

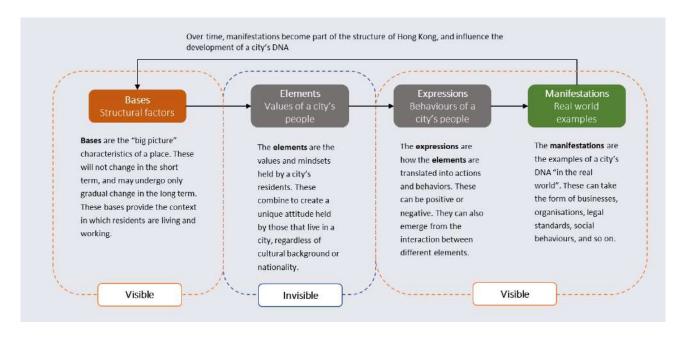


DISCOVERING THE DNA OF A CITY

All major cities, including Hong Kong, have a certain attitude and mindset that defines the people that live there. This is what differentiates a city from its peers. We could understand this as the "DNA" of a city: the values and behaviours that lead people to create the organisations, businesses and communities that make a city what it is.

Challenged by both internal and external changes, Hong Kong is currently trying to determine what its future role in China, Asia and the world will be. But overcoming uncertainty about the future will need certainty about who we are and where we are now. By understanding the "DNA" of Hong Kong, we can build a framework to analyse what makes the city unique.

The DNA framework proposed herein has four stages: the **bases**, macro-level structural factors that do not change in the long-term, help to shape the **elements** of Hong Kong's DNA, which are the unique attitudes and mindsets held by Hong Kong's residents. These elements are **expressed** by Hong Kong people as both positive and negative behaviours, and are **manifested** as the visible things we see in the city.





The DNA of Hong Kong

The Bases of Hong Kong's DNA

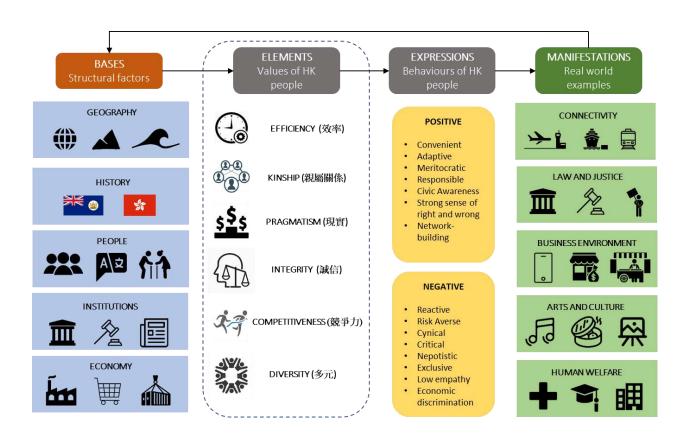
- 1. Geography Hong Kong's natural characteristics, its strategic location in China, Asia and the wider world.
- 2. **History** Hong Kong's colonial heritage, post-war economic and institutional development, and its experience after the Handover.
- 3. People Hong Kong's diverse population, and the skills, talents and cultural influences they possess.
- 4. Institutions Hong Kong's independent, stable and effective bodies that exert governance.
- 5. Economics Hong Kong's transition from a manufacturing to a service economy.

The Elements of Hong Kong's DNA

- 1. Efficiency The ability to do things well, successfully, and without unnecessary excess.
- 2. Kinship A commitment to relationships between members of the same family or close-knit group.
- 3. Pragmatism Viewing all things and situations in terms of practical uses, value and success.
- 4. Integrity Being honest and having strong moral principles, or moral uprightness, which leads to trust in people, organisations and institutions.
- 5. Competitiveness The desire to be more successful than others.
- 6. Diversity Encompassing variety, along multiple dimensions including ethnicity, ability, regions and cultures.

The Manifestations of Hong Kong's DNA

- **1. Connectivity** Hong Kong's domestic and international connections.
- 2. Law and Justice the systems that legislate, adjudicate and enforce laws and protect rights in Hong Kong.
- 3. Business Environment the ease of doing business in Hong Kong.
- **4. Culture** the artistic and artisanal creations developed by Hong Kong's people.
- 5. Human Welfare the provision of important social and public goods in Hong Kong.





The Future of Hong Kong's DNA

Looking to the future, we anticipate the following six global megatrends will present a significantly different environment for Hong Kong in the future. These megatrends are:

- 1. Hyper-globalization
- 2. Climate Change
- 3. Changing demographics
- 4. China's rise
- 5. Innovation and technology
- 6. The rise of nationalism, protectionism and populism

To account for these changes, Hong Kong will need to both strengthen its existing DNA elements while also fostering new ones. Specifically, we highlight three new elements that would serve Hong Kong well in the future:

- 1. Moving beyond diversity to inclusivity
- 2. Increasing global awareness for Hong Kong as a service hub
- 3. Creating a society that is contented with its standard of living

We suggest ten policy focus areas that would help to develop these three elements over time, including (but not limited to) land and housing, institutional strength, education, and Hong Kong's international presence.

Inclusivity

Beyond just diversity and tolerance of different points of view, inclusivity means being open to and appreciative of differing perspectives. An inclusive society is one that tries to bring these perspectives together into one whole: a society greater than the sum of its parts.

For example, while there is no official or institutional discrimination, minorities in Hong Kong have long borne the brunt of discrimination.

In addition, Hong Kong people have been unwilling to look to emerging markets, including ASEAN and Mainland China, for insights on development. This is partly why Hong Kong has been leapfrogged by other cities.

Hong Kong should not just tolerate difference, but use insights from it to build a stronger city and community.

Global Awareness

Global awareness means an engagement with the rest of the world.

Hong Kong people are civically and politically aware when it comes to domestic issues. However, when it comes to regional and global issues, Hong Kong people are more insulated.

Hong Kong's direct engagement with the rest of the world is currently passive. The city, however, does not actively pursue international engagements.

This is sometimes reflected in policy. Hong Kong signed a free-trade deal with ASEAN in 2017, fourteen years after Mainland China signed an FTA with ASEAN. This was one reason why Singapore could take advantage of growing China-ASEAN trade and Hong Kong could not.

A more connected world with multiple economic centres requires Hong Kong to look beyond its comfort zone.

Contentment

"Contentment" means being satisfied with one's current situation. This does not mean an unwillingness to criticise, but rather creating a situation where needs are met.

Currently, stagnating social mobility and rising income inequality have not led to conditions where people are satisfied with the *status quo*.

But "contentment" has another meaning, in ensuring that Hong Kong people are not encouraged to overconsume. With the rise of climate change and scarce resources, Hong Kong's resource consumption must fall to a more sustainable level.

Hong Kong needs to ensure shared prosperity while resisting the urge to overconsume.





For more information on this report, or the Hong Kong Young Leaders Programme in General, Please contact the Global Institute for Tomorrow at enquiry@global-inst.com.

You can download the full report <u>here</u>.



