opportunity for Communication · Makes Class Interesting
	2b. Task-Oriented Behaviour	· Encourages Students to Study · Applies Updated Real-life Examples in Teaching · Recognises or Rewards Good Performance · Spends Additional Time After Class Helping Students · Gives Students Opportunities to Speak and to Ask Questions · Easily Passes Students · Gives Tips or Hints for Examinations or Tests · Conducts Class in Cantonese · Modifies Course Content to Suit the Needs or Interests of the Students · Applies Information Technology in Teaching · Uses New Teaching Approach

Methodology

The instrument used here was constructed and piloted in a different study (Poon, 2008). In this instrument, students were asked to rate, according to a 5-point Likert scale, how 31 descriptions of traits and behaviours of a lecturer match what they perceive as the characteristics of an effective PTL. Descriptions that were chosen by most students indicate that they were the most important to the students. The result of that part of the study can be found in Poon and Lau (2014a, 2014b).

Information related to the participants' backgrounds, which include *Study experience, Gender, Mode of study*, and *Level of programme* were also surveyed in the instrument as supplementary information. In the current study, information provided with regard to students' backgrounds was used as the basis for a new investigation. The objective of this study is to identify any significant correlation between the background of the students and their preference for the characteristics of an effective PTL.

Sample population

In the current study, 343 students from eight different business programmes of a self-financing tertiary institution were invited to participate in a survey. 259 completed questionnaires (75.5%) were collected. Out of these 259 questionnaires, 225 questionnaires (92.6%) were eventually accepted and considered in all the following discussions. The details of the student groups can be found in Exhibit 2 below:

Exhibit 2: Student Groups Surveyed

Group	Full/Part-time	Level of programme	Number of students invited to participate	Number of questionnaires accepted	Percentage of accepted questionnaires
1	Full-time	Associate Degree	54	34	15.1
2	Full-time	Associate Degree	80	34	15.1
3	Full-time	Associate Degree	40	25	11.1
4	Part-time	Executive Diploma	28	27	12.0
5	Full-time	Top-up Degree	59	49	21.8
6	Part-time	Top-up Degree	28	20	8.9
7	Full-time	Top-up Degree	30	20	8.9
8	Full-time	Top-up Degree	24	16	7.1
Total			343	225	100.0

Descriptive Statistics

Using SPSS version 15, data from the questionnaires was analysed via descriptive statistics and the Pearson Correlation Test. In this section, the descriptive statistics of the data are presented in groups. The result for each group of the items related to traits and behaviours of PTLs will be discussed accordingly, followed by a presentation of the overall ranking of all the items.

Effect of Students' Background

The following section describes the background of students who participated in this study. Students were classified according to their study experience, gender, study mode and levels of programmes.

Prior Experience with an Effective PTL

At the beginning of this section of the questionnaire, the surveyed students were

asked if they had met an effective PTL during their years of study, to which 71.6% of the students claimed in the affirmative that they had. It was thus apparent that there is widespread use of PTLs in tertiary institutions because most of the sampled students had not only encountered PTLs during their studies but also had positive comments about at least one of them. As most Hong Kong secondary schools only employ full-time teachers, students were likely to have met part-time teachers only after they had entered tertiary institutions.

Years of Study after Secondary Five

This item indicates that close to 61.6% of the students surveyed have studied from *2 to 4 years* since they completed Secondary Five. In the traditional Hong Kong education system, students normally study for two more years after Secondary Five before they enter a university or other tertiary institution. The data show that about 60% of the surveyed students are fresh to the university programme and hence, have less studying experience. Students with more studying experience occupy a smaller portion of the sampled population; 25.6% have studied *5 to 6 years* and 12.8% have *more than 6 years* of studying experience. The data fit the expectation because part-time executive programme students are usually more mature working adults. Students who had studied for *2 to 4 years after Secondary Five* are usually in the first half of the university programme, and those who had studied for *5 to 6 years* are usually in the second half of the programme. However, directly correlating the *years of study* to the level of programme is somewhat problematic because some students may have repeated their Secondary Seven year and hence, had spent one or even two more years before they reached the same level of programme as their peers. Hence, this item more accurately reflects the total study experience than students' study experience at the university level.

