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Management of the City on the example of Hong Kong case study

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ABSTRACT

This publication discusses the concept of management of the city basing on case study of the Hong Kong city in years 1841 and 2006. Firstly, the origin of the city has been sketched up. Next, the various changes throughout the years has been described. In addition, some key original texts have been quoted, in order to refer to the source documents. For the purpose of the research, a case study was used, using mostly foreign literature review (as mentioned above) and for this purpose inference was used.

Keywords: management of city, case study, Hong Kong

1. INTRODUCTION

Hong Kong is the particular example of huge development. During about 150 years it developed from a small fishing settlement up to the highly organized, effective economy with millions of participants living in considerably stable circumstances. This development have had place under British jurisdiction which was more than influential also from the cultural perspective. Now, Hong Kong, with its English practices of doing business, is one of the strongest-developed economies in the world. The mix of cultures, origin Chinese and grafted British makes this place absolutely unique [1-4].

2. DEFINITION OF INTEGRATED CITY MANAGEMENT

Integrated city management is in line with the Leipzig Charter (full name: Leipzig Charter on Sustainable European Cities) is based on the coordination of key urban policy areas (for example in the field of spatial planning, environment, transport, public transport, economic development) from the point of view of space, object of action and time. Integrated management (including the creation of urban strategies and policies) must take place with the active participation of all persons and institutions involved in the urban development process (including in particular the society, universities, entrepreneurs and non-governmental organizations).

3. THE ORIGIN

960-1279 Sung (known also as “Song”) dynasty. Towards the end of the period the Sung are driven south by Genghis Khan’s Mongols, and most of them seek refuge in the Hong Kong area. The oldest settlements on Hong Kong Island are Chek Pai Wan (Aberdeen) and Shan Kei Wan. A people who are undoubtedly related to the aboriginal population are the Tonkas, who come closest to the description of the first inhabitants. They are incomers from what is now Vietnam, who still live on boats and in the New Territories [5].

1300 The first Chinese settlers come to Hong Kong

1400 The Cantonese move into Hong Kong, and become known as the Puntis (“local inhabitants”) Cantonese poon tei. They are followed by the Hakkas (“guests”) and towards the end of the Ming dynasty by the Hoklos, immigrants from the northern coastal regions of China who are much given to piracy. Their language is a dialect spoken in the province of Fukien.

4. CHANGES AND DEVELOPMENT FROM ABOUT 1841

1839-42 The First Opium War. China - Britain. The cause is the banning by the imperial government in Peking of the profitable opium trade carried on by the British. All opium is required to be handed over to the Chinese for destruction, and British dealers and ship owners are called on to agree in writing not to import opium from India.

For tens of years Chinese government had made efforts to stop the illegal opium smuggling conducted by foreign, mainly British, ships at Canton. Despite the physical dangers to Chinese because of smoking opium, since 1830 there was considerable economic damage caused by the drainage of cash silver from the country to pay for the illegal imports. The trade had become seriously problematic because millions were addicted and corruption was common among customs officials and a lively discussion took place among Chinese officials as to the advisability of legalizing the drug and, at least, bring the trade under the normal purview of the

customs department. There were others, of course, who adopted the contrary view that opium smoking was a national evil which had to be stopped. All in all, the Chinese emperor took the path of suppression and (in 1838) severe measures were instituted. One of the observers commented that this is like the attempt to stop the Yellow river, so very ineffective.

Despite the British government connived at the trade by allowing imports of the drug from the East India, the British naval officer Capt. Charles Elliot, then supervising the legal trade at Canton, posted a public notice citing the danger to the regular trade of illegal trafficking by British merchants [6].

