

Advisory committees and civil society participation The Case of the HKGCC

Introduction

1. The Chamber contributes to public service through its representatives in various councils, boards and committees. Many of these are government advisory bodies, but the Chamber is also active in non-governmental institutions like the Vocational Training Council.
2. The Chamber itself makes extensive use of the committee system, having 26 committees of our own.
3. The Home Affairs Bureau is currently reviewing the structure and process of the government councils, boards and committees. The Legislative Council secretariat recently completed a parallel study on “System of Advisory Committees in Some Overseas Places”. The result of the government review will have important implications on civil society participation in Hong Kong’s public policy and administration. The government’s exercise coincides with an internal review being undertaken by the Chamber to improve the working of its own committee system.
4. In this paper we shall report on one important aspect of the Chamber’s own review, namely, accountability of the Chamber’s representatives in outside bodies. Given the extensive involvement of the Chamber in the community, this report may serve as a “pilot” from where implications for the government’s review could be drawn.

HKGCC involvement in outside committees: range and diversity

5. The Chamber is involved in a wide range of outside committees – the Trade and Industry Advisory Board, the Inland Revenue Department Board of Review, the Organising Committee of the Hong Kong Awards for Industry, the Advisory Board on Accounting Studies of the Chinese University, the Council of the Hong Kong Productivity Council, etc. The Chamber secretariat has compiled a list of about 70 such bodies, but this list is not exhaustive as there may be other outside bodies which are indirectly connected to the Chamber.
6. The 70 bodies each deals with its own subject matter. To make sense of the diversity, it is necessary to classify them under some sort of conceptual framework. We shall conceptualise their nature under two dimensions, namely, their status and their function.
 - *Status*: the status can be conceived of in terms of a “public hierarchy”:
 - a government committee that is statutory (with legal status);
 - a non-statutory government committee (without legal status);
 - a non-government committee of the public sector;
 - a totally private sector committee.
 - *Function*: the function can be arranged in a “political and administrative hierarchy”, ranging from constitutional, regulatory, governance, advisory, to working-group in nature.

7. Applying this model to the 70 committees yields the following picture.

| Function | Government appointment | | Non-government appointment | |
|-------------------------------|--|---|--|---|
| | Statutory | Non-statutory | Public sector | Private |
| Constitutional | <ul style="list-style-type: none"> • LegCo • Election Cttee | | | |
| Regulatory | <ul style="list-style-type: none"> • Disciplinary Board Panel, Factories & Ind Undertakings (Safety Mgmt) Reg • IRD Board of Review • Town Planning Board | | | |
| Governance | <ul style="list-style-type: none"> • Fed of HK Ind GC • HKTDC • HKPC • Clothing Ind Training Authority | <ul style="list-style-type: none"> • Ind & Tech Dev Council | <ul style="list-style-type: none"> • ESF ExCo • HKQuality Assurance Agcy | <ul style="list-style-type: none"> • HKANA BoD • HK Shippers Council ExCo • Tradelink BoD • B/s Env't Council |
| Advisory committee – general | | <ul style="list-style-type: none"> • SME Cttee • Labour Adv Board • Int'l Business Cttee • Trade & Ind Adv Board • Serv Prom Strategy Gp • Inv Prom Strategy Gp • Ethics Dev Adv Cttee | <ul style="list-style-type: none"> • TDC Services Promotion Programme Cttee | <ul style="list-style-type: none"> • HK Assn London Cttee • HK/Japan B/s Coop Cttee • Int'l Chambers IBC Group |
| Advisory committee – specific | | <ul style="list-style-type: none"> • Stat Adv Board • Manpower Dev Board • Employment task force • Rehab Adv Cttee Subcom on employment • IRD Joint Liaison Cttee on Taxation • Dangerous Goods Stg Cttee (Chemical, Godown, Shipping) • Pilotage Adv Cttee • Port Optns Cttee • Port Welfare Cttee • OFTA UCAC • Certification CoCom (TID) • ISD Overseas PR Group | <ul style="list-style-type: none"> • TDC Electronic Adv Cttee • TDC Toys Adv Cttee • Occup Safety & Health Council Sedantary Workers Safety & Health Cttee • VTC Accty Training Board • VTC Cttee on mgmt & superv training • VTC Cttee on tech training • VTC Cttee on M/X/ wholesale training board • VTC Cttee on vocational training for the disabled • VTC maritime serv training board • VTC textiles & clothing training board • VTC adv board for vocational education • US Consulate Steering Cttee of USAEP • HKCSS Employment Serv Cttee • HKCSS Stg Cttee on Int'l & Regional Networking • CUHK Adv Board on Accty • CityU Adv Cttee for Graduate Employment • B/s Assn of HKU Students | <ul style="list-style-type: none"> • Joint assn on labour relations • Employers Fed Joint b/s group on labour • HK Inst of Arbitrators Arb Review Cttee • HKIAC Appt Adv Board • HKSA Auditing and Assurance Stds Cttee • HKSA Fin Acctg Stds Cttee. • China Tax Soc Adv |
| Working group/task force | | <ul style="list-style-type: none"> • HK Awards for Ind Org Cttee • HK Awards for Serv Org Cttee • General Support Prog Vetting Committee, Innov & Tech Fund • SME Dev Fund Vetting Cttee • Product Safety Working Group (CITB) • Import/Export Industry Working Group (EMB) | <ul style="list-style-type: none"> • EOC WG on Equal Opp Employers • HKU Award Cttee of Chater Mem Scholarships | <ul style="list-style-type: none"> • HK Gifts and Houseware Fair Org Cttee |