Gender

Close to 60% (58.9%) of the students surveyed are female and only about 40% (40.5%) are male. On the one hand, dominance by female students is very common in the higher education institutions of Hong Kong: in 2011/12, 52.8% of the students who studied in undergraduate level programmes funded by the University Grants Committee were females (Census and Statistics Department, 2012). On the other hand, due to the traditional gender bias that boys are better in science or engineering subjects and girls are better in non-science subjects (Yip, Chiu & Ho, 2004), girls tend to avoid choosing science and engineering programmes, meaning that the business-related programmes are often populated by more female students.

Full-time or Part-time Students

72.0% of the students surveyed are from full-time programmes. Full-time students usually go directly from secondary school to university, and are younger than the part-time students who may have worked for a few years before they returned to university.

Level of Programme

46.7% of the surveyed students are in a top-up degree programme - the last year of a bachelor degree programme. 41.3% are in the associate degree programme, which corresponds to the first half of a bachelor degree programme. Only 10% are from the executive diploma programme. Students from this programme are mostly working adults who study in the part-time mode.

Analysis

In this section, the correlations between the students' background and their preference for various characteristics of an effective PTL are presented. For simplicity of discussion, correlations that are significant at 0.05 level (2 tailed) are already considered as *significant* in the following sections. Both 0.05 level (2 tailed) and 0.01 level (2 tailed) will be described as *significant*.

Background of the Surveyed Students

Data collected from students of different backgrounds can be used to investigate the effects of the students' background on their opinion of an effective PTL. The Pearson Correlation Test is used to analyse the relationship between the preferred traits and behaviours of the PTL and the *Students' Background*.

Exhibit 3: Correlation among Background Related Items

	Year of study	Gender	Full/Part-time	Level of Programme
Years of study	1	.018	.595(**)	.411(**)
Gender	.018	1	.163(*)	.197(**)
Full/Part-time	.595(**)	.163(*)	1	.345(**)
Level of Programme	.411(**)	.197(**)	.345(**)	1

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Significant correlations can be found among *Years of study* and *Full/Part-time* and *Level of Programme.* It reflects that the more inexperienced (younger) students in the sample are usually those who study in full-time degrees or associate degree programmes; more experienced students are from the part-time executive diploma programme. As indicated in Exhibit 2, 41.3% of the sample population are students from the full-time associate degree programme; this kind of strong correlation was expected.

Background and an Experience of Having an Effective PTL

Pearson Correlation Analysis shows a significant correlation between two background items (*Gender* and *Full/Part-time*) and the chance that the students report that they had *Met an effective PTL.*

Exhibit 4: Correlations between Background and an Experience of Having an Effective PTL

	Year of study	Gender	Full/Part-time	Level of Programme
Met an effective PTL	-.124	-.157(*)	-.196(**)	-.078

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The negative correlation coefficient (- 0.157) indicates that female students have a higher chance of having an effective PTL. Data from the crosstab Exhibit 5 shows that a higher proportion of *Female* students (78.9%) reported that they had *Met an effective PTL* than their *Male* classmates (65.3%), which suggests that the female students may be more gracious when they assess their PTLs, and hence report more PTLs as being effective.

Exhibit 5: Crosstab between Gender and Chance of Reporting "Met an effective PTL"

			Gender	
			Male	**Female**
Met effective PTL	**No**	.Count	26	23
		% within Gender	34.7%	21.1%
	Yes	Count	49	86
		% within Gender	65.3%	78.9%
Total		Count	75	109
		% within Gender	100.0%	100.0%

Similarly, the negative correlation coefficient (-0.196) between the mode of study (*Full/Part-time*) and the chance that the student reported that they had *Met an effective PTL* indicates that students from part-time programmes have a higher chance of reporting that they had met an effective PTL before. Again, crosstab data (Exhibit 6) supports this finding and shows students who study in the Part-time mode have a higher chance of reporting that they have met an effective PTL (85.7%) than full-time students (66.0%). This can be explained by the fact that most classes in part-time programmes are held in the evening, and are more frequently handled by PTLs.