Capt. Elliot to the opium traders, March 27, 1839

I, Charles Elliot, Chief Superintendent of the trade of British subjects to China, presently forcibly detained by the provincial government, together with all the merchants of my own and the other foreign nations settled here, without supplies of food, deprived of our servants, and cut off from all intercourse with our respective countries . . . have now received the commands of the High Commissioner [Lin Tse-hsu] . . . to deliver into his hand all the opium held by the people of my own country. Now I . . . do hereby, in the name and on the behalf of Her Britannic Majesty's Government, enjoin and require all Her Majesty's subjects now present in Canton, forthwith to make a surrender to me for the service of Her said Majesty's Government, to be delivered over to the Government of China, of all the opium under their respective control: and to hold the British ships and vessels engaged in the opium trade subject to my immediate direction: and to forward me without delay a sealed list of all the British owned opium in their respective possession. And I do now in the most full and unreserved manner, hold myself responsible for, and on the behalf of Her Britannic Majesty's Government, to all and each of Her Majesty's subjects surrendering the said British owned opium into my hands, to be delivered over to the Chinese Government. And I . . . do further caution all Her Majesty's subjects here present in Canton, owners of or charged with the management of opium the property of British subjects, that failing the surrender of the said opium into my hands at or before six o'clock this day, I, hereby declare Her Majesty's Government wholly free of all manner of responsibility in respect of the said British owned opium. And it is specially to be understood that proof of British property and value of all British owned opium, surrendered to me agreeable to this notice, shall be determined upon principles, and in a manner hereafter to be defined by Her Majesty's Government [7, 8].

Finally, the mentioned observer was wrong because executives of Cowlon have blocked English ships and destroyed 22 chests of opium by mixing it with salt, water and lime and finally drown into the sea. Mentioned event was the pretext for English to start the opium war. At that time, British had much more state-of-the-art military equipment and they won the war.

Jan 20, 1841 The Convention of Chuanbi. The island of Hong Kong is ceded to Britain, and the British superintendent of trade, Captain Charles Elliott declares it a British colony on his own responsibility.



Picture 1. The scene from First Opium War

The Convention of Chuanbi (sometimes also called Chuen Pi Convention) was intended to be signed in Chuanbi by the Governor of Guangdong Province called Qishan and Captain Charles Elliot of the Royal Navy. Under the terms of the convention, the Qing Empire would:

- cede Hong Kong Island to the United Kingdom and China
- pay \$6 million
- let the British have free access to the port of Guangzhou.

However, both parties were unhappy with this convention and it wasn't ratified by neither the British nor the Qing government.

Jun 1841 Charles Elliott begins to sell land to settlers. During the year there it dissatisfaction both in China and in Britain with the Chuanbi agreement and Elliott is replaced by Sir Henry Pottinger.

Hong Kong inaugurated Sir Henry Pottinger as its first governor in August 1841. Despite British cynicism, Pottinger dedicated his time to building up Hong Kong's future as he realized its potential. He inspired long-term building projects and awarded land grants. In order to make peace with the Chinese, he sent his troops to the Chang Jiang (Yangtzi River) and threatened to attack Nanjing (Nanking) [9-11].

Aug 1841 Pottinger successively occupies Amoy, Ningpo and Shanghai.

1841 Pottinger threatens to attack Nanking, and China thereupon accepts his conditions.

Aug 29, 1842 End of the Opium War (Treaty of Nanking). Hong Kong is formally ceded to Britain “in perpetuity”. The towns of Amoy, Ningpo, Foochow and Shanghai are thrown open to British trade and settlement.

Jun 16, 1843 Ratification of the Treaty of Nanking. The island officially becomes a British Crown Colony, with Sir Henry Pottinger as its first governor.



Picture 2. Sir Henry Pottinger

Aug 1841 Pottinger successively occupies Amoy, Ningpo and Shanghai.

1841 Pottinger threatens to attack Nanking, and China thereupon accepts his conditions.

The most important decisions contained in Treaty of Nanking were:

- It being obviously necessary and desirable that British subjects should have some port whereat they may [maintain] and refit their ships when required,

and keep stores for that purpose, His Majesty the Emperor of China cedes to Her Majesty the Queen of Great Britain, &c., the Island of Hong-Kong, to be possessed in perpetuity by Her Britannic Majesty, her heirs and successors, and to be governed by such laws and regulations as Her Majesty the Queen of Great Britain, &c., shall see fit to direct [12];

