The establishment of the Innovation and Technology Bureau (ITB) in 2015 was a major step forward in terms of creating a conducive environment for innovation and technology (I&T) businesses in Hong Kong. The government’s policy goal to promote Hong Kong as an I&T hub was announced by Hong Kong’s first Chief Executive (CE) Tung Chee-hwa in his 1997 Policy Address. The CE’s Commission on Innovation and Technology was established the following year to identify the necessary policy measures to achieve this goal. As per the commission’s recommendations, the government established the Innovation and Technology Fund in 1999 to support I&T in industrial and commercial sectors. In 2000, the government established the Innovation and Technology Commission (ITC) to further promote the sustainable development and enhance the competitiveness of Hong Kong, given the rapid development of I&T industries globally. In his 2012 Policy Address, Hong Kong’s third CE Leung Chun-ying announced a plan to establish a bureau to promote I&T development. However, some pan-democrat legislators delayed the funding approval for the ITB for almost Leung’s entire term of office.

The government made several attempts between 2012 and 2015 to obtain the funding approval needed to set up such a technology bureau before finally succeeding. These attempts were obstructed with filibustering by pan-democrat legislators who were motivated by distrust of the government and a desire to demonstrate solidarity with the Umbrella Movement protests that coincided with the debates on the funding request in the Finance Committee (FC) within the Legislative Council (LegCo). After a long delay, the funding to establish the ITB was finally approved in November 2015.
Early Stages of I&T Development in Hong Kong

Following an initial injection of HK$5 billion into the I&T Fund, the government introduced a number of initiatives to support companies in I&T sectors to undertake technology development and upgrading. Some of these programmes were still in force today, an example being the University-Industry Collaboration Programme. The fund also encouraged joint I&T research with Mainland China’s research institutions. In 2000, the government established the Applied Science and Technology Research Institute (ASTRI), an R&D centre for information and communications technology. Its aim was to commercialise R&D outcomes and stimulate growth of technology-based companies and industries.

However, some I&T-related infrastructure projects were criticised even from within the information and technology (IT) sector. For example, critics of Cyberport argued that the project was more akin to a residential property development than an actual technology hub. They argued that the poor outcome of I&T policies demonstrated shortcomings in Hong Kong’s business environment for I&T, and that public confidence in Hong Kong’s ability to position itself as an I&T hub had been shaken. Moreover, the IT sector had been calling for an independent technology bureau to set policies on IT, I&T, and broadcasting. This was because the ITC was only an advisory body with no executive or policy setting powers. Additionally, the Commerce, Industry and Technology Bureau had been replaced by the Commerce and Economic Development Bureau in 2007.

The Three-year Delay to the Establishment of the ITB

The government felt some urgency in setting up a technology bureau to help Hong Kong catch up with other economies in terms of I&T development. Firstly, Hong Kong’s ranking in the World Economic Forum’s Global Competitiveness Index 2014-15 had dropped to 26th in terms of innovation, putting it well behind some of its regional competitors such as Singapore. Secondly, Hong Kong was facing an economic slowdown and diminishing social mobility. Therefore, it was crucial for Hong Kong to develop the I&T sector into a new growth engine to diversify and improve the resilience of its economy, while tapping on its established competitive advantages. This new growth area was expected to create new, high value-added jobs for the youth and improve their standards of living. Thirdly, innovation had been identified as the new driver of economic growth in China’s 13th Five-Year Plan, which promoted mass entrepreneurship and innovation. The plan highlighted I&T development, innovation in service industries, smart production, high-end industries, and information technology as focus areas.
Between 2012 and 2015, the government tried multiple times to secure funding from the LegCo to set up a bureau to promote I&T development. The first attempt, by Hong Kong’s second CE Donald Tsang to establish the Technology and Communications Bureau (TCB), was voted down in the LegCo in June 2012. At the time, incoming CE Leung Chun-ying had promised to establish a technology bureau during his election campaign, and this caused some legislators to be suspicious of the funding request, seeing it as interference in the affairs of the incumbent administration.