Exhibit 6: Crosstab between Mode of study and Chance of reporting "Met an effective PTL"

			Full/Part-time	
			Full-time	**Part-time**
Met an effective PTL	**No**	.Count	55	9
		% within Full/Part-time	34.0%	14.3%
	Yes	Count	107	54
		% within Full/Part-time	66.0%	85.7%
Total		Count	162	63
		% within Full/Part-time	100.0%	100.0%

Before more correlation data are presented, it should be noted that for the following discussions the data are coded in such a way with a *Positive* correlation coefficient to indicate that items are preferred by students who:

- study in higher level programmes;
- has more studying experience;
- are female; or
- are in part-time programmes.

For example, in Exhibit 7, a *positive* correlation coefficient of 0.143 between *High Academic Qualification* and *Year of Study* indicates that students with more study experience prefer PTLs with higher academic qualifications. Similarly, a *negative* correlation between the item *High Social Status* (in Exhibit 8) and all the background factors indicates that PTLs with a higher social status are preferred by male students who have less studying experience and are studying in lower level full-time programmes.

Correlation between Background and PTLs' Traits

For *Formal Qualifications*, only *High Academic Qualification* of PTLs (for example, having a doctorate degree) shows a significant correlation with *Year of study* for students (Pearson correlation coefficient = 0.143). The result suggests that students who have more studying experience tend to prefer PTLs with higher academic qualifications. No significant correlation, on the other hand, can be observed between the item *High Professional Qualification* of the PTL (for example, being a professional accountant) and students' background. In other words, while higher academic qualifications may be valued by school administrators (Feldman, 1986) and students with more studying experience, students of less studying experience do not particularly value this qualification, viewing other traits as being more important. PTLs with high professional qualifications may find it necessary to utilise other means of impressing their students.

Exhibit 7: Pearson Correlations between Background and Formal Qualification

	Year of study	Gender	Full/Part-time	Level of Programme
High Academic Qualification	.143(*)	-.048	.046	-.057
High Professional Qualification	-.004	-.002	.021	-.067

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

In Exhibit 8, no significant correlation can be found between students' background and all the traits related to *Social Desirability* of a PTL. Social desirability is defined here as having *High Career Achievement* (e.g. being a well-known artist), *High Social Status (e.g.* being a member of the Legislative Council), *Strong Research or Publication Records*, and *Good Physical Appearance*. Data may suggest that there is *no clear pattern of preference* between students' background and the items that are related to Social Desirability. Again, while school administrators often prefer lecturers with strong research or publication records (Feldman, 1986), students do not share the same view.

Exhibit 8: Pearson Correlations between Background and Social Desirability

	Year of study	Gender	Full/Part-time	Level of Programme
High Academic Qualification	-.050	.003	.051	-.111
High Professional Qualification	-.041	-.030	-.099	-.092
Strong Research or Publication Records	.023	.074	.041	-.034
Good Physical Appearance	-.102	-.031	-.039	-.106

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

In Exhibit 9, the mode of study of the students (Full/Part-time) shows significant correlations with four items that are linked to *Teaching-related Competencies Good subject related knowledge* (0.281), *Many years of work experience* (0.254), *Many years of teaching experience* (0.149), and *Good presentation skills* (0.234). The correlation coefficients are all positive, indicating that these items are more preferred by part-time students. This can be explained by the fact that part-time students are mostly working adults, and they usually have much less time for preparing for their classes or reading, and have to rely on teachers to share their materials (by making clear explanations and identifying the key issues). As the teacher must have *Good subject related knowledge* to guarantee the quality of the information being imparted to students, they should also have *Many years of teaching experience* and *Good presentation skills* so information sharing can be both efficient and effective. Part-time students prefer instructors with *Many years of work experience* because they value sharing their own experience with their teachers in their learning process (Ng, Murphy & Jenkins, 2002).