- The Emperor of China agrees to pay the sum of 6,000,000 of dollars, as the value of the opium which was delivered up at Canton in the month of March, 1839, as a ransom for the lives of Her Britannic Majesty's Superintendent and subjects, who had been imprisoned and threatened with death by the Chinese High Officers;
- [1] The Government of China having compelled the British merchants trading at Canton to deal exclusively with certain Chinese merchants, called Hong merchants (or Co-Hong), who had been licensed by the Chinese Government for that purpose, the Emperor of China agrees to abolish that practice in future at all ports where British merchants may reside, and to permit them to carry on their mercantile transactions with whatever persons they please; and His Imperial Majesty further agrees to pay to the British Government the sum of 3,000,000 of dollars , on account of debts due to British subjects by some of the said Hong merchants, who have become insolvent, and who owe very large sums of money to subjects of Her Britannic Majesty;
 - [2] His Majesty the Emperor of China agrees, that British subjects, with their families and establishments, shall be allowed to reside, for the purposes of carrying on their mercantile pursuits, without molestation or restraint, at the cities and towns of Canton, Amoy, Foochowfoo, Ningpo, and Shanghai;
 - [3] The Government of Her Britannic Majesty having been obliged to send out an expedition to demand and obtain redress for the violent and unjust proceedings of the Chinese High Authorities towards Her Britannic Majesty's officer and subjects, the Emperor of China agrees to pay the sum of 12,000,000 of dollars, on account of the expenses incurred;
 - [4] The Emperor of China agrees to release, unconditionally, all subjects of Her Britannic Majesty (whether natives of Europe or India), who may be in confinement at this moment in any part of the Chinese empire;
 - [5] His Majesty the Emperor of China agrees to establish at all the ports which are, by the 2nd Article of this Treaty, to be thrown open for the resort of British merchants, a fair and regular tariff of export and import customs and other dues, which tariff shall be publicly notified and promulgated for general information
 - [6] On the assent of the Emperor of China to this Treaty being received, and the discharge of the first instalment of money, Her Britannic Majesty's forces will retire from Nanking and the Grand Canal, and will no longer molest or stop the trade of China [13].

Oct 1843 Supplementary agreement of Humen (Bogus). The Chinese are given access to Hong Kong for the purposes of trade.

1856-58 Second Anglo-Chinese War (the Arrow War, wrongly called the Second Opium War) caused by the capture by the Chinese, in their search for pirates, of the “Arrow”, sailing under the British flag. The war is ended by the Convention of Tientsin (Tianjin). Britain is given the right to diplomatic representation in Peking [14].

The Second Opium War was a sequel to the first. The Chinese were implementing the terms of a treaty very slow as they saw it was unfair. Still, skillful Chinese diplomacy kept the issue out of open conflict for a number of years. From the British point of view, merchants were unhappy because profits did not rise after the First Opium War; they blamed Chinese foot-dragging. Moreover, the Treaty of Nanjing did not touch the opium issue. Opium problem wasn't halted but continued. The trigger to the Second Opium War in was the a ship, called Arrow, owned by a Chinese resident of Hong Kong, and it was registered with the British there. On October 8, 1856, Chinese officers searching for a pirate boarded without British permission the ship while it was docked off Guangzhou and hauled down the British flag. This minor event has been quickly escalated into a war.

The British expedition and French task force (a French missionary had been murdered at that time in China) have been sent to seek redress. In December 1857, the joint force took Guangzhou and then moved north to threaten the capital once again. In June 1858 the bigger power of the Europeans and their lack of acceptance to compromise concentrated in the signing of the Treaty of Tianjin. The most important change was the right of foreigners to establish permanent diplomatic residence in China's capital. Another item was opening ten new ports to foreign trade.

However, next summer angry Chinese forces opened fire and killed over 400 British men and sunk four ships when the foreigners returned to ratify the treaty. A year later much larger Anglo-French force returned and, in August 1860, invaded the Chinese capital, destroying the imperial court and burning the Old Summer Palace [15].

Oct 24, 1860 Convention of Peking (following hostilities in 1859 and 1860). Britain acquires territory extending to Boundary Street on the Kowloon peninsula and Stonecutters Island.

Article 6 of the Convention between China and the Great Britain stipulates that China was to cede a part of the Kowloon Peninsula, south of the present day Boundary Street, Hong Kong, and including the Stonecutters Island, in perpetuity to Britain.

British and French military and diplomatic pressures forced the Convention of Beijing (also known as the First Convention of Peking) to establish once and for all the right of foreign diplomatic representation in capital of China. Many restrictions on foreign travel within China were cancelled. Missionaries received the right to work and own property in China. The opium trade was legalized.

Considering the Chinese point of view, regarding the Encyclopedia Encarta:

The Opium Wars are extremely important to China's modern history. The wars, and the unequal treaties forced on the Chinese by the West, compromised China's sovereignty and weakened the country's political institutions during a crucial period in its history. The events contributed to the collapse of the Qing dynasty—the

country's last imperial dynasty—in the early years of the 20th century. Although some historians have argued that the conflicts constituted a painful but much needed jolt to shake China out of time-bound traditions, the Chinese look back on the Opium Wars as a cruel and greedy exercise in “might makes right.”

