

**“Not just an event, but an institution”**  
**A Review of the *Servicing Economy* Forum**  
**Hong Kong Coalition of Service Industries**  
**November 2004**

**Summary**

- From the first Tripartite Forum (business, academic and government) in 1998, the *Servicing Economy* Forum has evolved into a Penta Forum (business, academic, government, politicians and media). It has been a useful occasion for generating policy ideas to promote the service economy. More importantly, as it progressed over the years, it has seen the evolution of a few elements of a “living process”, the emergence of a model of policy think-tanking in Hong Kong.
- The Forum’s subject matter should be expanded beyond the service economy to all policy areas in business and economy and their social implications. Within the government, the principal organiser should be the Financial Secretary’s Office or the Central Policy Unit, or both. The HKCSI will continue to be the private sector partner in planning and organising the Forum.
- The organisers should maintain a network of think-tanks, which should include conventional think-tanks, policy research centres in universities, as well as research departments of major political parties.
- The Forum should be the “ideas summit” for Hong Kong public policy. For each Forum, between two to four think-tanks or research centres should be invited to be partner organisations to conduct studies and assist in the facilitation of the Forum. They should be provided funding by the government to conduct their own studies and hold preparatory roundtables.
- The Forum itself is not just a programme but a culmination of a process of preparation. The collaborating think-tanks will make presentations of concrete policy proposals, based on their studies. They will also facilitate the discussion and produce a report of the Forum’s findings.
- All ideas expressed in the Forum will be recorded and catalogued. An assessment will be made on how far the ideas from the Forum relate to current government policy, and their applicability.
- Such a Forum will cost a few million dollars to organise. Considering that what is delivered is not just an event but a sustainable institution that produces good public policy thinking and a basis for building coalitions of support around policy initiatives, the money spent will be very good-value.

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**Background leading to the first forum (1998)**

1. In a submission to the Financial Secretary in December 1995 entitled “Towards Services Excellence”, the HKCSI proposed the following, among other things:

“A tripartite effort among business, government and academics can be very useful in galvanising efforts to promote the service industries. The thinking of officials may be compartmentalised, of businessmen over-pragmatic, and of academics too detached. On the other hand, the down-to-earth approach of business, the political and diplomatic wisdom of officials, and the intellectual input of academics could very well reinforce each other. Promotion of services is an issue where a tripartite partnership should be utilised to good effect. A useful starting point is to organise such a tripartite symposium on the service sector, to address issues ranging from international trade and investment policy, domestic opportunities and challenges, and the socio-economic impacts of Hong Kong’s structural transformation. The HKCSI will be happy to be the lead organiser of such an event.”

2. In his maiden Budget Speech on 6 March 1996, the then Financial Secretary Mr Donald Tsang launched a campaign to promote the service sector. In his 1997 Budget Speech he published the final report of his task force on services promotion, entitled “Hong Kong At Your Service”. Besides being a policy statement, the report also contained an action agenda for the year ahead. A new Business and Services Promotion Unit was established within the Financial Secretary’s Office to coordinate the services promotion programme.

3. The HKCSI’s proposal of a tripartite forum for “exchange of views, debates and brainstorming of ideas” was thus put to the BSPU. In the HKCSI proposal, it was emphasised that the forum was not intended for prepared speeches and “party line” statements, but should instead be an occasion for constructive dialogue in generating news ideas for services promotion. The HKCSI also recommended that such a forum should be fully funded by the government as the aim of the forum was better formulation of public policy. Along with Hong Kong University, the BSPU was invited as HKCSI’s partner.

4. Both HKU and BSPU supported the HKCSI proposal and the first Tripartite Forum entitled “*Hong Kong – The Servicing Economy: The Policy Agenda on Promotion of Services*” was accordingly held on 8 January 1998. HKCSI was the main event organiser while funding was provided by BSPU. The aim of the Forum was explicitly stated as “engaging key officials, businessmen and academics in discussion, debate and brainstorming of ideas on the policy agenda for the promotion of the service sector.”

