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DEVELOPMENT AND THE RESUSCITATION OF RURAL LEADERSHIP IN HONG KONG: THE CASE OF NEO-INDIRECT-RULE*

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Resuscitation of Rural Leadership

The resuscitation of the structural significance of rural leadership in the New Territories of Hong Kong in recent years is a rather abrupt, though not necessarily surprising, reversal of a trend of continuous decline of the institution. This process of resuscitation is, to a certain extent, inevitable, given the structural requirements for planned change in the New Territories; however, in a very crucial sense, the process is an artificial one, as it is

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the consequence of the government's policy of adapting a traditional, though not yet totally defunct, institution for use both in forestalling possible collective action against the planned development and in minimizing rural demands directed to the government. In brief, the resuscitation of the rural leadership in recent years serves to smoothen, administratively and socio-politically, the process of planned development in the New Territories. Even though sporadic resistance to compensation, resettlement and other decisions of the government has been encountered, it is not directed against development as such and can in most cases be solved by peaceful means.

The Pre-development Rural Leadership

Before the British takeover, rural leaders in the New Territories were the de facto power figures and administrators in the villages. The imposition of the British administration in 1898, however, together with socio-economic modernization in the areas, has brought dramatic structural changes in the area which in turn gradually undermined the institution of rural leadership.

The monopolization of power by the rural leaders under the Ching dynasty was made possible by the inability of the Manchu bureaucracy to push its political and administrative
power beyond the hsiem (county) level, with the result that local self-government was practically the norm. Provided that local order was maintained and taxes were paid, rural leaders were not bothered by government authorities in their day-to-day activities. As most of the needs of the rural organizations (e.g., defence, conflict arbitration, irrigation, economic production) could be met from local resources, interaction with the government could be kept at the minimum, which meant that the mediation function of the rural leaders, though of crucial significance in its own right, was not the most important factor in the maintenance of rural leadership positions.

The relative self-autonomy of rural organizations in pre-1898 New Territories villages also meant that rural leaders could normally not rely on outside authorities to bolster up their leadership positions in their rural organizations (villages, other larger territorial organizations, clans and lineages). As a matter of fact, both the resources and the legitimacy of their leadership were internally based. Leaders were usually men of letters, of high genealogical rank, or of great wealth (mostly in terms of land). They became leaders because they possessed valued resources which they could manipulate to benefit their subordinates in order to maintain their leadership position. As these resources were independently owned (i.e., not subject to control by
outsiders) and as most leaders could not normally reap benefits outside the local rural organizations, their identification with their rural organizations tended to be strong. Moreover, relative local economic self-sufficiency, relative social isolation from other rural organizations, and lineage and clan solidarity all contributed to a high level of interdependence between leaders and followers, and enabled the rural organization to function as a cohesive unit vis-à-vis both the government and other organizations. Structurally, rural leaders were representatives of their respective organizations as well as their administrative agencies. Because their leadership position depended on the support and approval of their followers, they were constrained to abide by community norms and morals. Pursuit of self-interest was circumscribed and rewards were largely symbolic. The fact that the functions of the leaders were lowly differentiated in turn reinforced unity among the leaders and solidarity within the rural organization as a whole.

Since the British takeover of the New Territories in 1898, these areas have been ruled very differently from the rest of the colony. Under the pretext that the areas were leased as a buffer zone for defence purpose, whereas the other parts of the colony were acquired by cession, the government tended to make it a policy to treat the New Territories villagers as a special category of citizens and
to concede special privileges to meet their demands (though the discrepancy between the government's statements in c. 1898 and its actions is still a matter of contention in the New Territories). To administer the areas, a police superintendent and then district officers were established. A district officer was responsible for all government activities, his primary duties being the maintenance of law and order and the administration of land. As far as his district was concerned, he was the Hong Kong government. In the effective administration of the area, however, local talents were utilized to the maximum, which meant that indirect rule was the established practice of government. The local elders no longer monopolized political power as they had done before the imposition of the British administration, but they began to play a significant role as mediators between the government and the people. The resulting fusion of formal and informal power led to such a happy state of balance that the period is still regarded by many rural leaders as the golden era.

Despite the foregoing, it remains true that, with the establishment of an effective administrative system, the rural organizations were exposed to penetration by external political power. The traditional power of the rural leaders could be maintained only to the extent that the sympathy and support of the district officers were available. As a rule,
the district officers were sympathetic and supportive. The situation changed, however, when central government departments also penetrated into the areas. In so far as such penetration happened at the expense of the power of the district officers,² rural leaders experienced decline in their political power, as, in contrast to the district officers who were political agents of the government with local interests, the civil servants of those departments tended to discharge their duties according to purely technical and professional standards and with colony-wide interests in mind. As a consequence, local interests might often be neglected, de-emphasized or bypassed. The rural leaders had no means of influencing these central departments, except through the district officers. Until the onset of planned development of the New Territories since the late '60's, however, this channel of influence was not particularly effective in view of the weakness of the New Territories Administration in the government structure of Hong Kong. It is true that because of their intimate knowledge of local affairs, district officers were empowered to advise on and to co-ordinate the services of various government departments, but these powers usually did not result in the reversal of policy principles designed by the central departments for universal application in the colony. There were, therefore, many complaints from the rural leaders about the professional-
ization of government's services and the ineffective mediation role played by the district officers. On 18 September 1971, the Keung Yee Kuk (New Territories Rural Consultative Council) presented a formal memorandum to the then Governor, Sir David Trench, complaining about the penetration of central professional administration into the New Territories at the expense of political considerations and asking for 'supreme power' to be vested in the Secretary for the New Territories.

