

Item (b): Papers presented to the Citizens Advisory Committee on Community Relations for endorsing the changing work strategy of the CRD in the past 10 years, including repositioning the Mainland liaison work and district work.

The papers presented to the Citizens Advisory Committee on Community Relations for endorsing the changing work strategy of the CRD below from 2003-04 to 2012-13 are attached at **Appendices A to H**.

Title of Paper (Paper Number)	Appendix
Strategies on Ethics Trainings for Professionals (CACCR 4/2003)	A
Moral Education and Probity Promotion Work for the Youth (CACCR 7/2005)	B
Review on Business Ethics Promotion Programme for Listed Companies (CACCR 10/2005) (<i>Note: Annexes 1 and 2 to the paper have been removed as the companies mentioned therein did not give consent to disclose their names.</i>)	C
Enlisting Community Support to Reinforce a Clean Elections Culture (CACCR 7/2007)	D
Ethics Management Promotion Programme for Small and Medium Enterprises (CACCR 10/2007)	E
Strengthening Value Education for the Younger Generation – The ICAC’s Strategy (CACCR 11/2008)	F
New Trends, New Thoughts – Rethinking the Strategies on Moral Education for Youth (CACCR 7/2009)	G
Mainland Liaison Work of the ICAC – Review and The Way Forward (CACCR 11/2009)	H

Strategies on Ethics Trainings for Professionals

Purpose

Ethical standard of professionals is one of the factors in determining the success of anti-corruption work in society. The effectiveness of anti-corruption work can be greatly enhanced if professionals in Hong Kong work closely together with the Independent Commission Against Corruption (ICAC) on the fronts of law enforcement, prevention and education. In fact, professional bodies have all along been good partners of the ICAC for implementing corruption prevention work and promulgating professional ethics. This document aims to review the recent situation of Hong Kong and to analyse the partnership between the two parties and its effectiveness so as to explore the strategies and methods of the Community Relations Department in assisting the professionals to uphold their ethical standards.

Background

2. Professional talents are important assets of Hong Kong which, together with the advanced infrastructure, rigorous legal system and flexible financial system, etc, contributed to favourable business environment. In face of the challenges of globalisation and the rise of a knowledge-based economy, it is imperative for Hong Kong to reposition itself amidst the economic transformation. Professionals play a pivotal role in this crucial transitional period.

3. Principles of professionalism, such as fairness, justice, objectivity, integrity, social responsibility, safeguarding public interests, etc., are the cornerstones of stable social development. Professionals contribute to different aspects of society, such as economic development, rule of law,

infrastructure, etc. However, if the integrity or conduct of professionals is called into question and fails to meet public expectations, a confidence crisis will ensue and the reputation of Hong Kong as a world-class city will also be undermined.

4. Unfortunately, the recent spate of corporate scandals around the world, including those revealed in the United States and Hong Kong, exposed the greediness and selfishness of human beings. They also demonstrated the failure of professionals in resisting the temptation of money. The most significant insight of these incidents is no matter how mature a market is and how stringent the rules and regulations are, personal integrity is of paramount importance.

5. Hence, apart from technical knowledge and skills education, it is essential to step up the training on ethics and conduct for professionals. Under the new challenges brought by globalisation and the knowledge-driven economy, different professions have come to the agreement that continuing professional development and ethics training are important in uplifting professional standard.

Challenges and crises faced by Hong Kong professionals

6. Hong Kong suffered an economic downturn after the Asian financial turmoil which dealt an unprecedented blow to Hong Kong people. The burst of the economic bubble brought confidence crisis and financial loss. A lot of people in the middle class, including professionals, suddenly found themselves in financial difficulties, including investment loss, 'negative assets', or were even made redundant for the first time.

7. In face of adversity, some chose to cope with difficulties in a positive and pragmatic manner while some others chose to 'make quick money' by resorting to bribery and breaking the law. ICAC investigations revealed that corruption have become increasingly complex, transnational and computerised. A lot of criminals even made use of their professional

knowledge to commit crimes. Since the financial crisis, senior executives or professionals made up more than 30 percent of the people prosecuted by the ICAC in the private sector. Cases exposing the delinquent and unruly behaviours of the professionals included assistance offered by solicitors and accountants to employers and clients in taking advantage of loopholes in the law, issuance of false sick leave certificates to patients by doctors to conceal absence from duty, 'short piling' in construction works, etc. The behaviours of these corrupt elements have already aroused public concerns over the conduct and integrity of professionals:

Promoting professional ethics

8. Recently, the ICAC has strengthened communication with various professional bodies to find out the cause of the problems and actively plan to enhance professional ethics through education. While the professional bodies consider that they have well established codes of conduct and disciplinary mechanisms to cope with irregularities, a number of areas still remain to be improved, especially the vigilance and handling skills of the professionals against 'ethical dilemmas'. Our key observations include:

- Ignorance – While having no corrupt intent, professionals can yet easily fall into conflict of interest situations inadvertently and have low vigilance against potential integrity crisis.
- Poor handling skills – While very familiar with code of practice or rules, professionals may lack the necessary skills in handling financial management. The intense competition has also made professional work become more commercialised.