8. From the above picture, the following observations are pertinent.

- In terms of *status*, along the “public hierarchy”:
 - i. *Government statutory body*: the appointment is made by the government to a body which has legal status, e.g. the Legislative Council, a disciplinary board panel, a statutory body like the Trade Development Council.
 - ii. *Government non-statutory body*: the appointment is made by the government to a body established administratively. The body can be an advisory committee or a working group/task force.
 - iii. *Non-government appointments* in the public sector: the appointment is made by a non-governmental body in the public sector, for example, by the Vocational Training Council to some of its academic advisory committees.
 - iv. *Private sector*: the appointment is made to a body which belongs to the private sector, typically a trade or professional body.

- In terms of *function* and the “political and administrative hierarchy”:
 - i. *Constitutional bodies*. There are only two of these, namely, the Legislative Council and the Election Committee.
 - ii. Bodies or committees that have a *legal regulatory function*, for example, a disciplinary board, the Town Planning Board. They are all statutory bodies.
 - iii. Bodies involved in *governance* of organisations, i.e. councils or governing boards, e.g. the General Committee of the Federation of Hong Kong Industries, the Executive Committee of the English School Foundation, or the Board of the HKANA.
 - iv. *Advisory bodies with a general policy agenda*, such as Trade and Industry Advisory Board, Services Promotion Strategy Group. Some private sector bodies, e.g. HK/Japan Business Cooperation Committee, are also of the same nature. Because of the relative breadth of agenda, these committees are likely to have an impact on government policies.
 - v. *Advisory bodies with a specific agenda*, such as the Statistics Advisory Board, or the Dangerous Goods Standing Committee. Many committees of non-governmental bodies are also of the same function, e.g. an academic advisory committee of a university. They usually have specific terms of reference and a well-defined agenda. Their influence is thus limited to the specific areas in question.
 - vi. *Working groups or task forces*, for example, the vetting committee of the SME Development Fund, or the organising committee of the Hong Kong Awards for Industry. They are given a specific task to perform.

9. The above picture shows a broad correlation between the two dimensions, suggesting that the more the political/administrative function is, the more likely it is high on the public hierarchy, e.g. a government statutory body.