Apart from these administrative changes, the socio-economic modernization of Hong Kong also contributed to the gradual decline of the political significance and social status of rural leaders. Socio-economic changes in the post-war New Territories can be summarized in terms of, *inter alia*, urbanization, industrialization and de-pauperization.

In 1908, the population of the New Territories stood at 82,000. It rose to 170,000 before the Pacific War, and then to 300,000 in 1955 (according to an unofficial census). The censuses of 1961 and 1971 reported 409,945 and 665,700 respectively.

In this tide of population growth, to which the descendants of the original villagers contributed only about 23% (according to the 1966 by-census), the rural leaders were
rapidly losing their base of representation. The influx of outsiders into the areas also meant that the villagers were exposed to increasing contact with the urbanites and urban way of living. This exposure, together with exposure to the mass media, helped to diffuse modernizing attitudes.

The process of industrialization was no less dramatic. In 1952-53, there were only 2 brick & ceramic factories at Castle Peak and about 20 large and mostly textile factories in Tsuen Wan. By 1959-60, there were in the New Territories 295 registered industrial undertakings employing 25,000 persons. By 1971-72, the number of industrial establishments had increased to 1,382, while the number of persons employed amounted to 74,441. This means that industrial occupations alongside commercial and service occupations were rapidly opening up for the villagers too, freeing them from their previous economic dependence on the land and the social bonds arising therefrom.

Increasing prosperity was derived from several sources. To begin with, agricultural productivity has been increasing, partly because of the shift from rice to vegetable cultivation and horticulture, partly because of technological input. Secondly, the availability of employment opportunities aside from agriculture has improved the villagers' earnings. Thirdly, postal remittances from relatives who went overseas sky-rocketed from HK$1.2 millions in 1958-59 to 10.9 millions
in 1961-62 and to 46.3 millions in 1971-72. Recently, land-owning villagers have even risen to the status of affluent rentiers in a general tide of rising land and rental value.

Socio-economic changes of these kinds have resulted in a turning away from the traditional identification with and loyalty to the lineage and large kinship groupings. To the extent that the economic and cultural independence of the village members has grown with increasing geographical and social mobility, the multifunctional village has lost importance in performing functions such as production, education, welfare etc., for its members and has been relegated to the status of a residential area with merely symbolic and ritual functions. The centrifugal forces of modernization and the externalization and diversification of identification and social relationships worked to erode village solidarity and to create differentiated interest groupings in the villages, thus generating factional politics and other forms of conflict behavior in the rural areas.

The impact of these socio-economic changes in the New Territories on the rural leadership was twofold. First, rural leaders became more specialized. In the past, it was common for rural leaders to perform a number of functions - ritual, economic, political, administrative, judicial - simultaneously. Economic development, the cultivation of
outside interests and connections by the villagers and increasing heterogeneity within the villages, and the growing need for leaders with the skill to cope with the outside world, had led to the rise of leaders with specific functions. Division of power between ritual-traditional leaders based on seniority and landownership, and economic-rational leaders based on practical administrative and economic skills was prevalent. The gradual displacement of ritual-traditional leaders from rural leadership positions was, moreover, facilitated by the institution of a system of elections.

The system enabled the villagers to choose as their official leaders (Village Representatives and other higher-level office-bearers) men whose claim to leadership positions based on traditional grounds was weak, but who were sophisticated and capable enough to deal with outsiders and benefit both of the villagers as individuals, and of the lineages and villages as collective entities. Ritual-traditional leaders still existed; but they might not necessarily be elected as Village Representatives and office-holders in Rural Committees, and they usually failed to exercise de facto power in the routine administrative functions of the lineages and villages.

The socio-economic changes in the New Territories not only brought it about that the resources possessed by the traditional type of rural leaders were no longer sufficient
to satisfy the diverse and growing needs of the villagers, but also threw many of those same resources into disrepute (e.g., traditional learning, 'face', genealogical seniority) so that they could no longer be used to procure political benefits. Apart from some residual ritual functions and the role of mediating between the government and the villagers, rural leadership became a weakened institution at the head of a gradually disintegrating rural organization. What we can conclude about rural leaders in the New Territories on the eve of intensified planned development in the New Territories is as follows: Erosion of village cohesion and diversification and individualization of interests in the villages had undercut mutual identification between the leaders and the villagers. The process of decline in the political and social significance of rural leaders was continuing unabated. The resources or power base of rural leaders, which had been previously internally based, was collapsing.

If no forces to counter the trend had arisen, structural changes in the New Territories would have either transformed rural leadership into a historical survival or contributed to its total demise. Paradoxically, as it turned out, however, it was the intensive planned development of the New Territories that granted the rural leadership a new lease of life.
Intensive Planned Development

Before the late 1950s, the government had no intention of developing the New Territories, except for building a few access roads for military and administrative purposes and constructing the Kowloon and the Jubilee reservoirs for the needs of the ever growing urban population. The areas were, after all, originally intended as a buffer zone and development was handicapped by the physical barrier of the Kowloon foothills which separated the Territories from the urban centres. Post-war private development did begin slowly, but it was inhibited psychologically by the expiration of the lease in 1997 and materially by the inadequacy of public utilities in the area. Finally, however, the population explosion in the urban areas overcame the inertia to development in the New Territories.