5. The first Forum also set the format for subsequent ones. The following common elements were followed in all subsequent forums:

Organisation	Selection of topics	The topics were decided through consultation among the three organisers
	Participation	<ul style="list-style-type: none"> <li>• On invitation-basis</li> <li>• Limited to about 100 people</li> <li>• With a balance among different sectors.</li> </ul>
	Publicity	Limited to the fact that the Forum was organised. The press was not invited to cover the proceedings.
The Forum	Morning forum	<ul style="list-style-type: none"> <li>• Short opening session by the Financial Secretary</li> <li>• Two one-and-a-half hour sessions each breaking out into two groups, i.e. a total of four discussion sessions, on four subjects.</li> <li>• A moderator and one or more lead-in speakers to introduce the subject, followed by open discussion</li> </ul>
	Evening forum	<ul style="list-style-type: none"> <li>• Chaired by the Financial Secretary</li> <li>• Reporting-back of morning sessions</li> <li>• Open discussion</li> </ul>
Post-Forum	Reporting	An important feature of the forum is that all the ideas are recorded. Professional writers are employed to produce a summary report on each of the four topics. These are published as a special edition of the <i>Servicing Economy</i> newsletter published by the HKCSI.

### **From tripartite to penta: the evolution**

6. The first Tripartite Forum was hailed as a success by all participants, including the Financial Secretary. The open and free-flowing nature of discussion was particularly welcomed.

7. Besides the Supplement in the *Servicing Economy* newsletter, a “Catalogue of Ideas” and the full transcript were also published and distributed among Forum participants.

#### *The second Forum (tripartite)*

8. In view of the success of the first Tripartite Forum, it was decided to hold it again in January 1999. Two major change were made to the second Forum:

- The Evening Forum was held in the form of a dinner in Government House, a venue which was used in subsequent forums. This was to make the Evening Forum into a “highlight” for the event.
- A keynote speaker was invited to deliver a dinner speech. For the 1999 Forum, the speaker was then HSBC Chairman John Strickland.

9. A consensus emerged during the January 1999 Forum that legislators and politicians should be involved. Thus the next Forum became a four-side, “Quad” forum.

#### *The third Forum (quad)*

10. The major changes in the third Forum were:

- The timing was shifted to November 1999, ten months (instead of one year) after the second Forum, so as to make it useful for the Financial Secretary in preparing his March Budget speech.

- The biggest change was in the composition, with the addition of the fourth sector comprising LegCo members and community leaders. Not many of them attended, but those who did contributed actively to the discussion.
- Another major improvement was to have preparatory sessions for all four topics of the morning session. These were held in the form of lunchtime roundtables at the Chamber. The preparatory roundtables were chaired by the moderators of the respective sessions and each was attended by about 15 people. The result of the brainstorming formed the basis of the discussion material for the main Forum.

11. The Dinner Forum continued to feature a dinner speech, with Graham Brant of Microsoft Hong Kong as speaker.

*The fourth Forum (quad)*

12. Further changes and refinements were made for the next Quad Forum 2000, held in November 2000:

- It was decided not to have a keynote speaker in the evening, enabling a more natural “flow” of discussion, relaxing the atmosphere and hence enhancing the result of the dinner forum. The dinner at Government House continued to be the highlight of the Forum, with the Financial Secretary summarizing key conclusions.
- Another improvement was made in enhancing the role of the panel in the Morning Forum. It was emphasised to the panelists that their role was as “joint facilitators”, not as speakers making presentations and then answering questions. There was also a decision to appoint “old hands” of the Forum to be chair-panelists (Messrs Eden Woon, Martin Barrow, Mike Rowse and KC Kwok), rather than look for new appointees. This improved the flow and atmosphere of the discussion.
- An effort was made to enlist more legislators and community representatives to attend, and that effort had paid off. The total number of participants from the fourth sector rose from 8 to 23, hence giving a more balanced composition of participants.