- Negligence of moral education – Trainings provided by professional bodies emphasise on technical knowledge and skills and tend to overlook the importance of moral education. They generally consider that ethics training is not only mundane but also not conducive to enhancing their competitiveness.

- Lack of resources – Professional bodies may not be able to allocate resources or have the expertise to make moral education courses interesting and practical. Due to various reasons, some of the professional bodies have hesitation in incorporating moral education into the mandatory curriculum.

Role of the ICAC

9. In fact, some values upheld by professionals, for example, fairness, justice, integrity, etc., are in line with the visions of the ICAC. We firmly believe that building partnerships with professional bodies can effectively combat and prevent corruption in that professionals would be more willing to reject and report corruption, or they would encourage informed parties to report illegal activities and corrupt practices.

10. On the education front, the participation of professional bodies enables the ICAC to provide the public with value-added services. For example, with the assistance of the Hong Kong Society of Accountants, the Community Relations Department offered professional corruption prevention advice to owners' corporations in financial management. The Hong Kong Ethics Development Centre has recently joined forces with various information technology professional bodies to publish a practical guide for integrity management which serves as a useful reference for company executives who are facing with management problems in an increasingly computerised working environment.

11. Regarding the difficulties faced by professional bodies in promoting ethics training as mentioned above, the ICAC has the edge to make up for the inadequacy. The Community Relations Department can offer assistance as follows:

- Based on past cases and complaints handled by the ICAC, we can point out the integrity risks in concrete terms faced by professionals.
- The ICAC has developed a thinking model which encompassed the major elements of law, regulations and self values to guide professionals to make the right choice in ethical dilemmas [see Appendix 1 for a summary of the thinking model].
- Experienced staff of the Community Relations Department will assist professional bodies in conducting seminars and promotional activities so as to make the content more interesting and practical.
- The ICAC has experience in producing multi-media training materials which can help professional bodies in launching online or e-learning courses as contrast to the traditional mode of learning which is limited by time and space.

Training strategies on professional ethics

12. To cater for the characteristics and requirements of individual professions, we will deploy the following strategies in a flexible manner so as to provide appropriate services:

- Establish a core programme – To give effect to professional bodies’ recognition of the importance of ethics training, we propose that the programme concerned should be included as part of the requirement for attaining professional qualification and licence renewal; or that ethics training should be included in the continuing professional development courses for professionals. Regarding certain trades which are moving towards professionalism, we will enlist the support of the regulatory bodies concerned to include ICAC talks into the core programme for attaining professional qualifications.

- Strengthen partnership – Partnering with professional bodies to promote ethics training programme for professionals can greatly enhance the effectiveness. The participation of professional bodies will not only enhance recognition of the training programme, but also assist us in designing ‘tailor-made’ training materials and activities so that information more relevant to the market pulse and professional needs can be provided.

- Gainful deployment of electronic technology – Apart from conventional classroom teaching methods, we can also provide appropriate courses on the internet or by means of electronic training packages to facilitate learning by professionals.

- Enhance tertiary education – Ethical value training should best start early. Hence, the ICAC should also assist tertiary education institutions to provide pre-vocational ethics training for undergraduates of relevant departments.

- Review professional codes – Besides enhancing education, the ICAC may also provide advice in formulating or reviewing ethical guidelines for professional bodies so as to encourage them to take positive actions against illegal behaviours and irregularities, and enhance transparency to strengthen the confidence of the public in the profession.

Progress

13. In the past few years, the Community Relations Department has adopted the aforesaid strategies to provide ethics training for professionals of different sectors in various ways, such as organising thematic seminars, producing practical guides and online training packages, enlisting and encouraging professional bodies to incorporate ICAC talks as part of the requirements for attaining professional qualifications or including the talks as one of the continuing professional development courses, assisting professional bodies to review the professional codes of conduct, etc. We also note that the Government has stepped up the regulation of practitioners and encourage professional development in a number of pillar industries of the Hong Kong economy. The ICAC has also implemented appropriate preventive education programmes to tie in with these developments with positive results. Details are listed in **Appendix 2**.

Way forward

14. In view of the positive outcome of the cooperation with professional bodies in various aspects in the past, the Community Relations Department will further implement the aforesaid strategies and intensify our efforts. With more and more professions developing towards professionalism and being put under respective regulatory frameworks, e.g. company directors, the logistics industry, etc., we will be able to broaden our current liaison network, form more partnerships and seek more cooperation opportunities. Besides, to implement the strategy of nurturing a new generation who will embrace integrity, we will reinforce our support for professional ethics education in tertiary education institutions, and

make good use of information technology to achieve the target in a more cost-effective manner.