After the war, Hong Kong experienced a tidal wave of Chinese immigration. The population rose from 600,000 in 1946 to 1,800,000 in 1947 and then to 2,796,800 ten years later. The growing mass was concentrated in the urban centres, competing with transportation and industrialization for the land already scarcely available. Towards the late 1950s, the contrast between the New Territories, which comprise 88 percent of Hong Kong's 1,045.01 sq. km. and remained underdeveloped, and the urban area comprising the remaining 12%, was overcrowded, became glaringly obvious.
The New Territories could no longer be kept isolated, they must be regarded as an integral part of Hong Kong, providing the badly needed room for urban and industrial expansion. With this cognitive breakthrough in official policy, a Town Planning Board was established in 1954, followed by almost two decades of planning, feasibility study, drafting of layouts and pioneering constructions. In October 1972, development programming received additional momentum when Governor Sir Murray MacLehose announced an ambitious 10-year housing plan to provide adequate and self-contained flats for another 1.8 million people by 1986. More than half of this new housing has to be built in the new towns at Tsuen Wan, Sha Tin and Tuen Mun. By 1986, the new townships will house about 40% of the projected total population of 6.5 millions. Moreover, the contribution of the New Territories to the overall welfare of Hong Kong is not to be restricted to residential accommodation and industrial sites. To provide the urban settlers with sports and recreational outlets, remote areas of the New Territories (e.g., Lantao and Saikung), will blossom with country parks, modern resorts, weekend bungalows, and hotels. In a nutshell, the whole New Territories (there is also a rural development scheme) have been thrown into the ocean of development.
The Stakes of Development

In the course of this rapid development, the public
(i.e., colony-wide) interests necessarily run into conflict
with the local (i.e., rural) interests of the New Territories
people. In the words of a former chairman of the New
Territories Heung Yee Kuk:

As development in the New Territories proceeds,
N.T. residents suffer from expulsion by Hong
Kong Government without appropriate settlement
and appropriation of land without fair compen-
sation. And the Government exercises expropriation,
deprivation and controlling measures on land
matters within the area.13

This view, which has become the standard, routine statement
made by rural leaders on many public occasions, may be a bit
exaggerated. Nevertheless, the fact remains that for the
New Territories villagers the stakes of development are
indeed very high.

The stake of a particular villager affected by urban
development is a function of the timing, the direction of
development, and his own personal role, passive or active,
in the process by which the value of land is transformed as
it changes from agricultural to non-agricultural use. In
this process, different New Territories people are differently
situated. Although these pages can never do justice to the
complexity of the picture, it can be argued that in the
earlier phase development worked rather sadly on the rural
people, while those persons affected later were better off. Roughly before the 1960s, the traditional way of life was still dominant in the New Territories. The influx of immigrants from China since the early 1950s, however, changed the picture. With their skill in vegetable farming, which necessitated meticulous field management, and the increasing demand for fresh vegetables by the urban residents, the economy of the New Territories rapidly changed from one based on rice-farming to one based on vegetable-farming. Because of the lack of the requisite skills and resources, many indigenous villagers in the New Territories were unable to take advantage of these opportunities to make windfall profits. Moreover, the importing of rice from foreign countries, principally from Thailand and China, to feed the urban population brought havoc to the economic conditions of the local rice farmers, as the markets for their products were contracting. As a result, many of them had to sell their land or to rent it to the immigrant vegetable farmers. Unemployment was prevalent among the local villagers, and a large number of them took advantage of opportunities to emigrate abroad. Although factories had begun to appear in the New Territories, especially in Tsuen Wan, their employers preferred workers from the urban centres to the local villagers. Given the context, the resumption of land for public purposes could well cause real hardship. Having
abandoned farming and unable to participate in the value transformation process, a villager found himself lost in direction because his traditional way of life was destroyed while a new way of life could not be secured. Such a total destruction could never be adequately compensated. After all, in law the only compensation required was for the value of land surrendered. The rest was governed by politics. Beginning with the 1970s, however, more and more villagers have been absorbed into the process of urbanization and industrialization. Such people have already become 'non-villagers' by the time a notice of resumption or of terms for exchange is served. They no longer have the same problem of adaptation. They have learned how to play politics with the government. They have discovered how to profit from the process of the transformation of land values.