13. As with the Forum before, preparatory roundtables were held prior to the event, and they had proved very useful.

14. One key recommendation from the Forum was to include the media as the fifth sector, and to expand the Forum in future to the Mainland. For the latter recommendation, a bilateral, tripartite (i.e. without the fourth sector) “Joint Hong Kong-Guangdong Economic Forum” was organised in September 2001 with Guangdong CCPIT.

*The fifth Forum (penta)*

15. The Quad Forum evolved into the Penta Forum in January 2002. The main advancement was the addition of the fifth sector, the media. The preparatory roundtables were retained.

*The sixth Forum (penta)*

16. The Penta Forum that followed was held in February 2004. The major changes were:

- The preparatory roundtables were no longer held. Instead, four local think-tanks were assigned each to prepare a discussion paper and make a presentation at the Forum. This format proved very effective in giving structure to the discussion and generating focused debate.
- For each of the four sessions in the Morning Forum, the panel included only the moderator and the think-tank representative making the presentation. Their role became genuine “joint facilitators”, not speakers making presentations and then answering questions. A clear consequence was enhanced input from the floor.
- The same think-tanks were tasked to write the final report. This arrangement enabled continuity to be maintained in developing the ideas before, during and after the Forum. It also made the whole Forum, from preparation to dissemination, a much more “organic” process.
- Another major change was to substitute the dinner forum by changing it into a pre-dinner cocktail, with a 45-minute sit-down forum. The advantage was that it shortened the time required of the participants. Unfortunately, the new format failed to generate more participants; on the contrary, fewer people attended the Evening Forum compared to previous years. More importantly, the absence of a dinner and the need to conclude before dinner time meant that no time was given to “warming up”, and the event had to be conducted in a “rush”. As a result, the quality of the evening brainstorming and debate was compromised.

### Forum themes

17. A variety of themes were examined in successive Forums.

	Themes
Tripartite Forum 1998	<ul style="list-style-type: none"> <li>• Liberalisation</li> <li>• The information revolution</li> <li>• Impact of economic restructuring on human resources</li> <li>• Quality and productivity</li> </ul>
Tripartite Forum 1999	<ul style="list-style-type: none"> <li>• Competition policy</li> <li>• Raising competitiveness: “Quality of life” sectors</li> <li>• Hong Kong as an innovation and technology centre</li> <li>• Making the non-traded sectors tradeable</li> </ul>
Quad Forum 1999	<ul style="list-style-type: none"> <li>• Hong Kong’s strategic position: policies and roles</li> <li>• Economic relationship with the Mainland</li> <li>• Technology in the service economy</li> <li>• Tourism, environment and quality of life</li> </ul>
Quad Forum 2000	<ul style="list-style-type: none"> <li>• Strategic Cooperation between Hong Kong, Shenzhen and the Pearl River Delta</li> <li>• Refining the SAR Advantage: Small and Efficient Government</li> <li>• Marketing Hong Kong in the New Economy</li> <li>• Refining the SAR Advantage: More Efficient Markets</li> </ul>
Penta Forum 2002	<ul style="list-style-type: none"> <li>• Hong Kong as Logistics Centre</li> <li>• Social and Community Services</li> <li>• Promotion of Hong Kong’s Services Sectors to the Mainland</li> <li>• Reform of Healthcare and Related Services Sectors</li> </ul>
Penta Forum 2004	<ul style="list-style-type: none"> <li>• Population and Immigration Policies: Challenges and Opportunities</li> <li>• CEPA: Way Forward for Services</li> <li>• Hong Kong as a Cultural and Entertainment Capital</li> <li>• Export of Healthcare Services</li> </ul>

18. Given the Forum’s overall title of “the servicing economy”, all of the themes were related to the service sector in some way. From the above list, it can be observed that:

- In every Forum, there was a mix between “big and broad” issues and specific, sectoral subjects.
- There was a trend towards introducing more “exotic” subjects into the Forum, such as “non-tradeable sectors” in the 1999 Forum, efficiency of government in 2000, social services and healthcare in 2002, and population policy, healthcare and culture in 2004.