- 1861** The British frigate “Repulse” drives Chinese pirates out of the bay (later named Repulse Bay) and provides temporary security for trading ships sailing to Hong Kong.
- 1863** The Hong Kong dollar issued specifically for Hong Kong [16].

The symbol of the Hong Kong Dollar is HK\$.

Banknotes come in denominations of \$10, \$20, \$50, \$100, \$500 and \$1000.

Coins come in denominations of 10¢, 20¢, 50¢, \$1, \$2, \$5, and \$10.

Before 1842, in Hong Kong as a free-trading port in Asia, many currencies were used: the Rupee, Spanish and American silver Dollars, Chinese Yuan and Pound Sterling.

In 1842, when the British assumed control over the city[2] the colonial government made the Pound Sterling Hong Kong's official currency. In 1863 first legal coins were issued specifically for Hong Kong.

Hong Kong, as a trading and financial center [3], has had a linked exchange rate regime for most of its history. In 1863 the Hong Kong Government declared the silver dollar, which was at that time a kind of international currency, to be the legal tender for Hong Kong. In 1866 began issuing this currency. The silver standard was the fundamental of Hong Kong's monetary system up to 1935, when a world silver crisis came and the Government had to announce that the Hong Kong dollar would be linked to the pound sterling (rate HK\$16 = 1 pound)

In June 1972 the British Government decided to float the pound sterling and Hong Kong dollar become linked to the US dollar with following rates: HK\$5.65 = 1USD at the beginning and later from February 1973 at HK\$5.085 for 1USD. In November 1974, the Hong Kong dollar was allowed to float freely to limit influence of weakening US dollar [17].



Picture 3. The old coin from Hong Kong

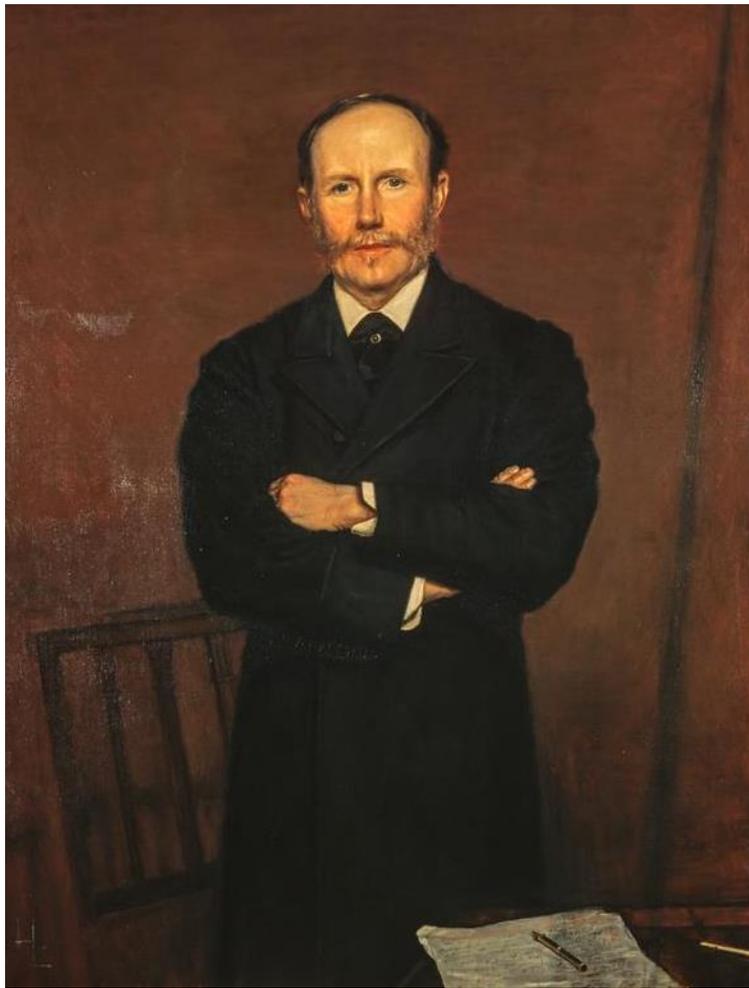
Later, in 1935 China abandoned the silver standard.

Further examples [30] of Hong Kong dollars the reader may observe in the end of the paper in Appendix2.

- 1865** Equal rights granted to the Chinese population living in Hong Kong

The Hong Kong and Shanghai Banking Corporation Ltd. is founded with capital of £5 million. British and German merchants are on the first board of directors.