Exhibit 9: Correlations between Background and Teaching-related Competencies

	Year of study	Gender	Full/Part-time	Level of Programme
Subject knowledge	.097	.062	.281(**)	.006
Work experience	.230(**)	.117	.254(**)	.159(*)
Teaching experience	.060	.048	.149(*)	.030
Language	-.089	.110	.067	-.042
Presentation skills	.130	.050	.234(**)	.014
Computer skills	.046	.109	.096	-.052

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

In terms of other background factors, a significant positive correlation can also be found between *Year of study* and *Level of programme* of students and the traits of having *Many years of working experience*. It suggests that students with more studying experience are more likely to appreciate the importance of the work experience of the PTL. This is expected as students with more studying experience are usually those in the part-time evening mode. As discussed in the above paragraph, part-time students can appreciate PTLs with more work experience as teachers can cite more examples of how the concepts discussed in class can be applied to real world life experience.

In Exhibit 9, the significant correlation between mode of study (*part-time and full-time*) and *Level of programme* can also be interpreted as indicating that a higher number of inexperienced students in the full-time programme do not mind if their instructors do not have much *Work experience*. The crosstab data (Exhibit 10) show only 61.4% students within the *2-4 years* range linked *Many years of work experience* with their effective PTLs. This should be encouraging to fresh PhD graduates who are teaching younger undergraduate students as almost 40% of these students would not look down upon their PTLs for lacking working experience.

Exhibit 10: Crosstab between Work Experience and Years of Study

			Year of study		
			2 to 4 years	5 to 6 years	more than 6 years
Work experience	5	.Count	13	10	8
		% within year of study	9.7%	17.9%	28.6%
	4	Count	68	33	16
		% within year of study	50.7%	58.9%	57.1%
	3	Count	45	11	3
		% within year of study	33.6%	19.6%	10.7%
	2	Count	7	2	1
		% within year of study	5.2%	3.6%	3.6%
	1	Count	1	0	0
		% within year of study	.7%	.0%	.0%
Total		Count	134	56	28
		% within year of study	100.0%	100.0%	100.0%

It is worth noticing that the existence of a significant correlation coefficient between the background factor *Full/Part-time* and the competency items *Subject knowledge*, *Work experience*, *Teaching experience*, and *Presentation skills* should not be interpreted as a representation of full-time students not preferring PTLs with these competencies. It only suggests that part-time students have an overwhelming preference for these PTLs. Again, data from the crosstab presented in Exhibit 11 can be used to illustrate this point. For example, a very large majority (86.3%) of full-time students linked good *Presentation skills* to an effective PTL, but an even higher percentage (100%) of part-time students indicated the same preference. As a result, a significant correlation is observed.

Exhibit 11: Crosstab between Presentation Skills and Full/Part-time

			Full/Part-time	
			Full-time	Part-time
Presentation	5	.Count	81	45
		% within Full/Part-time	50.3%	71.4%
	4	Count	58	18
		% within Full/Part-time	36.0%	28.6%
	3	Count	15	0
		% within Full/Part-time	9.3%	.0%
	2	Count	7	0
		% within Full/Part-time	4.3%	.0%
Total		Count	161	63
		% within Full/Part-time	100.0%	100.0%

Correlations between Background and PTLs' Behaviour

In Exhibit 12, the background factor related to the mode of study (*Full/Part-time*) shows the highest correlation with the *Relationship-Oriented Behaviour* items. *Full/Part-time* shows significant positive correlation with *Share experience* (0.220), *Prompt reply* (0.202), and *Interesting* (0.1748) but has a negative correlation with the factor providing *Psychological consulting* (-0.170). This can be explained by the fact that those students who are from part-time programmes are usually working adults, who "tend to see their teachers as 'knowledgeable friends' on an equal footing, and therefore look for a relationship of mutual respect" (Ng, Murphy & Jenkins, 2002:467). They responded in a way that indicated a preference for an instructor who is willing to *Share*

with them the experience/skills of studying, give them *Prompt reply* when they ask a question via e-mail or other means, and can make the class *interesting* so that they can stay focused. However, being mostly working adults, these students tend to be more mature and less dependent on the PTL for *Psychological* advice. They may even dislike being given advice in this area (indicated by the negative correlation coefficient) as they may perceive this kind of behaviour as condescension, a peer treating them "as young students" (Ng, Murphy & Jenkins, 2002:467). Contrary to the philosophy advocated by some educators and school administrators (e.g. Noddings, 2005), PTL of part-time students should bear in mind that "Caring" is not appreciated by these more mature students.