### Participation

19. Over the years, participation in the Forum was as follows.

	Academics	Business	Government	Political	Media	Total
Tripartite Forum 1998	31	51	47			129
Tripartite Forum 1999	35	39	49	4		128
Quad Forum 1999	36	55	39	8		138
Quad Forum 2000	42	41	39	23		145
Penta Forum 2002	27	32	27	12	11	109
Penta Forum 2004	18	34	28	17	12	109

20. In every forum, about one-third to half of the attendees had attended the previous one, thus providing a healthy mix of new participants and second-timers.

	% attending previous forum
Tripartite Forum 1998	-
Tripartite Forum 1999	46%
Quad Forum 1999	49%
Quad Forum 2000	40%
Penta Forum 2002	37%
Penta Forum 2004	32%

21. The degree of continuity was reinforced by multiple attendance of experienced participants.

Number of participants attending the Forum	
Once	258
Twice	74
3 times	55
4 times	21
5 times	14
All 6 forums	4
Total attendees	426

22. Of the 426 participants, 61 have taken part in the Forum in a “lead” position, either as panel speaker or moderator. Broadly speaking, there are three types of such “lead participants”:

- “Big names” like Sir Gordon Wu, Victor Fung and John Strickland (then Hongkong Bank Chairman).
- Well-known leaders or professors in their respective fields, e.g. Brian Stevenson, Po Chung, Alex Arena, Michael Enright.
- Good discussion facilitators, e.g. Richard Wong, David Dodwell, Eden Woon, KC Kwok.

23. Of the above three, the experience of the Forum is that the “big name” feature is the least important. What made the Forum successful was the speakers’ substance and the moderators’ facilitating skills.

24. The importance of substance and facilitating skills is reflected in the following table which shows the 13 people (out of the 61 lead participants) who have played a role in two or more forums.

<i>Took a leading role in</i>	
Six forums	Richard Wong
Five	Eden Woon
Four	David Dodwell
Three	Nick Brooke, Mike Rowse
Two	Michael Enright, Stanley Ko, Francis Ho, Martin Barrow, Prof Richard Ho, Howard Young, Yvonne Choi, KC Kwok

25. To a significant extent, the success of the Forum can be attributed to the ongoing involvement of the best facilitators in town – people like Professor Richard Wong and Dr Eden Woon. Indeed, the skill in moderating and facilitating is critical to the success of the Forum. But the real contribution of the Forum lies not in that of individuals, but the emergence of a “*community of policy think-tankers*”.

### **A model for public policy development**

26. It follows from the last section that the most significant contribution of the Forum is not in establishing an event for Hong Kong, but in giving rise to a process of effective policy think-tanking – an institution building process for public policy development.

27. The government has acknowledged that policy think-tanks are not well-developed in Hong Kong. The more established think-tanks like the Hong Kong Policy Research Institute, the One Country Two Systems Research Centre, Civic Exchange and specific research centres in the universities all conduct regular studies and publish occasional reports. However, the research efforts have been sporadic, and there is no systematic way to involve various stakeholders in society. The government’s think-tank – the Central Policy Unit – does manage a regular “thinking process” through biweekly brainstorming meeting of its part-time members, but there is little engagement of the outside public and little evidence of “tanking” of ideas.

28. The *Servicing Economy* Forum started as a programme, but as it progresses over the years, it has seen the evolution of a few elements of a “living process”, the emergence of a model of policy think-tanking in Hong Kong. This model can be presented as follows.