Now, the HSBC Group is named after its founding member, The Hong Kong and Shanghai Banking Corporation Limited, which was established in order to finance the growing trade between Europe, India and China. The inspiration behind the founding of the bank gave Thomas Sutherland, a Scot who was at that time working for the Peninsular and Oriental Steam Navigation Company. He realized that there was significant demand for local banking facilities in Hong Kong and on the coast of China [8]. He helped to establish the bank which opened in Hong Kong in March 1865 and in Shanghai in April the same year [1, 18].



Picture 4. Thomas Sutherland

1888 Construction of the Peak Tram funicular up Victoria Peak

Jun 9, 1898 Treaty of Peking (also called 'Convention Respecting an Extension of Hong Kong Territory' or Second Convention of Peking). Britain acquires from China, under a

99-year lease, New Territories, which was the extension of Cowlon (some sources call them New Kowloon), and 236 associated islands beginning on July 1, 1989.

1904 Tramway system established on Hong Kong Island.

The tram system on Hong Kong Island opened as the *Hongkong Tramway Electric Company* on 30 July 1904. The system lies with a gauge of 1067 mm. The track length is about 30 kilometers.

1910 Railway line to Canton.

The Kowloon – Canton Railway Corporation run a comprehensive Light East Rail network in the western part of the New Territories, Hong Kong as the very first railway line in Hong Kong. This line goes through the whole territory down the middle and serves the main urban districts of Central Kowloon and connects it with the New Territories [4]. Single tracked from 1910 to 1982, this line ran from Tsim Sha Tsui (the southern end of Kowloon) to Dai Sha Tau in Guangzhou. Throughout these years, line has been modified from steam to diesel. Today, line connected to the Mainland Chinese railway system in Lo Wu Bridge and links across the Shenzhen River that runs along Hong Kong's northern boundary in that place. Intercity trains going to Beijing, Guangzhou and Shanghai use this now double-tracked and electrified line. Generally, electrified trains are for commuters and diesel ones for freight [19, 20].

Sir Frederick Lugard, the Governor of Hong Kong, laid the foundation stone for the University, signifying the birth of Hong Kong's first tertiary institution. Official opening of the university had place 11 March 1912. The first faculty was Faculty of Medicine which evolved from Hong Kong College of Medicine (1887). Later, in 1951 Faculty of Architecture and in 1967 Faculty of Social Sciences were established.

Following the HKU's website:

In 1992, in response to the needs for continuing education, the Department of Extra-Mural Studies became the School of Professional and Continuing Education (HKU SPACE). It is now Hong Kong's largest tertiary-level institution for continuing education with cumulative enrollment totaling more than one million students.

Dec 8, 1941 The Battle of Hong Kong. Just one day after the attack on Pearl Harbor. Some sources consider this moment as a beginning of the occupation.

There were five main stages of the battle:

1. About 60 thousands Japanese soldiers crossed the Shenzhen River (Guangzhou and Shenzhen had already fallen into Japanese hands as the battle was a part of pacific campaign) to attack Honk Kong at 8:30 on 8th December, 1941
2. Japanese forces broke the defense line put up mainly by British, Indian and Canadian soldiers at Lap Sap Bay near Shing Mun Reservoir on 11th December, 1941
3. Japanese forces took Kowloon and the last British troops retreated to Hong Kong Island on 13th December, 1941 [21, 22].

4. Japanese forces started to attack Hong Kong Island at around midnight on 15th of December, 1941 broke the British defense line, and finally landed at Tai Koo on the eastern part of Hong Kong Island on 18th December, 1941.
5. The Governor of Hong Kong, Sir Mark Young, surrendered on 25th of December 1941.

Dec 24, 1941 Hong Kong gives up. Japanese occupation of Hong Kong [20].

Japanese takes all territory of Hong Kong. During the occupation there are huge difficulties in feeding the population, and the Japanese have to deport people from Hong Kong. Macao admits many refugees. The British surrender to the Japanese and, together with Hong Kong's civilian population, are held in camps on the Stanley peninsula.

Hong Kong was ruled by General Rensuke Isogai.



Picture 5. General Rensuke Isogai

Japanese established Administration and Commanding Post at the Peninsula Hotel in Kowloon. All economic activities were guarded. Japanese soldiers arrested the western bankers and kept them in a Chinese hostel. Between 1941 and 1945, the Japanese Military Yen (JMY) was issued and was in that period the only legal currency accepted for daily exchange.