Consultation

15. Members are welcomed to give their views on the paper.

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Community Relations Department, ICAC
June 2003

Ethical Decision Making Model

<First Step> Analysis of the Issue

- The facts and the ethical issues involved
- The position of each stakeholder
- Find out alternatives to the issue

<Second Step> Evaluation of the Alternatives

Compare and evaluate possible consequences of each alternative with reference to the following standards:

- Legal requirements
- Company, professional and trade-related codes of conduct
- Self values

<Third Step> Sunshine Test

- Am I willing to discuss the issue openly?
- Can I disclose my decision without misgivings to others?

Professional Ethics Training and Relevant Work Conducted by the ICAC
(as at end of May 2003)

Professional Sector/Bodies		Year	Format	Description
1	Accountants / Hong Kong Institute of Certified Public Accountants #	From 1995 1997 August 2002	Continuing Professional Development (CPD) seminars Practical guide Ethics Committee	<ul style="list-style-type: none"> ● Organised at least once a year. So far eight joint seminars were held, reaching about 1,300 members. ● Hong Kong Ethics Development Centre (the Centre) of the ICAC and the Institute jointly published "Ethics in Management – A Practical Guide for Professional Accountants". ● Executive Director of the Centre represented the ICAC to become member of the Ethics Committee.
2	Engineers / The Hong Kong Institution of Engineers	From 1997	CPD seminars	<ul style="list-style-type: none"> ● The Centre organised a three-hour seminar in every quarter for the Institution; since 2002, the seminars were held at bi-monthly intervals. So far 27 seminars were held, reaching about 900 members.

Besides, the ICAC had jointly organised forums with the CPA Australia (HK branch) and the ACCA (HK branch).

		1998, 1999 and 2001	Territory-wide thematic seminars	<ul style="list-style-type: none"> ● Jointly with the Institution, the ICAC organised three seminars, the latter two with participation of the Hong Kong Institute of Surveyors, the Hong Kong Institute of Architects and related construction contractors associations.
		2000	Practical guide	<ul style="list-style-type: none"> ● The Centre and the Institute jointly compiled "Ethics in Practice – A Practical Guide for Professional Engineers".
		2003	E-learning package (CD-ROM)	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an e-learning package on professional ethics. CPD points were awarded for completion of the test in the CD-ROM.
		2003/4	CPD course accreditation	<ul style="list-style-type: none"> ● The Institute planned to include the ICAC ethics training course as a mandatory CPD module.
3	Surveyors / The Hong Kong Institute of Surveyors	From 1999	CPD workshops / seminars	<ul style="list-style-type: none"> ● Organised on an annual basis, so far five workshops and seminars were held, reaching over 400 members.

		1999 and 2001	Territory-wide thematic seminars	<ul style="list-style-type: none"> ● The ICAC organised thematic seminars with the Institute, the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects, etc.
		2003	<p>Online learning programme</p> <p>Members' qualifying examination</p> <p>CPD courses</p>	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an online ethics training package for members' browsing on the website of the Institute. Members having completed the test in the course were awarded CPD points. ● To become a professional member, undergraduates are required to take up this internet course and pass in the test. ● The ICAC talks would become an annual function of the Institute.
4	Architects / The Hong Kong Institute of Architects	1999 and 2001	Territory-wide thematic seminars	<ul style="list-style-type: none"> ● The ICAC organised thematic seminars with the Institute, the Hong Kong Institution of Surveyors and the Hong Kong Institution of Engineers, etc.
		2002	CPD seminar	<ul style="list-style-type: none"> ● The Centre hosted a seminar reaching about 50 members.

		2003	Online learning programme CPD course	<ul style="list-style-type: none"> ● The Centre and the Institute jointly produced an online ethics training package for members' browsing on the website of the Institute. Members having completed the test in the course were awarded CPD points. ● The ICAC talk became an annual function of the Institute.
5	Doctors / The Hong Kong Medical Association	2002	Practical guide (with CD version)	<ul style="list-style-type: none"> ● The ICAC and the Association jointly published "Integrity in Practice – A Practical Guide for Medical Practitioners on Corruption Prevention". A total of 12,000 CDs and 6,000 books were distributed.
6	Lawyers	From 1987 From 2000 2002	Visits to the ICAC Talks Seminars	<ul style="list-style-type: none"> ● Talks and visits to the ICAC have been arranged for PCLL students by HKU annually. ● Upon request of four law firms, talks were arranged by the ICAC for lawyers and trainee solicitors. Some of the talks were awarded CPD points by the Law Society of Hong Kong. ● Upon request of HKU, seminars were organised for LLM lecturers and students.

7	Securities, futures and the investment sector	1998	Large scale conference	<ul style="list-style-type: none"> ● The ICAC and various organisations in the sector co-organised a conference to kick off the programme on ethics promotion. A total of 250 leaders in the sector were reached.
		2000	Practical guide	<ul style="list-style-type: none"> ● The ICAC and ten major organisations in the sector jointly published the “Ethics in Practice – A Practical Guide for Financial Practitioners”.
		From 2000	Continuing Professional Development (CPD) talks	<ul style="list-style-type: none"> ● Upon request of individual companies, talks were conducted for financial practitioners, reaching over 5,000 people so far.
		2002	Training package	<ul style="list-style-type: none"> ● Launched the “Ethical Crossroads – Training Package for Frontline Employees in the Securities and Futures Industry (Cantonese / English / Putonghua CD-ROM versions).
8	Insurance	From 2002	CPD seminars	<ul style="list-style-type: none"> ● The corruption prevention course provided by the ICAC was officially listed as a core module in the continuing professional training programme for insurance practitioners.