A similar preference pattern is expected for the background factor *Year of study*. With most part-time students being mature students with more studying experience, their preference pattern may also affect the factor *Year of study*. The fact that *Year of study* shows significant correlations with *Prompt reply* (0.142) and *Psychological consulting* (-0.169) tends to support this similarity in pattern.

Exhibit 12: Correlations between Background and Relationship-Oriented Behaviour

	Year of study	Gender	Full/Part-time	Level of Programme
Share experience	.086	-.008	.220(**)	.000
Prompt reply	.142(*)	.076	.202(**)	.183(**)
Smiling	-.117	-.046	-.072	.222(**)
Psychological consulting	-.169(*)	-.042	-.170(*)	-.119
Career consulting	-.056	-.005	-.089	-.060
Communication	-.033	.161(*)	.066	-.046
Interesting	.045	-.028	.178(**)	-.111

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The finding that *female* students prefer more opportunities to engage in *Communication* with lecturers or tutors is in line with studies that have found female students to be more relational learners whilst male students are more independent (Keri, 2002). Female students tend to appreciate opportunities to establish a closer relationship with their instructors.

The only background factor that shows a significant correlation with the item *Smiling* is *Level of programme.* The negative correlation coefficient (-0.222) indicates that the behaviour is more preferred by students in the lower levels of their programme of study. The example given in the questionnaire for this behaviour is being friendly: initiating conversation with students; knowing the students' names; and not talking down to students. Those are all factors that are related to close personal relationship. As no significant correlation can be found between *full/part-time* and *Smiling*, it can be concluded that the observed effect can only be attributed to the level of the programme. It suggests that, just like secondary school students (Chen, 2006), students in the lower level programme still tend to prefer an instructor who can keep a close relationship with them, whereas students from higher level programmes tend to be more independent, and forego this kind of relationship.

In Exhibit 13, the mode of study (*full/part-time*) shows significant correlations with *Task-Oriented Behaviour*, including *Real examples* (0.417), *Chances to speak* (0.153), *Cantonese* (-0.164), *Modify course* (0.132) and *New approach* (0.244). Again, the data indicates the differences in preference between the full-time and part-time students for afore-mentioned reasons.

Part-time students prefer instructors who can use *Real life examples* in teaching. This may be due to the fact that part-time students are working adults exposed to more real life problems in their work, thus resulting in a strong dissatisfaction with course materials that are "remote from practical/local situations" (Ng, Murphy, Jenkins, 2002: 469).

Students studying in a part-time mode also enjoy sharing their practical experience with others (Ng, Murphy, Jenkins, 2002) and appreciate instructors who provide them with the chance to do so. They consider this as an indication of being treated as being on equal footing.

Exhibit 13: Pearson Correlations between Background and Task-Oriented Behaviour

	Year of study	Gender	Full/Part-time	Level of Programme
Encourage	.032	.132	.068	-.106
Real example	.311(**)	.099	.417(**)	.093
Recognise/reward good performance	.007	.075	-.020	-.122
Additional time	.011	.017	.091	-.009
Chance to speak	.102	.086	.153(*)	-.096
Easy pass	.064	.061	.017	-.044
Tips/hints for exam	.125	.113	.084	-.061
Cantonese	-.198(**)	.018	-.164(*)	-.223(**)
Modify course	.069	.172(*)	.132(*)	-.026
Apply IT	.097	-.013	.116	-.092
New approach	.116	.123	.244(**)	.062

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

It may be timely now to further expound on the factor of *Cantonese* (i.e. conducting class in Cantonese). The official medium of instruction for nearly all the higher educational institutions in Hong Kong is English, but a lot of students in the city, especially inexperienced youngsters freshly out of secondary school, are not proficient in English. A PTL who is willing to ignore the official regulations and conduct the class in Cantonese will make the learning process much easier for many students. However, part-time working adult students are likely to be more used to communicating in English in their workplace and thus have less preference for using Cantonese in the classroom.