These two kinds of situation have generated two kinds of response from the villagers. The 'traditional' category of persons reacts in terms of opposition in principle, the 'modern' category by opposition in tactics. There are, accordingly, antagonistic and non-antagonistic disagreements over compensation for requisitioned land, resettlement sites, time schedules of plan implementation, and other relevant issues. Both situations have led to confrontations, irreconcilable or otherwise, between the government and the villagers, and to clashes among the villagers themselves over land titles and distributional fairness.
Against such a background it is not surprising to find that a new lease of life has been granted to the institution of rural leadership, however temporary it may prove to be. To the Hong Kong government, the new level of mobilization and politicization among the people in the New Territories has posed serious and urgent political and administrative problems which are beyond the absorptive capacity of the administrative system as it exists. From a structural point of view, the local administrative system in the New Territories was designed to maintain the status quo, not to change it. The smallness of the size of the administrative personnel, the absence of local political organizations directly created and controlled by the government, the scarcity of contact points and communication channels between the government and the villagers, and the continual political influence of rural leaders in the New Territories would mean that the existing government administration in the rural areas is not capable enough to serve the functions connected with the administration of development. Practically, it would mean that the existing administration in the New Territories is not well equipped to manipulate the rural people so as to minimize their demands and oppositions directed against the government, and to smoothen the process of planned change. The creation of new local administrative institutions would not only be impractical and costly in view
of the vast amount of funds and qualified personnel required, but it would also be ineffective, since it would take time for them to acquire the minimum of legitimacy and prestige among the rural populace to make it possible for them to function effectively - and time is short. As in some ways rural leadership has already been distinguished by the mediating and persuading skills it possesses, its resuscitation through enlarging its non-official administrative functions and reinforcing its position as the sole and legitimate linkage between government and people appears to be the most practical and efficient administrative measure for the government to take.

From the point of view of the government, the desirable state of affairs in the New Territories during the process of planned development would be achieved if antagonistic disagreements were thwarted, if non-antagonistic ones were minimized to a level easily absorbable by administrative capability, and if ungratified demands, though discontent-provoking, were not translated into organized opposition movements.

For the rural leaders, intensive planned development offers both pitfalls and opportunities: pitfalls, if they are unable to act or if in the eyes of the villagers they act unwisely, they will definitely lose the confidence and support of their constituents; opportunities, if they can,
on behalf of the government, exert influence on the villagers to accept the government's decisions. As the stakes of development for the rural leaders are generally higher than those of the common villagers (for the former hold more land than the latter), a rational rural leader is likely to cooperate with the government more than with the villagers in order to be granted the privilege by the government to play an active role in the process of transformation of land values in the New Territories (i.e., to participate in the determination of whose land should be included or not included in the layout plans, for what use, and whether under the aegis of public or private aegis of development) and to privately profit from it.

In this triangle of politics among the government, the rural leaders, and the villagers, the government is in much the most advantaged position, and for two reasons: (1) because the government itself holds the goods that the leaders and the villagers expect to receive in exchange for land surrender or resumption, it can manipulate these goods to create political situations in favor of itself; (2) structural changes in past decades have reduced cohesiveness in the villages, thus rendering collective action more difficult to organize and sustain. This means that though in principle leadership positions are contingent upon the approval of both the government and the villagers, in practice the rural
leaders are much more dependent on the former. This being so, a rational rural leader would opt for a policy of cooperation, thereby creating a set of power resources which would be more externally than internally based.

Because in the early phase of development such a rational rural leadership failed to emerge autonomously, the government was moved to generate one. In the decade of development planning, a group of anti-development rural leaders backed up by internal forces was replaced by a group of pro-development rural leaders supported by external resources. The replacement process was introduced by the Heung Yee Kuk crisis of 1957.15

The Heung Yee Kuk Crisis

Heung Yee Kuk, literally Rural Consultative Council, is an umbrella institution representing the interests of the New Territories. It was established in 1923, under the name of Association of Agricultural, Industrial and Commercial Study, to oppose the government's proposed tax increases. The Association was given its present name in 1926 by the then Governor, Sir Cecil Clementi, and became an officially recognised council advising the government on matters related to the New Territories. On 14 August 1957, the government suddenly withdrew its recognition of the Kuk. Internal dissent within the Kuk was cited as the reason for the
government's move. As a matter of fact there were serious internal dissents within the rural leadership, but the true motive of the government's demarche was to influence the internal process of dissent resolution so as to promote a new group of rural leaders who would support government's policies.

In the above pages we have referred to the diversification of rural leadership as a consequence of socio-economic changes. In the mid-1950s, the leaders in the New Territories were splitting into a conservative and a progressive camp, with some elders struggling to hold the balance. The first group, the conservatives, dominated the 12th term of the Kuk (which ended in March 1957), and the Committee of Election for the 13th term. Most members of the conservative group came from less urbanized areas, such as Kam Tin, Tai Po Tau, etc., and were still leading an earthbound way of life. They regarded the development policies of the government as detrimental to the agricultural basis of their livelihood and therefore ominous. On 28 June 1957, the Tang clan in Kam Tin nearly succeeded in mobilizing about 2000 villagers to demonstrate against the government's demolition of temporary structures on a piece of their 'tong' land, and confrontation was only avoided when the government timely agreed to talk again and then granted the establishment of permanent structures on the same spot. When in the same
year the Registration of Societies Ordinance was amended (in order to secure the more rigorous control of Chinese associations in the light of experiences with the 1956 riots in Kowloon and Tsuen Wan) and a notice for registration was served on the Kuk and the rural committees, it was members of the conservative group who spoke against compliance with the government's request giving the reason that the Kuk was not an ordinary association but a representative assembly whose status had been officially recognized at least since 1926. On 12 July 1957 the Kuk decided for non-registration. Moreover, "there was on many subjects a growing cleavage between official policy and some sections of rural opinions", and this just at the same time when the New Territories Administration "seemed to be fighting a losing battle in its efforts to keep pace with the increasing tempo of develop-
ment".18 The District Commissioner added:

The gradual development of representative institutions, which may in the future ease the District Officer's burden, at present adds greatly to its weight.19

He particularly referred to the serious opposition to the construction of the Tai Lam Chung Reservoir, the biggest project in the New Territories in the 1950s, and mentioned that there were other less serious cases where land could be secured for public purpose, although negotiations for cash compensation or land exchange had broken down and land
transactions had remained uncompleted for many years. It was clear that, given an appropriate occasion, the government had to terminate 'the cleavage'. The existence of an opposition group in the Kuk offered the chance.