				<ul style="list-style-type: none"> ● In 2002, the ICAC organised five seminars for members of various professional bodies. Liaison was made with individual insurance firms to organise trainings for insurance agents, reaching over 18,000 people in the sector.
9	Property management	From 1998	Talks	<ul style="list-style-type: none"> ● The ICAC conducted a number of talks for the certificate/diploma courses of the professional associations of the sector reaching about 300 people in the sector.
10	Estate agents	From 1998	Talks	<ul style="list-style-type: none"> ● The ICAC conducted a number of talks for the certificate/diploma courses of the professional associations of the sector reaching about 300 people in the sector.
11	Tourism (local tourist guides)	July 2002 to late 2004 March 2003	Course on licencing Large-scale conference	<ul style="list-style-type: none"> ● The ICAC organised training talks for 8,000 local tourist guides in two years. ● The ICAC and tourism-related bodies joined hands to organise a large-scale conference to launch a two-year ethics promotion programme.
		From 2003 to 2005	Seminars, training package, practical guide	<ul style="list-style-type: none"> ● Organised seminars for practitioners of travel agencies, airlines, hotels and retailers, and launched training package and the practical guide.

CACCR Paper 7/2005

Moral Education and Probity Promotion Work for the Youth

Purpose

This paper provides a brief update on the work of the Independent Commission Against Corruption (ICAC) on the moral education and probity promotion work for the youth, examines the changes and challenges encountered, and proposes corresponding work strategies and focuses. Members are invited to give their views on this paper.

The Importance of Moral Education for Youth

2. Young People with good character and personal values can help uphold a culture of fairness and justice in the society. It is therefore of great importance to promote moral education among the young people by delivering the probity message and influence them imperceptibly. Many scholars¹ engaged in moral education studies in recent years have pointed out that moral education should focus on improving the young people's ability of making moral judgments so that they could make the right decisions in ethical dilemmas. Over the years, the education sector has adopted to an education policy that gives equal emphases on the five dimensions of education. This policy has laid a good foundation of moral education for the young people, warranting the continuity of a clean society.

Work Objectives

3. The ICAC's moral education and probity promotion work for the youth aims at instilling positive values (such as honesty and fairness) and fostering good character and personal ethics in the young people, and heightening their awareness of corruption prevention, with the ultimate

¹ Scholars, such as Lawrence Kohlberg, John Wilson and Richard Stanley Peters, etc.

goal of making them honest and law-abiding citizens.

4. The ICAC submitted two papers, namely, the “ICAC’s Work Strategies on Youth” and the “Rationales and practices of the ICAC’s moral education for the youth”, to the CACCR in 1998 and 2001 respectively to study and analyze the then situations, propose work strategies in response to them and invite views from the Members. In the years afterwards, the ICAC has implemented various work directions endorsed or recommended by the Members.

A Brief Introduction on Our Work

5. At present, the ICAC’s moral education and probity promotion work for the young people is of threefold:

- i) Education through face-to-face contact -- For example, corruption prevention talks are organized for and interactive dramas are introduced to secondary schools; moral education resources are recommended to prospective teachers and seminars are organized for serving teachers; parenting activities are organized to improve the parents’ understanding of the importance of moral education for their children. This education mode through face-to-face contact allows the most effective two-way communication and quick adjustment to our work according to the targets’ response.
- ii) Production of moral education packages and organization of promotional activities for the packages -- For example, Gee-Dor-Dor cartoon series and education packages are produced for primary schools and kindergartens, school-based activities entitled “ICAC Week”, the “Video Clips Project for Secondary Students ”, the Outstanding Moral Education Project Awards, and the “Ethics for Professionals” Resource Portfolios and seminars for students of tertiary education

institutions are offered; the “ICAC Periodical” on moral education for teachers and the “Family-based Booklets” are produced for secondary students and their parents, and contents about the ICAC in textbooks on subjects of Social Studies and Government & Public Administration are examined. We also regularly encourage teachers to widely use various teaching packages in the promotion of anti-corruption education; and

- iii) Mass media and websites -- TV drama series entitled the “ICAC Investigators”, video advertisements, radio and TV spot series, the ICAC main website, the “Teensland” website for the youth, the “Moral Education Web” for teachers, and the “Gee-Dor-Dor Channel” are produced; the “E-Reading Student Participation Programme” is organized; web-based professional ethics resource portfolios tailor made for various disciplines with case studies are provided with a view to educating students of tertiary education institutions on how to resist the temptation of corruption at work. Moral education is promoted through the effective use of the great penetrating power of the mass media and internet, coupled with the making of contacts with the “general public” and specific targets in the community.