Connection with the Chamber: representation

10. We use the concept of “representation” to describe the relationship of the committees to the Chamber. The result is presented graphically as follows.

| Function | Government appointment | | Non-government appointment | |
|-------------------------------|---|---|---|---|
| | Statutory | Non-statutory | Public sector | Private |
| Constitutional | <ul style="list-style-type: none"> • LegCo • Election Cttee | | | |
| Regulatory | <ul style="list-style-type: none"> • <i>Disciplinary Board Panel, Factories & Ind Undertakings (Safety Mgmt) Reg</i> • <i>IRD Board of Review</i> • <i>Town Planning Board</i> | | | |
| Governance | <ul style="list-style-type: none"> • Fed of HK Ind GC • HKTDC • <i>HKPC</i> • <i>Clothing Ind Training Authority</i> | <ul style="list-style-type: none"> • <i>Ind & Tech Dev Council</i> | <ul style="list-style-type: none"> • ESF ExCo • <i>HKQuality Assurance Agcy</i> | <ul style="list-style-type: none"> • HKANA BoD • HK Shippers Council ExCo • Tradelink BoD • B/s Env Council |
| Advisory committee – general | | <ul style="list-style-type: none"> • <i>SME Cttee</i> • <i>Labour Adv Board</i> • <i>Int'l Business Cttee</i> • <i>Trade & Ind Adv Board</i> • <i>Serv Prom Strategy Gp</i> • <i>Inv Prom Strategy Gp</i> • <i>Ethics Dev Adv Cttee</i> | <ul style="list-style-type: none"> • TDC Services Promotion Programme Cttee | <ul style="list-style-type: none"> • HK Assn London Cttee • HK/Japan B/s Coop Cttee • Int'l Chambers IBC Group |
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| Working group/task force | | <ul style="list-style-type: none"> • HK Awards for Ind Org Cttee • HK Awards for Serv Org Cttee • <i>General Support Prog Vetting Committee, Innov & Tech Fund</i> • <i>SME Dev Fund Vetting Cttee</i> • <i>Product Safety Working Group (CITB)</i> • <i>Import/Export Industry Working Group (EMB)</i> | <ul style="list-style-type: none"> • EOC WG on Equal Opp Employers • <i>HKU Award Cttee of Chater Mem Scholarships</i> | <ul style="list-style-type: none"> • HK Gifts and Houseware Fair Org Cttee |

Key:

- **Elected by Chamber members**
- Appointed as Chamber representative
- *Nominated by Chamber, but appointed as individuals*
- Suggestions offered/invited informally
- Appointed direct, no consultation with Chamber

11. Our classification reflects an implied hierarchy in the representational concept:

- | | |
|----------------------|--|
| Most representative | - Elected by Chamber members |
| | - Appointed as Chamber representative |
| | - Nominated by Chamber, but appointed as individuals |
| | - Suggestions offered/invited informally |
| Least representative | - Appointed direct, no consultation with Chamber |

12. Some observations relating to this “representational hierarchy” are as follows.

- i. *Elected representatives.* These apply to the two constitutional bodies, LegCo and Election Committee.
- ii. *Appointed as Chamber representatives.* In general, non-government bodies make more liberal use of the representational concept. For the government, the application is more restricted for the “higher-level” type organisations (only the board of FHKI and TDC), and more liberally for specific advisory committees or working groups.
- iii. *Nominated by Chamber but appointed as individuals.* Sometimes the Chamber is invited to nominate people to serve on committees, but on individual basis, such as the Council of the HKPC, the IRD Board of Review, or the HKSA standards committee. Many of the non-government appointments are of this type, but so are a significant number of government committees, for example, the government SME Committee. In the latter case, the Chamber nominee, though appointed on individual basis, may be considered as a Chamber representative on a de facto basis.
- iv. *Informal suggestions.* For some appointments, it is not infrequent for the government to approach the Chamber for ideas, or for the Chamber to make unsolicited suggestions to the government. When the Service Promotion Strategy Group was established, for instance, a number of key members of the Hong Kong Coalition of Service Industries were proposed by the Chamber to the government for appointment to the SPSG. From the representational angle, there is a loose connection between the appointees and the Chamber, but this connection is not precisely defined.
- v. *No consultation with Chamber.* Many government committee members happen to be Chamber members, and often their appointments are unrelated to their Chamber membership. But there are occasions where Chamber involvement may be one of the considerations by the government in making the appointment, hence there may still be a connection with the Chamber.