In October 2012, pro-Beijing legislators petitioned Leung’s new administration to submit another proposal to set up this bureau. However, Leung decided to postpone such a proposal for a year to avoid LegCo meetings getting bogged down by this issue. Only in his January 2014 Policy Address did Leung finally announce a second attempt at setting up such a bureau. Although the LegCo voted in favour of the government’s resolution to establish the ITB in October 2014, the subsequent funding request was hampered by filibustering in the FC in February 2015 (Table 1). During the filibuster, some legislators argued that the ITB’s funding request “jump[ed] the queue” of more pressing agenda items such as the Fisheries Development Loan Fund.

### Table 1: Voting results on establishing the ITB

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Abstention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council (October 2014)</td>
<td>34</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>FC (February 2015)</td>
<td>N/A (FC did not proceed to voting)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 2: The government’s proposed budget for the ITB’s start-up and annual staff costs

<table>
<thead>
<tr>
<th>Staff costs8</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 non-civil service positions:</td>
</tr>
<tr>
<td>• 1 Director of Bureau ($298,115 per month)</td>
</tr>
<tr>
<td>• 1 Deputy Director of Bureau ($193,775 - $223,585 per month)</td>
</tr>
<tr>
<td>• 1 Political Assistant to Director of Bureau ($103,340 - $163,960 per month)</td>
</tr>
<tr>
<td>4 permanent civil service positions:</td>
</tr>
<tr>
<td>• 1 Administrative Officer Staff Grade A1 ($255,050 - $262,700 per month)</td>
</tr>
<tr>
<td>• 1 Administrative Officer Staff Grade B ($180,200 - $196,700 per month)</td>
</tr>
<tr>
<td>• 2 Administrative Officer Staff Grade C ($154,950 - $169,450 per month)</td>
</tr>
<tr>
<td>Costs for establishing the bureau: $15,194,0007</td>
</tr>
</tbody>
</table>
A few months later on 3\textsuperscript{rd} June 2015, LegCo passed another resolution to establish the ITB. However, in the following month the funding request lapsed again when another round of filibustering at the FC prevented a vote. In response to earlier criticisms at the FC that ITB’s first funding request had been improperly prioritised over other agenda items, the government allowed other items to be discussed ahead of this request.\textsuperscript{9} These included adjustments in civil service pay, new nursing homes for the elderly, etc. Ironically, this time around pan-democrat legislators criticised Leung and his administration for putting livelihood issues first on the agenda as a ploy to obtain funding for the ITB.\textsuperscript{9} Another filibuster was started, similar to the one in February 2015. Merely 2 out of 11 funding items regarding livelihood issues were discussed in the month before the LegCo’s summer recess, delaying any discussion of the ITB’s funding until the LegCo reconvened.

During the LegCo’s summer recess, officials from the Commerce and Economic Development department directly in-charge of setting up the ITB met with pan-democrat legislators to lobby for support by explaining the ITB’s roles, responsibilities, vision, and importance to Hong Kong’s future development. In spite of this, more filibuster motions were submitted at the FC after the summer recess. Six pan-democrat legislators submitted a total of 1,100 motions (700 motions by Wong Yuk-man, 100 motions by Albert Chan Wai-yip, 8 motions by Fernando Cheung Chiu-hung, 1 motion by Alan Leong Kah-kit, 247 motions by Leung Kwok-hung, and 70 motions by Chan Chi-chuen).\textsuperscript{10} Many motions were repetitive or weakly related to I&T issues and the ITB’s budget. After 28 hours of FC meetings as of 24\textsuperscript{th} October 2015, the FC chairman Chan Kin-por proposed to set a deadline for voting on the ITB’s funding request. After consulting lawmakers from different camps, he settled on 30\textsuperscript{th} October 2015.\textsuperscript{11} Speaking arrangements were also reordered to prevent further filibustering, with a time limit of one minute for any speech on a motion. Division would be claimed with respect to all motions and questions under the same agenda item after the division bell was rung for one minute. As a result, the funding request was finally approved by the FC on 6\textsuperscript{th} November 2015 (Table 3).