6. In addition, the ICAC is fully aware that the collaboration of the powers and networks of different partners will bring the best results to the promotion of moral education for the young people. In view of this, we jointly organize the “Corporate Governance for the New Generation” with the Commission on Youth, Committee on the Promotion of Civic Education and others; promote moral education among children jointly with the Education City, Small Campus, Roadshow, Radio and Television Hong Kong and McDonalds, etc.; jointly develop moral education packages and conduct pilot teaching with teachers at secondary/primary schools and kindergartens; jointly produce the “3D Gee-Dor-Dor Animation Series” with the School of Creative Media of City University of

Hong Kong; jointly produce the oral history project entitled the “History of fighting corruption” with the Hong Kong Baptist University to let the young generation know the evils of corruption; jointly organize corruption prevention activities with other governmental departments, non-governmental organizations and various industrial and business organizations. It can be said that the partnership approach has been an inseparable part of the ICAC’s moral education and probity promotion work for the youth over the years.

Examination of the Changes and Challenges Encountered

7. Ever-changing social environment have brought challenges to the ICAC’s planning on future moral education and probity promotion work for the young people. To summarize, we have the following observations:

- i) The “social culture” factor -- For instance, the social culture in recent years has changed. Materialism and consumerism as a way of life is common and pecuniary temptations are on the rise; with divorce and re-marriage getting more and more common, various family problems have brought greater challenges to the education for the young generation, particularly in the fostering of positive values in them so that they will be able to tell right from wrong and stick to principles, etc. How the ICAC could continue to effectively promote moral education to the youth in a more and more complicated social culture is a question that needs to be studied continuously;
- ii) The “school and teacher” factor -- In view of the many education reforms in recent years, schools and teachers likewise have to take up multiple tasks, e.g., helping students to prepare for various open examinations, school-based management, curriculum reforms, use of mother tongue as the medium of instruction, language proficiency assessments for teachers and external assessments, etc.. All these have

imposed stricter administrative requirements on schools and greater workload and pressure on teachers. Under such an environment, the ICAC must seek ways to assist schools and teachers so that they will continue to join hands with us in the promotion of moral education under such enormous work pressure;

- iii) The “youth’s narrow experience” factor -- Since the younger generation has not experienced the days when corruption was rampant and it is more difficult for them to understand the evils of corruption and its far-reaching impact on the society. Results of the ICAC Annual Surveys in recent years also show that the younger generation has greater tolerance to corruption in contrast to other age groups. Although it is inappropriate to deduce the cause solely from the survey results, they reflect that moral education for the younger generation is an area for concern. On the whole, the younger generation does not readily accept anti-corruption messages as the grown-ups do. As to how the ICAC could create a new look for the educational message of “evils of corruption”, making it more interesting and attractive and evoking the same feelings in the young generation, we must take these into consideration in planning our work strategies;

- iv) The “competition from other organisations” factor – In recent years, other governmental departments (e.g., the Education and Manpower Bureau, Environmental Protection Department and Narcotics Division, etc.), public bodies (e.g., the Office of the Privacy Commissioner for Personal Data, Mandatory Provident Fund Schemes Authority, Equal Opportunities Commission, etc.), advisory organizations or community organizations (Committee on the Promotion of Civic Education, Commission on Youth, anti-gambling groups, environmental protection groups, social service groups, etc.) have also produced similar teaching packages and websites for

students to promote their messages within limited classroom time. As to how the ICAC can ensure that its moral education packages, websites and video productions could grasp the pulse of the education sector, meet the needs of schools and be selected for use, we must conduct a thorough analysis in planning our work strategies, which must be well-targeted; and

- v) The “changing forms of corruption” factor -- As the elder generation might have personally experienced the evils of corruption, they have an instinctive hatred for corruption. Since the inception of the ICAC, the society has become cleaner than the past. Overt corruption is now extinct. The crimes of corruption have become more hidden and appear in different forms. As the young generation has fewer chances to deal with corruption, they may be less careful when faced with temptations and may fall into the traps of corruption. Therefore, it becomes even more important to help the young people learn the changing forms of corruption and build up positive values.

Work Strategies and Focuses in Response

8. In view of the changes and challenges, the ICAC has reviewed its moral education and probity promotion work for the young people so as to ensure that, apart from continuing its present effective work, it could respond to the changes in the society and the problems faced by the schools. Regarding its future moral education for young people, the ICAC has adjusted its work strategies and set new work focuses:

- i) Continuation of direct education approach -- The direct education approach adopted by the ICAC over the years has been effective and should be continued. In view of the needs of students in secondary schools, we will continue to promote the probity messages in schools by different ways including:

teaching the students on the anti-corruption laws through talks; introducing interactive dramas to more secondary schools by increasing the number of shows. To support the moral education efforts of teachers, we plan to organize “Integrity Link Seminars” for teachers on a regular basis, beginning from this year, so as to provide a regular platform for teachers to exchange views on ethical issues of current concern. Not only will it reinforce our partnership networks with schools and teachers, but also provide an alternative channel for teachers’ training.