Preparatory Phase	
Principles	<ul style="list-style-type: none"> <li>Engagement of stakeholders in determining subjects</li> <li>Substantive preparation: involvement of think-tanks</li> </ul>
Stakeholders and action	<ul style="list-style-type: none"> <li>Think-tanks to conduct study and prepare discussion papers</li> <li>Involvement of related groups in preparatory discussion</li> </ul>
The Forum	
Principles	<ul style="list-style-type: none"> <li>Participatory process</li> <li>Expertise and substance</li> </ul>
Stakeholders participation	<ul style="list-style-type: none"> <li>Presentation by think-tanks</li> <li>Free-flowing discussion managed by expert facilitators</li> <li>Involvement of stakeholder groups, with a balanced representation and strong input from the floor</li> </ul>
Post-Forum	
Principles	<ul style="list-style-type: none"> <li>Continuity</li> <li>Professional reporting and assessment</li> </ul>
Actions	<ul style="list-style-type: none"> <li>Professional reports by think-tanks</li> <li>“Tanking” (recording) of ideas</li> <li>Periodic assessment of outcome</li> <li>Periodic communication among stakeholders and participants</li> </ul>

29. Taking the above together, they denote not just an event on people’s calendars, but a continuous process of think-tanking on public policy. Hence the Forum has become not just a programme but an institutional process in public policy making.

**Proposal: the way forward**

30. Based on the above model developed from our experience of the Penta Forum, we recommend the way ahead as follows.

Organisation and network building
<ul style="list-style-type: none"> <li>Within the government, the principal organiser of the Forum should be the Financial Secretary’s Office or the Central Policy Unit, or both.</li> <li>The Forum’s subject matter should be expanded beyond the service economy to all policy areas in business and economy and their social implications.</li> <li>The Chamber/HKCSI offers itself to continue to be an organisation partner with the government. The Hong Kong University also supports our proposal and we believe the original tripartite (government-Chamber-HKU) arrangement would be an ideal model to adopt in the organisation of the event.</li> <li>The organisers should maintain a network of think-tanks, which should include the following: <ul style="list-style-type: none"> <li>major think-tanks in town (Hong Kong Policy Research Institute, One Country Two Systems Research Centre, Civic Exchange, Synergynet)</li> <li>major policy research centres in universities, e.g. Centre for Cultural Policy Research of Hong Kong University</li> <li>research departments of major political parties</li> </ul> </li> </ul>

Preparatory phase
<ul style="list-style-type: none"> <li>• An agenda should be agreed among the organisers after consultation with the network of think-tanks.</li> <li>• A few think-tanks or research centres should be invited to be partner organisations to conduct studies and assist in the facilitation of the Forum. The choice of think-tanks should be by consultation, in line with the choice of topics. Initially, following the Penta Forum model, we suggest that between two to four topics (and think-tanks) should be selected for each Forum.</li> <li>• The government will finance the think-tanks in the preparatory work. They are encouraged to conduct their own studies and hold preparatory roundtables. The amount of grant should be in the region of \$0.5 million per subject.</li> </ul>
The Forum
<ul style="list-style-type: none"> <li>• The Forum is the “ideas summit” for Hong Kong public policy. It is not just a programme but a culmination of a process of preparation.</li> <li>• Forum participants come from the five sectors as identified in the Penta Forum. A database of stakeholders in public policy will be prepared, and the participants will be drawn from that database. To maintain continuity, a mix between new and old participants should be maintained.</li> <li>• The number of participants is limited to 100-140, to encourage a high level of participation in discussion and debate.</li> <li>• The collaborating think-tanks will make presentations of concrete policy proposals, based on their studies. They will also facilitate the discussion during the Forum.</li> </ul>
Post-Forum
<ul style="list-style-type: none"> <li>• The think-tank is to produce a report to include the finding of the Forum.</li> <li>• All ideas expressed in the Forum will be recorded and catalogued.</li> <li>• An assessment will be made on how far the ideas from the Forum relate to current government policy, and their applicability.</li> </ul>

31. The commissioning of think-tanks (\$0.5 million each) and the additional work on organisation, networking and evaluation will all shore up the cost for the Forum. Hence instead of \$0.5 million for the Penta Forum, the cost is likely to be in the range of \$3 to \$4 million. However, considering that what is delivered is not just an event – not even a big conference – but a sustainable institution that produces good public policy thinking and a basis for building coalitions of support around policy initiatives – the money spent will be very good-value indeed.