Members of the opposition group, hereafter referred to as the progressive group, mainly came from more urbanized areas, such as Tsuen Wan, Tuen Mun, Sheung Shui and Tai Po. Most of them had started and some even succeeded in non-agricultural occupations. In contrast to the conservative group, whose members rejected development for its adverse impact on their traditional way of life, members of the progressive group were more receptive to development. According to an informant, one prominent figure of the opposition group was the very first rural leader to realize the virtue in the destruction of the agricultural economy, which released land for non-agricultural, and therefore more profitable, development. 20

The conflict between the two leadership groups came into the open when the election of the office bearers for the 17th term of the Kuk was due (actually overdue) in summer 1957. The eight rural committees of Tai Po district refused to submit their lists of candidates for election. The rural elders, under the leadership of Lee Chung-on, one of the founders of the Kuk, were asked to mediate. Their efforts were futile, leaving a seal of death on their influence.
The following months saw many cross-cutting interests and shifts in the alignment of powers. Then, in July, the Election Committee succeeded in drawing two of the rural committees of Tai Po district into its camp and insisted on carrying out the election. The progressive group reacted by convening a secret meeting of the chairmen of 21 out of the 23 rural committees on 9 August, who issued a signed declaration of non-cooperation with the election committee. The conservative group then appealed over the heads of the non-cooperating chairmen to the Village Representatives, who argued that the chairmen could not represent the public view of their districts. With their support, rural committees in Tai Po, Cheung Chau, and even Tuen Mun overruled their respective chairmen on 11 August and decided to support the election committee. Other rural committees soon followed suit. At this stage internal dissents within the Kuk could be said to have been resolved by referring to the verdict of the grass-root representatives. However, on the eve of the scheduled election Day the District Commissioner had the following to say:

The government was concerned about some recent activities undertaken by certain people in the name of the Keung Yee Kuk. In view of the development of events, the government has concluded that the Kuk has lost its value of representation and therefore should be disqualified from recognition.
Notwithstanding the government's announcement of non-recognition, the Kuk's elections went ahead and its counsellors and office bearers were duly elected on 15 and 28 August respectively. Needless to say, it was the conservative group which won the majority of seats. In early September, it was reported that the government had received some members of the opposition group and encouraged them to form a new association named New Territories Rural Association. Speculations about the exact course of events and lobbying activities abounded. It was understood that leaders from the less urbanized areas (Ping Shan, Tai Heung, Ping Chung, Kang Hau and Sai Kung) had refused to join the coup d'état. The Kuk then commenced a legal action in the Supreme Court to obtain a declaration that it was not an unlawful society. The litigants were ordered to restrain themselves from undertaking any action affecting the Kuk pending further hearing, thereby allowing for a period of secret negotiations. On 25 November, the government introduced the Heung Yee Kuk Bill, which was passed without discussion within 15 days. Whereas previously election to the Kuk had been decided by an electoral college of about 900 persons, mostly Village Representatives, the new ordinance was designed to strengthen the then pro-government elements, i.e., the Justices of the Peace and the Chairmen of Rural Committees, by making them ex-officio members of the Full Council and of the Executive Committee.
of the Kuk. Equipped with this legal instrument, against which a demonstration was staged without avail by the conservative group, the New Territories Administration occupied the premises of the Kuk in the name of the Crown for 'immediate and extensive repairs' on 11 December 1959, and in early 1960, under the personal supervision of the District Commissioner as Returning Officer, organized elections of other councillors to the Kuk and its office bearers. A majority in the Kuk was secured for the pro-government progressive group.

It was during this term of the Kuk that the government succeeded in introducing a series of new policies governing, for example, the terms upon which land transactions could be permitted, the grant of free building licenses for small village houses, the details of exempted buildings, the procedures for the resumption of private land in the layout areas, etc.

The New Rural Leadership

After the reconstitution of the Heung Yee Kuk, with its consultative power given statutory backing, the 'climate of public opinion' in the New Territories improved and the relationship between government and rural leadership was given a new start. The practice of informal monthly meetings between the district officer and the Chairman of Rural
Committee, which had begun in Tai Po in 1956 and been extended to all other districts in 1957, was emulated at the top level in September 1966 by the introduction of monthly meetings between the New Territories Administration and the Heung Yee Kuk. Beginning with Tsuen Wan in 1960, rural committees were given the opportunity to comment on development layouts. As a consequence, the mediational role of the rural leaders in the development process was enhanced and soon constituted the major rationale for the legitimacy of their leadership. Cooperation between the government and the rural leaders was further intensified after the Kowloon riots in 1967, when the Kuk impressed the government with a prompt declaration of loyalty.\textsuperscript{23} Thus by the time when their power was consolidated in the late 1960s, the new rural leaders had already become an informal but integral part of the New Territories Administration, with many interactions between them routinized and with many policies jointly developed.