- ii) Expansion of the integrity training for students of tertiary education institutions -- Young people are the masters of our future. Students of tertiary education institutions are the future leaders of the society. We believe that it is of utmost importance that students of tertiary education institutions are educated on personal and professional ethics, corporate governance and other positive values before they enter the commercial world, so as to improve their ability to resist temptations. Over the past few years, we have already embarked on our partnership programmes with individual departments of tertiary education institutions. In the few years to come, the Community Relations Department (CRD) will continue to expand the strategies on providing ethics training to students of tertiary education institutions by encouraging the institutions to include ethics training in their professional courses; we will join hands with the Hong Kong Ethics Development Centre and Hong Kong Institute of Directors in promoting the inclusion of corporate governance and directors’ business ethics as mandatory subjects in all business administration courses. CRD also plans to organize another large-scale youth summit and workshops for the tertiary education institutions in the year 2006/2007 which aim at discussing business ethic issues with the young leaders;

iii) Expansion of website and video production work – Internet development is becoming mature. The penetration of computers in families speeds up due to price drop. The more common broadband internet connection also facilitates the spreading of video productions. Internet has become a part of the curricular and extracurricular lives of primary and secondary school students. In the few years to come, CRD will continue its policy on expanding the use of websites and video production for youth education. Emphases will be put on the following:

- To obtain views from citizens through surveys for reference in revamping the “ICAC main website” and improving its contents so as to promote the integrity message more effectively;
- To create a new look for the existing moral education packages for distribution to the teachers through the “Moral Education Web”, and at the same time step up advertising and promotional activities to attract more teachers to use the packages;
- The major purpose of the “Teensland” website for the youth is to raise the youth’s awareness on integrity through relaxed online games, comics and sharing by young idols. CRD will increase the interactive elements of the website to make it more attractive to the young people;
- With internet becoming part of the curricular and extracurricular lives of primary students, the ICAC will expand its electronic platform. It proposes to set up a website for primary students in order to cultivate positive values in them through the new media and increase the means of penetration; and

- School TV stations are becoming more common, and many of them are networked for resource sharing. Other media like the “Hong Kong Joint School Online TV Network” evolved from the Quality Education Fund are also giving a push. The ICAC will step up its contacts with these partners to organize student activities or network live broadcasts, etc. With the aid of these joint school networks, we could directly deliver moral messages to the users at home.

- iv) Seizing the opportunities arising from the reform of secondary education system to produce education packages -- To ensure that schools, teachers, parents and young people will attach importance to the ICAC’s education packages under a packed curriculum, the ICAC must grasp the pulse of education development and meet the needs of schools in the production of its moral education packages. To this end, the ICAC will first produce a “teaching package with video for the liberal studies” that could fit into the liberal studies subject proposed in the secondary education reform under the “3-3-4” education system, so as to further expand and reinforce moral education in secondary schools. The ICAC has preliminarily invited people from the education sector to establish a working committee, which will assist in the production of moral education packages for the teachers’ use in liberal studies. The ICAC also plans, from the year 2006/2007 onwards, to roll out moral education productions connected with the liberal studies subject and extend the targets of moral education activities to junior secondary students, with a view to meeting the needs of both senior and junior secondary students in the curriculum reform of schools.

9. Apart from the above work strategies and focuses, the ICAC will continue to adhere to the following fundamental principles in all its work:

- i) Partnership approach for integrity building -- The ICAC will continue to join hands with different sectors in performing its work. Apart from partnering with more schools in integrity building, it will continue to join hands with the concerned governmental departments and youth organisations, and will work closely with different sectors in the society to promote moral education through community activities in the 18 districts; and
- ii) Increase of efficiency by better division of labour -- For better utilization of resources, the ICAC could adopt a more efficient division of labour: Programme Coordination (Youth) could concentrate on the moral education for secondary and tertiary students, whereas the Education and Mass Communication Office will focus on the moral education at primary schools and kindergartens, production of moral education packages, internet and digital video productions, and development of partnerships with schools for moral education, etc.

Conclusion

10. The continuous changes in social culture and school environment have brought challenges to the ICAC's planning on future moral education and probity promotion work for the young people. In view of the interactive changes in the factors concerning the students, teachers, liberal studies reform, society and internet, ICAC is able to respond quickly, continuously adjust its work strategies and set new work focuses. We believe that our efforts could surely win the support of our work partners in different sectors and they will continue to work closely with us for fostering positive values in the younger generation.

Invitation for Views

11. We invite views from Members on the work strategies and highlights mentioned in this paper.

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Community Relations Department
Independent Commission Against Corruption
October 2005

CACCR Paper 10/2005

**Review on
Business Ethics Promotion Programme for Listed Companies**

Purpose

This Paper aims to report to Members of the Committee on the results of the Business Ethics Promotion Programme for Listed Companies (the Programme) and evaluate its effectiveness.