Enhancing accountability in civil society participation

Analytical convergence: the concept of accountability

13. In the above description we have used the concepts of “public hierarchy” and “political and administrative hierarchy” to describe the range and diversity of the

outside committees that are connection to the Chamber. The connection is further described by the idea of “representational hierarchy”. We consider that the best way to synthesise these is to make use of the concept of accountability.

14. There are two different aspects of accountability in the picture presented above, namely, public accountability, and accountability to the Chamber.

- Every committee is accountable to the public in some way, though in different degrees. Generally, the higher on the “public hierarchy” or “political and administrative hierarchy”, the greater the accountability of the committee to the public.
- In terms of relationship to the Chamber, obviously, the closer the relationship, (i.e. the higher on the representational scale), the more accountable the member should be to the Chamber.

15. In other words, when a Chamber member is appointed to an outside committee, he would be accountable both to the public and to the Chamber, though to different degrees depending on the committee to which he is appointed. This dual accountability reinforces each other, and together they enhance civil society participation in Hong Kong’s administration.

The Chamber’s contribution to civil society participation

16. The fact that many Chamber members are appointed to outside committees, reflects a recognition of the Chamber’s influence. It is also a measure of the Chamber’s social contribution. Through providing quality people to serve on various government and outside bodies, the Chamber helps enhance civil society participation in Hong Kong affairs.

17. Indeed, often the Chamber is making this contribution regardless of its own interests in the outside bodies. Sometimes an appointment could be made of a Chamber member to a committee for which the representational concept is not relevant, for example, the Award Committee of the HKU Chater Memorial Scholarship. In other cases, the committee in question has a specific regulatory duty which must be performed independently of the Chamber, thus rendering the representational concept inappropriate; an example is the IRD Board of Review which acts as a tribunal for individual tax appeals. In these cases, the issue of “representing the Chamber” does not arise.

18. There may be many more Chamber members who have been appointed to government bodies or other outside committees on account of their connection with the Chamber, without the Chamber or their knowing it. Because of the imprecise nature of this relationship, many of these cases cannot be identified (hence our list in this paper must be incomplete). What is certain is that the “Chamber connection” enhances the qualification of the respective appointees.

19. In any case, the fact that Chamber members are appointed – whether direct or through the Chamber’s nomination – reflects the community’s recognition of the Chamber as a pool of talent for contribution to public service. The Chamber, in turn, needs to continually ensure that the public officers “sourced” from the Chamber always provide good value and sound advice.

Enhancing their accountability to the Chamber

20. From the Chamber's point of view, there should be a correlation between accountability and the extent of Chamber representation: the more "representative" the member is, the more accountable he should be towards the Chamber.

21. In practice, this is by and large the case, although there is no explicit mechanism within the Chamber for these members to report back. The Chamber LegCo representative provides regular reports to the Chamber membership, but this is voluntary rather than mandatory. A number of Chamber appointees also keep the Chamber informed of issues pertaining to their areas, again, in a voluntary and informal basis.

22. Besides the voluntarism and good spirit of the appointees, a mechanism does exist to strengthen accountability of the appointees, namely, to link the outside appointment to certain internal committees of the Chamber. An example is the Advisory Council for the Environment, which, until recently, has a seat reserved for a Chamber representative. The Chamber has tied that in with our own Environment Committee, which includes "ACE report" as one of its regular agenda item. This enables the Chamber representative to consult other Chamber members and to bring ACE matters to their attention. There was also a regular arrangement with the government for a separate set of ACE papers to be sent to the Chamber secretariat and thence to interested Chamber Environment Committee members.

23. For the ACE, however, lately the government has decided to remove the Chamber's seat in the latest round of appointments – which we consider a big step backwards. In any case, the previous ACE-Environment Committee arrangement was the exception rather than the rule. Although in many cases a corresponding Chamber committee can be identified, (e.g. Chamber's Shipping Committee with the Port Operations Committee, HKCSI with the SPSG), other Chamber appointees report much less regularly. Some appointees maintain no contact at all with the Chamber after their appointment.