Prices of commodities had to be expressed in yens. Hospitals have offered the limited social services only. The reason was not enough supply of resources. There were some changes in education as well. Teaching English was forbidden and teaching Japanese was obligatory. Students with poor grades risked corporate punishment. In terms of propaganda, all English names of places, streets and buildings have been removed and swapped into Japanese (the documents where British names were rewritten into Japanese (or swapped) have still been saved). Japanese anniversaries and holidays must be celebrated. Press and cinemas were also regulated by Japanese. During the period of occupation there were strikes and anti-Japanese activities conducted too [21].

Jan 13, 1943 In London the Privy Council meets to discuss the future of the colony, and “certain circumstances” are conceded, leading to its surrender to the Japanese.

Aug 15, 1945 End of the Japanese occupation (however, some people claims ‘Aug 14’ in context of Hong Kong)

The Japanese Occupation of Hong Kong ended because United States of America dropped the atomic bombs. First on Hiroshima on 6 August 1945 and the second one on Nagasaki three days later. Japan finally gave up on 15 August 1945. The British sovereignty over Hong Kong thus was restored.

The picture of the document of surrender is available in Appendix 3 [22].



Picture 6. Signing the document of surrender of Japan

1946 A decree is published prohibiting trade in opium.

With repeal of the Opium Ordinance in 1946 (No. 2 of 1946), Hong Kong's long involvement in the sale of opium formally came to an end. In terms of restrictive legislation opium and heroin were, for the first time, treated as being the same.

1949 Establishment of the People's Republic of China: refugees flood into Hong Kong. United Nations put embargo on trade with China what becomes the reason of stagnation of the economy.

1950 Beginning of Hong Kong's industrial revolution. Developing textile industry is a base here. Next is establishment of the plastics, electronic end watch making industries. Hong Kong becomes an international commercial center. Following large-scale demonstrations, social legislation and public housing lead to a steady improvement in working and living conditions.

1956 Britain grants Hong Kong the right to self administration. This means little, given the administration still falls under "Queen's Law," and a governor appointed by the United Kingdom. The Chinese population demonstrates against exploitation by its employers; the riots are put down with much bloodshed.

1962 The Chinese government briefly relaxes frontier controls. Between May 1st and 23rd more than 60,000 Chinese refugees stream into Hong Kong.

Despite the restrictions connected with embargoes (**May 18, 1951**) and isolation from People's Republic of China, Hong Kong was vital to international links of PRC. During the period of self-sufficiency (1960s), Hong Kong's imported food and water from China were a basic source of foreign exchange revenue. This cheap food helped to limit rises of cost of living in Hong Kong and, of course, helped to keep wages low during the period of industrialization, which was at that time labor-intensive [23].

The main reason of industrialization was separation from China because before prosperity strictly depended on cooperation (mostly trade) with this big partner. The accelerator for the process of industrialization was wave of refugees mixed with their entrepreneurship. The prominent examples of such situation were immigrants from Shanghai who created the cotton industry. Ten years after beginning of cotton industry in this area, market became more saturated and diversification started. In the 1960s there were also: clothing, electronics, plastics and other labor-intensive production mainly for export. The industrialization in Hong Kong should be considered in a two areas. First, industrialization in Hong Kong was the effect of arising big number of small companies. In 1955, 91 percent of all manufacturers were employing less than a hundred subordinates each. Twenty years later this factor was 96,5%. These companies, in 1968, were responsible for 42% of export to United Kingdom (considered at that time as domestic).

The amount of mentioned 42% was HK\$1.2 billion Data for 2002 shows that share of small businesses is still huge (98%) and provides 60% of total private employment. Second, almost until 1970s did not interfere into business. There were two reasons of that. One is that the government of Hong Kong was busy because of social problems with housing large inflows

of immigrants. Another reason was so called ideological sympathy for free market forces. Above-mentioned factors show that Hong Kong's economy was developing completely different way then other Asian markets (which were based on state-led industrialization, consolidation, inflow of foreign companies or close connections between large companies to the states). The pillars of strength of Hong Kong's economy were [10]:

- free trade [12];
- elastic employment laws;
- low taxes;
- no government debt;
- ambitious public education program (creation over 300,000 new primary school places between 1954 and 1961);

In the author's opinion, the government of Hong Kong was one of the wisest governments in the world. It interferes in economy only in face of necessity [11]. Its decisions were sometimes condemned by international audience but always fruitful and responsible in terms of society living in Hong Kong. The real proof of this is the fact that when in UK (between 1960s and 1970s) British government expenditures rose from 17% of GDP to 20%, the expenditures of the government of Hong Kong fell down 7,5% of GDP to 6,5%.