Part-time students spend less time reading their textbooks and class materials and tend to rely on their instructor as the main source of knowledge. If information is transmitted to them in Cantonese, a potential problem may arise if examinations are given in English; students are likely to be unfamiliar with the relevant and necessary jargons. Students from lower levels of their programmes are not necessarily well

equipped with English, and would understandably prefer an increased use of Cantonese in class. It is thus apparent that the ability of students may affect their preferences.

Part-time students prefer teachers who can *Modify the course* to suit their interest or needs. In view of their tight schedule of study, part-time students prefer "more flexibility in their learning and appreciate teaching staff who understand their constraints and adjust course requirement accordingly" (Ng, Murphy, Jenkins, 2002: 468).

For the item related to using *New teaching approach*, crosstab data indicates that a higher proportion of part-time students (75.5%) than full-time students (56.8%) link using *New teaching approach* to the effectiveness of their PTLs. Again, this can be explained by part-time students' preference for flexibility in their choice of instruction, as well as their willingness to respond to variety in teaching approaches with openness.

Conclusion

Data obtained from this study are summarised in Exhibit 14, where only items with significant correlation are shown. The background factors have shown significant correlations with 16 out of the 30 items, indicating that various students' backgrounds tend to affect students' preferences for effective PTLs. The mode of the study (*full/part-time*) of students is the most distinctive factor as it shows significant correlations with 13 items. *Year of study* is a distant second showing significant correlation with only six items. The other two minor factors are *Level of study* (2 items) and *Gender* (2 items).

Exhibit 14: Pearson Correlations Summary, showing only items with significant correlation

Traits^ / Behaviour	Year of study	Gender	Full/Part-time	Level of Programme
High academic qualification	.143(*)	.143(*)	.046	-.057
Good subject-related knowledge	.097	.097	.281(**)	.006
Many years of work experience	.230(**)	.230(**)	.254(**)	.159(*)
Many years of teaching experience	.060	.060	.149(*)	.030
Good presentation skill	.130	.130	.234(**)	.014
Share past studying experience	.086	.086	.220(**)	.000
Provides prompt reply to questions or e-mail messages	.142(*)	.142(*)	.202(**)	.183(**)
Keep smiling	-.117	-.117	-.072	-.222(**)
Provides psychological or personal problem consulting assistance	-.169(*)	-.169(*)	-.170(*)	-.119
Provides students with opportunities to communicate with instructor	-.033	-.033	.066	-.046
Make the class interesting	.045	.045	.178(**)	-.111
Applies updated real life examples in teaching	.311(**)	.311(**)	.417(**)	.093
Give students opportunities to speak and to ask questions in class	.102	.102	.153(*)	.096
Conducts class in Cantonese	-.198(**)	-.198(**)	-.164(*)	-.223(**)
Modifies course content to suit the needs/interests of the students	.069	.069	.132(*)	-.026
Uses new teaching approach	.116	.116	.244(**)	.062

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).
^ Items related to Traits are marked with shading

Significant correlations have been found in items that are related to both traits and behaviour, indicating that students' background tends to have a significant impact on all aspects of students' preference. Also, the data tends to indicate that part-time students have a preference set that may be very different from that of full-time students.

The result of the study partly supports **Hypothesis 1: "Students' background has a significant correlation with their preference for the *traits* of the PTL"**. In terms of items related to *Traits* of the PTL, the *Study mode* of the students (full-time/part-time) shows a significant correlation with four of the twelve traits analysed in this study. *Year of Study* shows significant correlation between two trait items and *Level of programme* shows a significant correlation with one.

The result of the study also partially supports **Hypothesis 2: "Students' background has a significant correlation with their preference for the *behaviour* of the PTL"**. Again, the students' *Study mode* shows significant correlation with nine of the eighteen items analysed in this study. *Year of study* shows significant correlations with four behaviour items, whereas *Level of programmes* shows significant correlations with three items. The last background factor, *Gender*, shows significant correlations with only two behaviours items.

It is worth noting that the most significant correlation found in other background factors may be due to their strong correlation with the *full/part-time* factor. In the students' sample currently surveyed, part-time students are usually those who have more study experience and are enrolled in higher level (executive diploma or top up degree) programmes, so similar preferences are expected in those factors. Moreover, five items also show significant correlations with *full/part-time* and other background factors.