24. To strengthen accountability, it is clear that the "consult and report back" mechanism should be strengthened. It should be noted, however, that this mechanism only works in cases where the representational concept applies. It is not relevant for the regulatory committees which deal with specific administrative tasks, such as tax appeal or a planning application.

25. Furthermore, although a strengthening of the "consult and report back" mechanism is desirable, it should not be taken as a rule or a requirement. For an important principle of accountability is that of trust. Like other democratic institutions, there must be trust and confidence in the integrity and dedication of the Chamber's representatives, who act as public-spirited individuals when discharging their duties on behalf of the Chamber. Instead of placing any constraints on its representatives, the Chamber should encourage them to exercise their own professional judgement to the greatest freedom. Any "consult and report back" system should be aimed at enhancing that, rather than as a way to "regulate" their performance.

Accountability and performance appraisal

26. An important indicator of accountability is performance. For a committee secretary, a “good” member often means one who attends meetings regularly and speaks during meetings. In practice, these may not necessarily be the best indicators: absence may not indicate lack of attention; frequent speaking does not always mean sound thoughts; good ideas can be contributed in absentia; concurrence could also be a contribution, etc.

27. In terms of overall performance, by default Chamber “representatives” are good-quality committee members – which is why they are appointed in the first place. Considering that the Chamber’s 4,000 corporate members together house the biggest pool of business talents, it is not surprising that many outside bodies would like to benefit from the Chamber’s input. As for individual’s performance, some kind of performance appraisal would be beneficial, not just for the government or the host organisations, but also for the Chamber as provider of the appointees.

Implications for the Chamber

Implications relating to Chamber involvement in outside committees

28. A comprehensive survey of all Chamber appointees on various outside committees should be conducted, with a view to improving the representational relationship between the Chamber and these members. Some of the options that can be considered include:

- every outside committee should be matched with a “host” Chamber committee;
- more regular circulation of committee papers to Chamber secretariat;
- some kind of “performance appraisal” of Chamber members in outside committees. Given our confidence in the professionalism of our membership, a self-appraisal should be good enough for our purpose.

Implications for the Chamber’s own committees

29. The 26 internal committees of the Chamber make up an important part of the Chamber’s own structure. The Chamber’s ambition should be to make these the most representative committees in their respective areas, which are to be taken seriously by the government and the community. To that end, and with the benefit of the analysis above, a few actions are worth exploring:

- There is a need for appraisal of the effectiveness of each Chamber committee.
- The Chamber can make it an explicit policy to nominate active members (i.e. members who make contributions to Chamber’s own committees) to outside bodies as Chamber representatives.
- There should be a closer link between the committees and the Chamber’s board, the General Committee. The GC can, for example, consider supporting a small number of outstanding committee chairpersons (say two) in their election to the General Committee – perhaps on two year rather than

four year basis. This can be done administratively without changing the Chamber's constitution.

Implications for the government review

30. In this paper we have developed a few concepts which are then analysed using the idea of accountability. Some of these concepts may contribute to the government review:

- the concept of political and administrative hierarchy,
- the concept of representation,
- the idea of performance appraisal.

31. Needless to say, the concepts are inter-related. The higher-level the bodies are in terms of political and administrative hierarchy, the more they will benefit from members with wider representation, and the bigger the onus on the members to be accountable to their constituencies. Since accountability naturally relates to performance, the question of performance appraisal becomes relevant.

32. For the government, the bottom line must be to base all appointments on professional competence and personal integrity. In addition, our analysis yields some suggestions which may be useful to the government review, as follows.

- In general, representational membership akin to the functional constituency concept should be more openly adopted for all government committees, with the exception of regulatory bodies which should discharge their duties independently.
- The government should be more forthright in inviting publicly recognised bodies – the Chamber being a prime example – to appoint members to more government advisory committees.
- There should be more transparency in the membership composition of government committees. This can be achieved by publishing the curriculum vitae of each appointee, to reflect their professional background as well as their representational relationship to various sectors.
- At present, attendance at meetings is the only publicly available indicator of performance. The government should examine other methods of appraising committee performance and relating them back to the respective constituencies.