This new pattern of relationships between rural leaders and government also has serious implications for the rewards and benefits accruing to leadership positions. At present, the major rewards and benefits come in the forms of, directly, administrative convenience and better terms of compensation to the leaders in case of land resumption, and, indirectly, prior information on development priorities and
their implementation, matters which are of crucial significance in the realization of material benefits to the leaders (e.g., prior knowledge of the price to be paid for requisitioned land and of areas to be affected by developmental planning will enable leaders to engage profitably in the purchase and sale of land and Land Exchange Entitlements in the New Territories) and in allowing them to utilize such information in controlling their fellow villagers and in building up and consolidating their power bases in the villages. In view of the drastically increased rewards for holding leadership positions, the motivations to run for leadership positions have been greatly strengthened and elections have become hotly contested events.

Under the asymmetrical structural balance of power in the New Territories today, tactics deployed by rural leaders are governed by three interrelated considerations. First, the private interests of the rural leaders have to be optimized, which means that on the one hand the minimal demands of the villagers have to be met, while on the other hand, these demands must be kept within the capability or toleration limit of the government. If both conditions are met, the benefits accruing to the incumbency of office can be realized. Second, as the goods sought after by the leaders come primarily from the government and only marginally from the villagers (in the form of public recognition and
private remunerations paid in return for particularistic services performed for individual villagers), it follows that the leaders will seek out only the minimum common demands of the villagers and if they are still too 'unreasonable' in the eyes of the government, they will scale them down. In the latter situation, tactics have to be employed to insure that the villagers will rest satisfied with a level of demand satisfaction below the minimum which they have originally envisaged. Third, if the lowered level of demand satisfaction does result in discontent, it is the leaders' goal to prevent the villagers from mobilizing and organizing against themselves and the government.

The immediate socio-political context in the New Territories in which the leaders select their tactics is characterized by an ever growing realization among the villagers that, in the words of a former District Commissioner, Mr. D.C. Luddington, intensive planned development has made the New Territories 'an area of opportunity'. Costs in terms of disruption of rural social and economic life are important, but they are becoming insignificant in comparison with the material gains to be derived from the process of transformation of land values. Moreover, as a large proportion of the villagers are no longer dependent on land cultivation for their livelihood, the loss of the land does not push them into a desperate economic situation. As a result, they are
more inclined to be flexible in assuming bargaining positions vis-a-vis the government, and rural leaders are thus allowed more leeway in manipulating the demands of the villagers in different directions.

Within certain limits, it can be said that the government is prepared to be conciliatory towards the villagers. The administration has no wish to create confrontation between itself and the villagers, since political disorder in the New Territories is not to the general interest of Hong Kong as a whole and the conventional government policy toward the New Territories has been one of compromise and concession. This general attitude on the part of the government can be profitably utilized by rural leaders to force concessions from it; and rural leaders are not slow in recognizing the fact that demands made under the pretext of damages inflicted on traditional, symbolic, or ritualistic values (such as disruption of the lineage, or the geomantic forces), oftentimes find 'sympathetic' ears in the government. Therefore, to a rather limited extent, rural leaders do have some bargaining power vis-a-vis the government.

As the minimization of demands from the villagers and the forestalling of collective opposition action in the villages are the keystones for success in leadership performance, we shall concentrate on the tactics deployed to achieve these ends. Generally speaking, in the current
situation of the New Territories, demands made and collective actions taken, if any, are mostly of a reactive nature—that is, they are created in reaction to government decisions initiated by the government itself. To simplify analysis, government decisions can be classified into two types: (1) whether they affect the village wholly or partly; (2) whether they create common (non-competitive) interests among the villagers or conflictual (competitive) interests among them. These four situations pose different challenges to the rural leaders, and different tactics are required to achieve the twin goals of minimizing demand and forestalling collective opposition. The essential criterion for the choice of tactics is whether they will lead to the fragmentation of interests among the villagers so that their large-scale mobilization and organization into opposition groups posing 'unreasonable' demands on the government can be avoided.

In situations where only a small proportion of villagers are affected, the attitude adopted by other villagers will usually be one of indifference. This is especially likely to be the case in villages lacking a solidary and large lineage organization (such as multi-clan villages) and in those with a substantial number of outsiders. The tactics used by rural leaders in such situations consist of the conventional techniques of persuasion based on personalistic relationships, explanation of government
policies, and negotiation with the government on behalf of the affected parties. In most such cases, as the villagers do not have alternative channels of information or means to initiate direct action, rural leaders are capable of making deals between the government and the affected.

Government decisions conducive to the emergence of a conflictual (or competitive) situation among the villagers are those in which villagers perceive that someone's gain would mean someone else's loss. Collective action in such a situation is difficult to envisage. Distributional policies adopted by either the government or the leaders with respect to these limited goods will inevitably split the villagers into two groups: those benefiting from the policy and getting the goods, and those not getting any. Factional struggles in the villages will make it difficult for the villagers to make 'unreasonable' demands on the government or to organize collective actions against it.