Correlation between factors is only one measurement of the distinctive pattern of the relationship between two elements. A lack of correlation should only be interpreted as there is no clear pattern, and not whether items are preferred or not preferred by students. Finally, the correlation only considers the traits and behaviours as being independent of each other. Other tools of analysis such as factor analysis should further reveal if latent relationships exist among the items.

Recommendations

Given that students' background has a strong impact on their preferences for the traits and behaviour of the PTL, it is vitally important for administrators of universities to assign teaching duties to lecturers by delicately and carefully matching students' background and the traits and behaviour of the lecturer. Students can be streamed into precise categories matching their learning expectations and needs, taking advantage of a motivating learning environment in which students of comparable background can form a learning cohort. For example, while PTL with *Higher academic qualifications* are preferred by students with more study experience, PTL with lower academic qualifications are acceptable to students with lower learning experience. Similarly, while students from part-time courses prefer PTLs who have higher subject knowledge, more work experience, more teaching experience, and better presentation skills, full-time students are less concerned about these traits. In other words, preference for these "desirable" attributes are not universal, and self-financing institutes can make better use of their resources by hiring more appropriate PTLs that are adequate and appropriate for the students they teach.

With regard to PTLs meeting the needs of students who are heterogeneous in nature, it is suggested that PTLs modify their teaching as well as social behaviours according to the background of their students. PTLs should be given the latitude to teach and interact with their students in a flexible manner. Students' background which encompasses students' conceptions of knowledge, learning, and learning orientations are, in fact, broad constructs which evolve within different learning environments (Entwistle & Peterson, 2004). Thus, PTLs are likely to be strained by the demands of various groups of students under their care as they are expected to demonstrate professional and personal qualities to boost student motivation. Hence, empowering the teaching faculty enables the practice of authentic professional judgements on academic demands and student sentiment, instead of narrowly engaging in what Ashforth and Humphrey (1993) describe as "emotional labouring". The fundamental merit to this emphasis would be that a PTL would be able to feel confident and comfortable in carrying out their teaching duties. More ideally, they should be provided with the option of teaching classes which are properly streamed and appropriately organised.

With regard to the learning experience, students given the opportunity to engage in learning activities under PTLs who demonstrate students' identified desirable traits show an improved motivation to learn. Therefore, instead of making general assumptions about student expectations and learning needs, institutions could focus more on understanding the diversity of students' background, as discussed and illustrated in the present research. Finally, it is recommended that institutions should foster longitudinal research on students' background in order to provide more effective support for both students and PTLs.

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Introduction to the Hong Kong Basic Law

By Danny Gittings, (Hong Kong: Hong Kong University Press, second edition, 2016)
ISBN: 978-988-8208-37-1, 426 pages

The celebrations marking the 20th anniversary of Hong Kong's return to China, on July 1, 2017, will be accompanied by much debate and reflection. The one country, two systems concept, which has governed Hong Kong's relationship with Beijing since the handover, will be subjected to renewed scrutiny. How successful has this ambitious project been? What problems have arisen and how might they be resolved? What does the future hold? It is difficult, if not impossible to answer such questions without a good understanding of Hong Kong's de-facto constitution, the Basic Law. This book, much more than simply an introduction to the subject, provides answers to all of those questions. It is comprehensive, coherent and highly readable, providing fresh insight into issues and events which have shaped the city's recent history.

As pointed out at the beginning of the book, the Basic Law affects almost every aspect of life in Hong Kong. It lays down the framework for the city's government, legislature and legal system as well as protecting fundamental rights and freedoms. It allows this Special Administrative Region of China a high degree of autonomy and establishes boundaries for the relationship between Hong Kong and the central government. The Basic Law is the reference point for discussion of many of the controversial issues which have dominated public debate in the city, from universal suffrage to calls for Hong Kong independence. This book not only furthers our understanding of the law, but steers us through complex issues and helps us form a clearer picture of the challenges facing Hong Kong today.