Background

2. Ten years ago, there were about 600 listed companies in Hong Kong. Nowadays, the number of listed companies has risen to over 1,100. Not only do they nearly double in number, their classification has also become more complicated. The Hong Kong financial market is increasingly diversified following the introduction of the Growth Enterprise Market (GEM) in 1999 and the listing of Mainland state-owned and private enterprises as Red Chips and H-shares in Hong Kong.

3. In recent years, corruption and commercial crime cases involving senior executives of listed companies emerged from time to time making corporate governance of listed companies a major public concern. To tackle corruption problems in the sector, the ICAC has been cracking down the corrupt resolutely in accordance with the law. On the preventive education front, the CRD focused its resources on reaching out to all listed companies in Hong Kong through the Programme to encourage senior management of listed companies to reduce corruption risks by enhancing control systems and integrity management so as to protect investors' interest and maintain the reputation of Hong Kong as an international financial market.

Programme objectives

4. According to Hong Kong Exchanges and Clearing Limited (HKEx), as at the end of October 2005, there were 1,138 listed companies in Hong Kong, 934 of which were listed on the Main Board (82%) and 204 on GEM (18%). A total of 205 companies were listed as Red Chips and H-shares, amounting to about 18% of the total number of listed companies¹. The two-year Programme, which commenced in November 2003 and ended at the end of October this year, had three objectives:

- (a) to enhance alertness of the senior management of listed companies against corruption risks. Given the sophistication of corruption crimes, the management should gain knowledge of corruption loopholes and put preventive measures and controls in place accordingly;
- (b) to provide tailor-made preventive education services to individual listed companies. The CRD aimed to provide suitable services to the senior management and staff at all levels with reference to the scale, business nature and needs of the listed companies; and
- (c) to look into the operation and concerns of the listed companies through the liaison with them. Such experience would help the CRD develop more effective preventive services.

Implementation strategies

5. In view of the different roles played by the management, frontline staff and professionals in corruption prevention, various types of services were provided as follows (please refer to **Annex 1** for a summary of the services/activities):

¹ HKEx did not announce an official list of Mainland private enterprises listed in Hong Kong, except for the total number of about 110. In addition to the 205 companies listed as Red Chips and H-shares, Mainland funded companies accounted for about 28% of the total number of listed companies.

- (a) Board members or senior executives -- Through eight seminars, the CRD exchanged experience in corruption prevention with 380 senior executives from 115 listed companies and enlisted their support for the anti-corruption work. We have obtained assistance from the regulators (HKEx, Securities and Futures Commission [SFC]) and professional bodies (such as the Hong Kong Institute of Directors, the Hong Kong Chinese Enterprises Association and the Hong Kong Institute of Chartered Secretaries) in organising the seminars. The seminars covered corruption cases involving listed companies and the corresponding preventive messages, regulatory updates and experience sharing on corporate governance. In addition, individual companies have also arranged ICAC seminars for their board members or senior executives for sharing experience in corruption prevention.

- (b) Middle management -- The CRD reached out to middle managers through visits to individual listed companies and talks on practical issues, including the provisions of the Prevention of Bribery Ordinance, corruption loopholes and preventive measures, in particular ways of handling conflicts of interest.

- (c) Frontline staff -- Since some large-scale listed companies have diversified business and a large staff size, the CRD, in addition to organising talks, also assisted them in conducting internal “Integrity Promotion Programmes” to reinforce probity messages among frontline staff members. The programmes aimed to disseminate anti-corruption messages to staff at all levels in a lively way (such as quizzes, feature articles, competitions, exhibitions, etc) through existing internal communication channels (such as intranet and corporate newsletters).

- (d) Professionals -- Professionals’ participation in the listing process is indispensable. With their expertise and objective judgement, professionals play the monitoring role to ensure that listed companies abide by laws and regulations. Through various continuing professional development programmes, the CRD encouraged professionals, from a corruption prevention angle, to

uphold a high standard of professional integrity and show zero tolerance to illegal behaviours and malpractices to ensure stability of the Hong Kong financial market. The partnering professional bodies included the Hong Kong Institute of Certified Public Accountants (HKICPA), the Hong Kong Institute of Financial Analysts and Professional Commentators, the Institute of Financial Planners of Hong Kong, the Hong Kong Institute of Chartered Secretaries, the Hong Kong Institute of Directors, etc. In addition, the CRD also joined the Ethics Committee of the HKICPA upon invitation some years ago to provide assistance in reviewing the code of ethics for professional accountants from a corruption prevention perspective.

6. All listed companies contacted successfully by the CRD were given a copy of an Information Kit for Business Organisations entitled *Business Ethics - Your Way to Success*. The Information Kit, which served as a practical reference for managers and promoted ICAC services, highlighted common corruption loopholes through cases pertaining to different scopes of work, provided effective preventive measures and also explained the relevant legal requirements.