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|c|}
\hline
 & Yes & No & Abstention \\
\hline
LegCo (June 2015) & 33 & 6 & 3 \\
\hline
FC (July 2015) & N/A (Resolution lapsed without voting) & & \\
\hline
\hline
\end{tabular}
\caption{Voting results on the ITB’s funding request}
\end{table}

Another factor that may have contributed to the delay in setting up the ITB was the broader political climate. The timing of the proposal and debates in the FC took place around the time of the Umbrella Movement, a socio-political movement initiated by students from all levels of social
class to express opposition to the decision of the Standing Committee of the National People’s Congress on 31 August 2014 (also popularly known as the “831 decision”) to indefinitely delay electoral reforms and the introduction of elections with universal suffrage for Hong Kong’s CE in 2017, as well as for LegCo members in 2016. The movement was led by two student groups—the Hong Kong Federation of Students and Scholarism. It sparked off protests that lasted for 79 days, eventually evolving into acts of civil disobedience. The students who participated in the movement came from diverse age groups and backgrounds. Within this general atmosphere of discontent and anti-government sentiment, some pan-democrat legislators demonstrated support for the movement by filibustering discussions and debates in LegCo on various issues, including the government’s proposal to establish the ITB.

**Opposition Voices**

**Pan-democrats in LegCo**

Most of the filibustering occurred in FC meetings within the LegCo, led by pan-democrat legislators. They bombarded these meetings with thousands of motions directly or indirectly related to establishing the ITB. Although different pan-democrat legislators took turns to raise motions, the content of their motions were repetitive or varied little in wording and content. The central themes of their reasons for opposition are summarised below.

**Insufficient justification for establishing the ITB**

The proposed establishment of the ITB was mainly challenged on the basis of whether it was necessary to create a standalone bureau dedicated to I&T development and policy in Hong Kong. A number of pan-democrat legislators cast doubt on the need to establish this bureau in order to formulate I&T policies, given that there were no I&T-focused bureaus or departments in some other countries that were global leaders in I&T such as United States, Israel, Taipei, etc.12 Furthermore, they claimed that the ITB’s existence would narrow the definition of I&T in Hong Kong, hindering rather than fostering the creativity of innovators. They also questioned the undue haste to set up ITB that resulted in other supposedly more important livelihood issues being bumped off the agenda.

It was also pointed out that one of the causes for the lack of I&T development in Hong Kong was the “bureaucratic and unresponsive” inter-bureau collaboration within the government, implying that setting up ITB would only make the structure of government more complicated and less conducive to I&T development.13
Some other pan-democrats accused the ITB of being a vehicle to reward Leung’s political allies or cronies. They raised suspicions that once the funding request for the ITB was approved, Nicholas Yang Wei-hsiung, an associate of Leung’s, would be appointed as its minister. Yang had earlier been appointed by Leung as a non-official member of the Executive Council and advisor to the CE on I&T matters. These legislators urged the government to consider other talented professionals from the IT sector instead who could better represent the public interest and who were more publicly acceptable.

*Lack of clear policy objectives for I&T*

Pan-democratic lawmakers criticized the lack of clarity on how the ITB would achieve its objectives, such as the commercialization of local research, talent attraction, etc. In addition, there was a lack of quantifiable performance indicators for the ITB. They were doubtful if the ITB would truly benefit I&T development, given the government’s poor track record in I&T. For example, the government had provided no support for the ride-sharing firm Uber when it launched in Hong Kong, had denied a free-to-air television programme service license to HKTV to set up a shopping and entertainment platform, and had mismanaged Hong Kong Science Park and Cyberport.

*Limited timeframe for policy implementation*

Pan-democrat legislators argued that even if the budget was approved, the incumbent government had less than two years remaining in its term to set up ITB, which they doubted would be sufficient. Besides, they argued, there was no guarantee that the next administration wouldn’t discontinue support for the ITB.