The most dangerous situation is that in which there exist common interests among the villagers and the social organization in the villages is not fragmented by diverse interests. This situation will appear when (1) those not yet affected by government decisions realize that sooner or later they will be affected in the same way, and hence they tend to identify with those currently being affected; (2) those embroiled in a competitive situation created by a
government decision come to realize that the solution to their problems lies in forcing the government to provide more goods so that everybody can have a share and thus eliminate the conflictual situation; (3) the decisions of the government affect all villagers in the same way and create a non-competitive condition among them. Under such a potentially disquieting situation, the tactics of 'selective incentive dispensation' would be the most powerful weapon available.

Selective incentive dispensation means that the party holding the resources commonly aspired to distribute them in a selective manner in order to reward those whom it favours and punish those not so favoured, with the explicit goal of impelling conformity to its wishes and hence leading directly to the satisfaction of its own interests. The principal condition under which such tactics will succeed will be that no other resources are more valuable than those concentrated in the hands of the dispensing party. In the New Territories today, the critical resources are money or 'Land Exchange Entitlement' in compensation for land surrendered, advance information on development plans, rights to private development, etc., all of which are controlled by the government. Selective incentive dispensation is now in operation at two levels. First, at the government level, it is used to control the
behaviour of the rural leaders, so that 'co-operative' leaders are encouraged and common fronts among leaders are precluded. Secondly, at the village level, rural leaders in their turn can dispense these resources obtained from the government in a selective manner in order to reward those who are 'loyal' to them and to deny the claims of those who are in opposition.

Under a situation wherein the tactics of selective incentive dispensation are in operation, a rational man in pursuit of the commonly valued resources will naturally develop personalistic and particularistic relationships with the leaders in order to share their resource pool, rather than following individual direct action against the government (which is impractical) or inciting and participating in collective opposition actions (which are costly and ineffective). Rural leaders, as faction heads, will serve as the patrons of their villagers clients. These patron-client networks will take priority over village or clan ties which, in any case, have already weakened to the point of total disarray. Through the patron-client networks, the leaders' positions in the villages are secured. On the other hand, both in the Districts and in the New Territories as a whole, conflict deriving from the scramble for leadership offices and government-administered resources may well arise between the various patron-client networks and thus the
social organization will be further fragmented, competitive interests be further generated, and common demands on the government or collective action against it made unlikely.

Since the process of land requisition in the New Territories is in fact relatively smooth, it can be said that the tactics of selective incentive dispensation are proving quite successful in facilitating stable planned development, and this success is even more remarkable in view of the fact that the process of change is extremely rapid and the New Territories Administration is not well-structured to handle such a changing situation. Needless to say, the effectiveness of selective incentive dispensation is contingent upon a host of factors (such as the size of the village, the strength and solidarity of the village and lineage organization, the proportion of outsiders in the village, the availability of alternative channels of information and action in the village, the economic and occupational structure of the village, and so on), nevertheless, given the deteriorating cohesion of the villages in the New Territories, the externalization of both the identification and the relationships of the villagers, and the asymmetrical resource position between government and the villages, the success of the tactics is understandable. By means of the deliberate resuscitation of rural leadership, and the employment of the tactics of selective incentive dispensation in conflictful
situations, the political, administrative, and economic costs incurred by imposed development in the New Territories are being drastically reduced.

Discussion: Development and Neo-Indirect-Rule

As in many other developing societies, the long-term effects of urbanization and industrialization in Hong Kong are to reduce or demolish the structural significance of traditional leaders in the rural areas. However, it has been demonstrated in this paper that in the short-run, rural leaders can be deliberately resuscitated, in order to provide a stabilizing mechanism in the process of a form of planned development, which requires the requisition of rural land and the relocation of rural residents. Utilizing rural leaders, and in the process transforming them, is a particularly attractive approach to planned development in a situation where the administrative capability of the government is not sufficient for developmental purposes, as it can obviate the unwelcome choice of having to dismantle the original administrative structure of the rural society totally, which would be tantamount to the drastic breakdown of rural social organization. Needless to say, the successful adoption of these development tactics of neo-indirect-rule (which is different from the classical colonial practice of indirect rule which is directed to the maintenance of the
status quo) is contingent upon the existence of a number of facilitating conditions. By extrapolation from what has been implicit in the foregoing case study of Hong Kong, one can argue that these conditions are: (1) that the rural leadership is still in possession of some ritual and political power which enables it to perform the role of mediator between the government and the villagers; (2) that external resources can be effectively mustered in order to bolster and expand the power and legitimacy of the rural leaders; (3) that the government is capable of monopolizing and dispensing these resources in a selective manner; (4) that these resources are coveted both by the rural leaders and the villagers; (5) that the rural organization is sufficiently loose so that leaders do not identify themselves intensely with the villagers and the villagers cannot effectively apply pressure on the leaders to make them conform to the 'common interests'. Many of these conditions are available in the rural areas of developing societies, and the adaptation of traditional leaders for modern purposes should therefore be a realistic and feasible development strategy for planners in other countries besides Hong Kong.
Footnotes

1. The colony of Hong Kong consists of: (a) Hong Kong Island, 77.87 square kilometres, ceded by the Treaty of Nanking in 1842, (b) the Kowloon Peninsula, 9.11 square kilometres, ceded by the Convention of Peking in 1860 and (c) the New Territories, 958.03 square kilometres, leased by the Convention of Peking in 1898. The New Territories is largely a rural area, while Hong Kong Island and the Kowloon Peninsula are densely urbanized areas.