Another interesting statistics are:

- exports increased from 54% of GDP in the 1960s to 64% in the 1970s;
- from 1962 until the onset of the oil crisis in 1973, the average growth rate was 6.5% per year;
- from 1976 to 1996 GDP grew at an average of 5.6% per year;

1967 During the cultural revolution in China the communists in Hong Kong take advantage of conflicts over wages to promote anti-British riots. Cultural Revolution in China makes some disturbances in economy of Hong Kong (negative shocks).

Riots began when young followers of Mao besieged Government House (guarded by British soldiers). All communist-owned buildings were placarded with anti-British slogans.

At the picture below a little part of tens of thousands leftist demonstrators at the front of Hong Kong's Government House chant quotes from Mao's 'Little Red Book'.

Second picture shows police control room during the training exercise. The incident list is visible on the blackboard at rear of the room. A police constable makes notes in a book while British army officers discuss the next incident and responses [24].

1968 After large scale strikes the government passes laws providing basic rights to work and also a compulsory minimum wage.

1571 Free education is extended to all public Chinese-language elementary schools.

Jun 15, 1972 After heavy falls of rain between June 14th and 18th 1972 - the Royal Observatory measured 678.2 mm — there is a landslide on the Po Shan Road on Hong Kong Island, resulting in a death-toll of 67 and many injured.

1973 After a period of rising prices the share market collapses and the stock exchange closes for a time.

In the January of 1973 the four stock exchanges: the Far East Exchange, the Hong Kong Stock Exchange, the Kam Ngan Stock Exchange and the Kowloon Stock Exchange accepted to standardize their trading sessions (from 8 January).

Establishment of Securities Advisory Council and appointment of Commissioner for Securities.

In February, The Stock Exchange Control Ordinance 1973 is enacted (with heavy penalties on anyone operating a stock market which was not recognized under the Ordinance). All prospectuses must be registered (announcement of government) [25].

1974 Cantonese is given equal status with English as an official language in Hong Kong.

Government, under public pressure, enacted the Official Languages Ordinance. The new ordinance states:

- the English and Chinese languages ‘the official languages of Hong Kong for the purposes of communication between the Government or any public officer and members of the public.’
- ‘official languages possess equal status’
- ‘enjoy equality of use’

1980 Opening of the Mass Transit Railway (MRT).

Oct 23 1980 A new immigration law demands the future ‘repatriation’ of all illegal immigrants.

Oct 1981 The new British Nationality Act is passed and is so come into force on January 1st 1983. Under this act the Hong Kong Chinese will lose their privileged statuses British subjects. Since 1975 more than 200,000 Vietnamese “boat people” have reached Hong Kong [26].

Following The British High Commission:

British Nationality Act replaced citizenship of the United Kingdom and Colonies with three separate citizenship:

- British citizenship, for people closely connected with the United Kingdom, the Channel Islands and the Isle of Man;
- British Dependent Territories citizenship, for people connected with the dependencies;
- British Overseas citizenship, for those citizens of the United Kingdom and Colonies who do not have these connections with either the United Kingdom or the dependencies.

Dec 1982 Agreement with China that 150 Chinese per day may enter Hong Kong.

Because of historical reasons lots of families are often separated, living partly in Hong Kong and partly in China. The immigration restrictions require that family members have to

remain in the mainland until their application for entry visa to Hong Kong is approved [4]. Families can apply for family meeting in Hong Kong.

Hong Kong government has immigration policy that quota of 150 single journey visas is granted per day.

Regarding to Christina Ng and Cora Liu:

There has been a social phenomenon in Hong Kong that cross-border marriages are increasing, especially among the working class, who find it difficult to get married in Hong Kong for social and economic reasons.

Jan 13, 1984 A taxi-drivers' strike results in the most serious riots since 1967, social injustices being the root cause.

Hong Kong Agreement: From July 1st 1997 the colony will be under Chinese sovereignty while retaining its special status for a transition period of 50 years. China will be responsible for defense and security.

The first demonstrations are held protesting against this proposal [27].

The colonial administration was fearful that China would cause social unrest or invade.

1986 In connection with important decisions the British governor will consult the Peking government. Although nobody can guarantee that the Chinese will keep their promises foreign investment is nevertheless flooding into Hong Kong.