The second edition enables Gittings to tackle recent events. It includes reflection on the Occupy pro-democracy protests of 2014 and the stalling of the political reform process the following year. A new final chapter tackles the timely question: What will happen to "one country, two systems?"

Danny Gittings is an associate professor and senior programme director at the College of Humanities and Law at the University of Hong Kong's School of Professional and Continuing Education. He has both taught and researched the Basic Law. Gittings was previously a journalist, working for the South China Morning Post and Wall Street Journal Asia. His journalistic skills have contributed to a clearly written and accessible narrative. This is a law book which is easy and enjoyable to read. And there is a good story to tell.

Gittings sees the events which led to the drafting of the Basic Law as a "series of historical accidents" rather than the result of a long and thoughtful process. Britain's concerns about the ending of its 99-year lease on the New Territories in 1997, the emergence of Deng Xiaoping as a Chinese leader it could do business with, and the formulation by China of a one country, two systems model intended for (but rejected by) Taiwan, all played their part. The dramatic story of the Sino-British negotiations, the signing of the Joint-Declaration in 1984 and the drafting of the Basic Law provide the foundation for the rest of the book. Gittings notes that some of the biggest controversies since the handover, notably calls for universal suffrage and opposition to new national security laws under Article 23, have their roots in the drafting process of the late 1980s and the impact of the Tiananmen crackdown on the final version of the law.

This is followed by an examination of the unique legal status of the Basic Law, its constitutional significance in Hong Kong, importance as a national law applying throughout China and the difficulty in reconciling it with the PRC constitution. One of the most topical chapters is that entitled "A High Degree of Autonomy?" The question mark is significant, because the book considers the issue of precisely how much autonomy Hong Kong enjoys. Gittings suggests the high degree of autonomy promised in the Basic Law is not as high today as it was in the first years after the handover, when the central government was prepared to adopt a more laissez faire approach to the city. Beijing became more interventionist after the mass public protest against proposed new national security laws in 2003, described in the book as "a watershed moment for the Hong Kong SAR." This chapter also considers the impact of the State Council's White Paper on one country, two systems in 2014, and the Occupy protests that year. The reader is left with an understanding that, in the absence of a mechanism for resolving disputes, the amount of autonomy Hong Kong enjoys depends largely on how much self-restraint is exercised by the central government.

A thorough examination of the political system, including the electoral system, raises concerns which might well be on the mind of the city's new chief-executive elect. Gittings highlights the problems the system poses for the city's leader. Without the legitimacy that universal suffrage would bring, the chief executive often lacks popularity and has a difficult relationship with the elected legislature. The book also considers the role played by the city's courts and the importance of judicial independence. The book tells of the ups and downs of the Court of Final Appeal, from the bold assertion of its jurisdiction in the 1999 right of abode case Ng Ka-Ling to its subsequent retreat and later recovery. He provides insight into the impact of the Central government's criticism of the court and the effective overturning of the Ng Ka-Ling ruling through an interpretation of the Basic law issued by the National People's Congress Standing Committee.

The process for interpreting and amending the Basic Law has a chapter of its own, examining the precise nature of Standing Committee interpretations and their implementation by the Hong Kong courts. The protection the Basic Law provides for human rights and the role of the courts in applying the relevant provisions, is also dealt with at length, tracing the development of rights protection in Hong Kong.

The final chapter provides much food for thought as we approach the anniversary

of the handover. Gittings assesses the future of one country, two systems, noting that there have already been suggestions from some that the concept will not last. His prediction for the future is not quite as optimistic as in the first edition of the book published in 2013, as he acknowledges. In the first edition he expressed the view that it was likely there would be no change to one country, two systems after the 50 year minimum period for maintaining the city's lifestyle ends. This time, Gittings says that although it is possible the Basic Law will remain largely in its present form after 2047, "the subsequent emergence of greater antagonism between Hong Kong and the mainland on a number of fronts necessitates some reconsideration of how likely it is that such a relatively benign scenario will prevail beyond 2047."

This book is clearly written and authoritative. It will appeal to newcomers to the Basic Law as well as providing those well-versed in Hong Kong's constitutional arrangements with much to think about. The book offers a timely perspective on the city's recent past and possible future.

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