2. In 1913, police power was taken over from the district offices by the police force. After the Second World War, more and more functions previously discharged by district officers were transferred to urban departments: all judicial powers were taken over by the legal department and the district courts, approval of buildings applications other than village-type houses became the responsibility of the Buildings Authority, health and scavenging policies and services fell upon the shoulder of the Urban Council and the Urban Services Department, technical aspects of land transactions are handled by estate surveyors of the Public Works Department, the Town Planning Board and recently the Environment Branch of the Chief Secretariat of the Hong Kong Government determine the use of land and restrictions thereupon.


4. New Territories Heung Yee Kuk Annual Report, the 19th Term (1970-72) p. 62. The same complaint and demand were repeated in the subsequent petitions.

5. The figure for 1900 is obtained from an address delivered by the former New Territories District Commissioner, the Hon. K.S. Kinghorn to the Rotary Club of Tsuen Wan on 1 March 1968, see South China Morning Post, 2 March 1968; the last two figures come from Census and Statistics Department, Hong Kong Population & Housing Census 1971 Main Report p. 28; the remaining figure is given in the Departmental Annual Report of the District Commissioner for New Territories of the year concerned.
6. John A. Brim reported that the occupational profile in the New Territories had changed from 67.71% of the male population and 96.45% of the female population engaging in farming and fishing in 1911 to 25.53% and 42.07% respectively. See Local Systems and Modernizing Change in the New Territories of Hong Kong (Unpublished doctoral dissertation, Stanford University, 1970), p. 111. In 1971, the farming and fishing population in the New Territories dwindled to 12.8%, i.e., 9% of the total economically active population in the area. See main Report for the 1971 Hong Kong Population & Housing Census, ibid., p. 101.

7. All figures from Departmental Annual Reports of the District Commissioner for New Territories of the years concerned.


10. Each of the 651 villages in the New Territories has one or more Village Representatives, elected or otherwise nominated from amongst the heads of households, who maintain a channel of communication between Government and their communities. Only indigenous villagers have the right to elect, and immigrants and outsiders are excluded from the representative system. There are over 900 Village Representatives in all. Villages are grouped into 27 Rural Committee areas which cover the whole of the New Territories. Within its area, each Rural Committee is responsible for interpreting local public opinion, maintaining contact with the District Office, arbitrating in clan and family disputes and generally promoting local welfare. The New Territories Heung Yee Kuk, whose title may be translated into English as 'Rural Consultative Council', was first established in 1926 by a number of leading New Territories personalities. Before World War II, the Kuk consisted of a small number of Honorary
Advisors appointed by Government to advise on New Territories matters. After the War in 1948, an elective system was created whereby Councillors of the Kuk could be elected from amongst Village Representatives. With the promulgation of the New Territories Heung Yee Kuk Ordinance in 1959, the Kuk structure of election, eligibility and function of the Kuk was put into a formalized legal footing. By the Ordinance, the Kuk was made into a statutory body and the Chairmen and the Vice-Chairmen of the 27 Rural Committees together with the Unofficial Justices of the Peace of the New Territories and 21 Special Councillors form the Full Council of the Kuk. The Executive Committee comprises all the Rural Committee Chairmen and the Unofficial Justices of the Peace who are Ex-Officio Members, 15 Ordinary Members elected by the Full Council from amongst the Rural Committee Vice-Chairmen, and 21 Special Councillors.

The Executive Committee of the Kuk meets monthly and discusses subjects which are relevant to New Territories interests. The New Territories Administration of the Government consults the Kuk on Government policies which affect the New Territories. An exchange of information and advice takes place at monthly meetings between councillors of the Kuk and the District Commissioner of the New Territories.

Groups of Rural Committee chairmen attend regular meetings with the District officers and other members of their staff. When subjects discussed at such meetings touch upon the work of other Government departments or public utilities, appropriate officials and representatives of such firms and other Government departments are invited to attend. In addition, District Officers of the New Territories Administration hold meetings from time to time with officials of individual Rural Committees to discuss matters concerning their particular area.


12. The development of new urban centres in the New Territories to accommodate the growing urban population began in the 1950s, and Tsuen Wan was the result of this initial effort. It was only in the late 1960s, and particularly since the early 1970s, when population pressure in the urban areas became increasingly intolerable, that efforts at new town development and the creation of industrial sites in the New Territories were intensified.


15. An interpretation of elite transformation, which is different from, but not irreconcilable with the present one was offered by Maurice Freedman who argued that power in the New Territories has shifted from the old scholar-gentry to the commercial talents. See "Shifts of Power in the Hong Kong New Territories" in *Journal of Asian and African Studies*, vol. 1, no. 1 (January 1966), pp. 24-38.


17. All names of rural leaders have been withheld from publication.


19. Ibid., 1957-58, p. 5.

20. In an address to the 15th meeting of the Executive Committee of the Kuk, he openly declared that instead of farming, N.T. people must in future seek their livelihood through land development. See *New Territories Heung Yee Kuk Annual Report*, 1966-67, p. 103.


23. See the remarks made by Mr. K.S. Kinghorn, District Commissioner for New Territories, before the Legislative Council on 27 March 1968, in *Hong Kong Hansard* 1968, p. 156.