*Concerns expressed by the IT Sector*

Stakeholders within the IT sector, from frontline workers to management-level employees, had varied opinions on this issue. Most were supportive of the ITB. After the government’s first attempt to establish the TCB was voted down, the IT sector immediately petitioned in support of the proposal. In addition, the representative for the IT sector in the legislature Charles Peter Mok organized a demonstration, in which 43 IT organizations and 700 practitioners participated; to show support for the ITB and to express their frustration with filibustering in the FC. On the other hand, Frontline Tech Workers Concern Group, a non-governmental organisation, supported the pan-democrat legislators and criticized the government for hastily trying to establish the ITB.
They also challenged the bureau’s necessity and expressed concern over the rumoured leadership arrangements.\textsuperscript{19}

\textit{Other issues}

Apart from policy or operational concerns, other trivial and miscellaneous matters unrelated to the main motion were used in the filibusters. These included typos or incorrect expressions in the administration’s documents,\textsuperscript{20} criticism of Leung’s leadership, etc. The filibuster also included obstruction of meeting orders, such as shouting, interrupting the speeches of other legislators, damaging property, etc. All these actions delayed deliberations on the ITB.

\textbf{Current Operations of the ITB}\textsuperscript{21}

After more than 3 years of debates in LegCo, the FC finally approved the budget to set up the ITB on 6\textsuperscript{th} November 2015. When it was established, the ITB absorbed 2 departments formerly under the Commerce and Economic Development Bureau—the Innovation and Technology Commission (ITC) and Office of the Government Chief Information Officer (OGCIO). The ITC had an executive function in the formulation, development, and implementation of funding schemes and measures to promote I&T in Hong Kong. OGCIO was responsible for implementing policies regarding the government’s use of IT in public services. The ITB would be responsible for the holistic formulation of I&T policies; strengthening collaboration among the government, industry, academia, and research sectors; and promoting the development of I&T and related industries in Hong Kong.\textsuperscript{22} On its website, the ITB listed the following as its priorities:\textsuperscript{23}

1. \textit{The ITB will make more focused efforts in promoting collaboration with the world’s top-notch science and research institutes.}

2. \textit{Innovative application and technological development are the driving forces for industrial upgrading and restructuring. The ITB will seize upon the opportunities brought about by re-industrialisation and the advent of the Internet of Things to promote smart production and to work on developing areas of manufacturing that can be based in Hong Kong, so as to create more quality and diversified employment opportunities.}

3. \textit{The ITB will study and implement measures to encourage more private organisations, venture capital funds and angel investors to invest in innovation and technology. The bureau will also study the feasibility of co-investment in technology start-ups by government and private funds.}
4. The ITB will collaborate with relevant policy bureaux and government departments, as well as the public and private sectors, in examining Smart City initiatives.

5. Taking advantage of the advanced information and communications technology infrastructure in Hong Kong, the ITB will seek to build Hong Kong into a connected Wi-Fi city. The ITB will adopt new technologies, and facilitate further use of public sector information and big data applications.

6. The ITB will study and promote the adoption of innovation and technology in tackling social issues, e.g. serving the elderly and underprivileged groups (including persons with disabilities) through the use of technologies, addressing the needs of an ageing population and promoting healthy ageing.

7. The ITB will seek to promote the procurement of local innovation and technology products and services, in a way that complies with the World Trade Organization's procurement agreement for governments.

8. The ITB will augment the pool of innovation and technology talents, and inspire the younger generation to pursue a career in innovation and technology, thereby enhancing the competitiveness of Hong Kong.

9. To achieve the above targets, the ITB will revisit the work priorities of various innovation and technology institutions and see if they complement each other.
Endnotes


3 These include Hong Kong’s strategic location in the Asia-Pacific region, proximity to Mainland China, intellectual property protections aligned with international standards, trusted legal system and independent judiciary, and robust IT and financial infrastructures.