1989 From March the people living in "Walled City" will be moved elsewhere and the buildings pulled down.

In May there are supporters of democracy and removal of the corruption visible in the Peking government. Sympathy is also expressed by the pro-Chinese business world.

One million people hit the streets in Hong Kong to voice their support, when supporting democracy movement erupted in China in 1989. Hong Kong students also took part in the organization of the Tienanmen Square demonstration.

Many local people protested. On May 27th, 1989, over 300,000 people meet at the Victoria park for a gathering called "Democratic songs dedicated for China." Many celebrities sang songs and expressed their support for the students in Beijing.

Events in Peking have influence on currency values.

1991 After lengthy negotiations China and Britain reach agreement regarding the erection of the large new airport of Chek Lap Kok.

Chek Lap Kok was originally a small mountainous island, which has been flattened and extended four about times. Hong Kong's airport at Chek Lap Kok was designed by British architect Sir Norman Foster (the designer of London Stansted Airport) to accommodate 80 million passengers a year. Building took six years to build and cost around USD\$20 billion. Builders claim that it is the biggest civil engineering project in history. The terminal building is the largest covered space in the world. Also the bridge carrying railway and highway connections from the airport to Hong Kong Island is the longest of its kind.

Firstly, Beijing (Peking) suspected that Great Britain was trying to drain fiscal reserves of Hong Kong before the giving back of Hong Kong [28].



Picture 7. Chep Lap Kok airport

To see the photo Chep Lap Kok Airport from space (eye altitude 4,92 km)

1992 Serious rioting in one of the refugee camps causes Hong Kong to announce that it will enforce even more strongly the deportation of Vietnamese.

On May 12, 1992 Britain signed a secret agreement with Vietnam on the repatriation of Vietnamese asylum-seekers who had arrived in Hong Kong before October 29, 1991.

The agreement includes a condition that no persons considered to be genuine refugees and that Vietnam will not punish anyone of them. Mentioned agreement did not protect all groups of refugees. One group is unfairly screened out genuine refugees and those persons that did some political acts during illegal stay in Hong Kong [29].

1993 In the spring, negotiations commence between China and Hong Kong regarding the democratization of Hong Kong. It was 17 rounds of talks but without any result. Christopher Patten incurs the displeasure of the Chinese government when he states that elections will be held in 1994, the result of which will continue in force after date of the hand-over of Hong Kong to China.

1994 A continuation of the 1987 census shows that the official population of Hong Kong is 6,060,000.

To get to know more detailed statistics about population of Hong Kong

1995 Democratic elections to the Legislative Council according to the new arrangements were held in September 1995. The first fully elected Legislative Council comprises 60 members, of whom 20 are elected from geographical constituencies, 30 from functional constituencies and 10 by an Election Committee.

Table 1. Legislative Council from 1984 to 1995

Composition of the Legislative Council from 1984 to 1995

	1984	1985	1988	1991	1995
Officials	16	10	10	3	Nil
Appointed members	30	22	20	18	Nil
Elected by functional constituencies	Nil	12	14	21	30
Elected by direct elections	Nil	Nil	Nil	18	20
Elected by electoral college	Nil	12	12	Nil	Nil
Elected by election committee	Nil	Nil	Nil	Nil	10
Total*	46	56	56	60	60

* The Governor was the President of the Legislative Council until February 1993 when he was replaced by an elected President. The total number of seats in the above table does not include the Governor.

Source: Legislative Council Annual Reports and OMELCO Annual Reports

July 1, 1997 Great Britain returns Hong Kong back to China. Despite panic of large part of Hong Kong's society nothing terrible happened.

Jan 1997 Bird flu in Hong Kong. H5N1 strain kills about 10 people [7].

2006 Hong Kong stays as a Special Administrative Region of People's Republic of China but all its business is flourishing. Hong Kong, for the day being, is one of the most modern parts of China [30].

5. CONCLUSIONS

The geopolitical situation of the city of Hong Kong was the extraordinary chance for the region. The responsible and long term based management [5] of Hong Kong by its

representatives has resulted in massive expansion of the city. The expansion was based mainly on becoming the trading hub and attracting more and more business to settle down in Hong Kong (after business people came: first the Chinese, then British and -after coming back of Hong Kong to China- again Chinese). Now, the story of Hong Kong is throwing new light on brexit situation. Is UK after brexit going to witness similar changes as Hong Kong after its return to China?

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