Review of programme

Effectiveness

7. Among the 1,138 listed companies, the CRD did not approach 84 companies mainly because they had no correspondence address in Hong Kong or because they were recently listed and their information had not yet been provided to the ICAC by HKEx. The CRD sent out marketing letters to the remaining 1,054 listed companies. As at the end of October this year, about 70% of them (i.e. 740 companies) were successfully reached. A total of 269 companies declined ICAC services or were unapproachable; whereas visits to the other 45 companies were still being arranged. The responses of the listed companies to ICAC services are summarised as follows:

- (a) **Adopting corruption prevention services** -- among the 740 companies successfully reached by the CRD, 78% of them (575 companies) have adopted or are actively considering adopting the ICAC's corruption prevention services: formulating/revising corporate codes of conduct, arranging corruption prevention talks, or adopting advisory services of the Corruption Prevention Department. Please refer to **Annex 2** for the list of prominent companies using the corruption prevention services. Among them, the Main Board listed companies were more positive than the GEM listed companies in adopting ICAC services (53% of the Main Board companies reached have adopted ICAC services whereas only 37% of the said GEM companies have done so).
- (b) **Reaching members of the board of directors** -- among the companies successfully reached, the CRD was able to approach the board members of 40% of them (289 companies) including 35 listed company chairmen. Besides, company secretaries acted as a useful link to deliver the ICAC's messages to the board. For example, there were cases where company secretaries arranged meetings between the ICAC and board directors who worked in the Mainland when the latter were on duty trips in Hong Kong, or passed ICAC information to board members who were abroad.
- (c) **Effectiveness of preventive talks** -- Under the Programme, the CRD conducted 850 talks for listed companies, reaching about 27,000 managers and frontline/junior staff members. Among the participants, 80% of them considered the talks effective and 95% considered that the talks enhanced their understanding of the anti-corruption laws.

Difficulties

8. The CRD encountered some difficulties when implementing the Programme. For instance, very few companies made active response to our marketing letters and the CRD had to follow up many times before visits could be successfully arranged. It was also difficult for the CRD to identify the suitable person in charge for promoting our services, thus affecting the work progress. This can be attributed to frequent restructuring exercises of listed companies such as acquisitions/mergers, high turnover of management, complex company structure, unavailability of the chairmen or senior management because of tight working schedule or frequent business trips.

9. A total of 269 companies, i.e. 26% of the total number of listed companies the CRD had tried to approach, were finally not reached. Half of them (48%) did not respond to the ICAC's marketing letters, nor did we have other ways to reach them. The reasons cited by the remaining companies which declined ICAC services included: ICAC services were not required for the time being (for example, the company would undergo a restructuring exercise or small size) (26%), or too busy to arrange visits (20%). Among these companies, the proportion of GEM listed companies was higher than those listed on the Main Board (the percentages of companies not yet reached were: Main Board 22%, GEM 32%, H-shares/Red Chips 22%).

10. Among the 740 companies successfully reached by the CRD, 182 of them did not formulate codes of conduct. The main reasons cited by these companies included: small company size (in most cases small staff size in Hong Kong offices) (34%) or busy operations (19%). Some companies engaging in cross-boundary business wished to draw up codes of conduct with reference to laws in the Mainland. In this case, the ICAC was unable to provide relevant services as such requests fell beyond the purview of the ICAC. As many companies had a complex structure and were occupied by daily operations, they had to spend a longer time to formulate codes of conduct. In addition, as it was not mandatory for listed companies to formulate codes of conduct and managers of the internal audit or compliance departments tended to focus more on dealing with regulators on the basic legal requirements on corporate governance, the companies

tended not to give priority to the issue of formulating codes of conduct. Moreover, some multinational corporations also considered that they had already put in place good systems and did not need assistance from the ICAC.

Concerns of listed companies

11. According to the liaison between the CRD and listed companies, the management had a greater concern for the following issues:

- (a) **Increasing requirements of the ability of senior management regarding corporate governance** -- A series of international corporate scandals had made corporate governance an issue of concern. Some recent corruption and commercial crimes concerning listed companies in Hong Kong also involved the senior management. The management of listed companies were rather concerned about the repercussions caused by the black sheep and acknowledged that high moral and ethical standard of board members was a core requirement for good governance. They welcomed regulators and law enforcement agencies (such as the ICAC) to put greater efforts in enhancing transparency and explaining the relevant laws to them, in particular how to deal with “grey area” (such as conflict of interest) issues.

- (b) **Challenges brought by cross-boundary business** -- Given the closer economic ties between the Mainland and Hong Kong and the expansion of Hong Kong companies in the Mainland, the legal, regulatory and cultural differences of the two places brought challenges to business management. A total of 48 listed companies have requested the CRD to conduct preventive education talks for their staff in the Mainland. Some of the companies requested that the sample code of conduct should cover the laws in the Mainland. However, due to limitations on our purview and resources, the CRD could not provide such assistance to these companies.

- (c) **Managing staff conduct** -- Some listed companies have business operations in Hong Kong, the Mainland and other places. Given the differences in legal requirements, experienced managers would agree that no single monitoring system was perfect and it was the quality of staff members that mattered. It would be the best line of defence against illegal and irregular acts if middle managers could pay more attention to staff conduct and management and establish a sound corporate culture. One of the key factors for preventing corruption in cross-boundary operation was therefore to enhance managers' skills in managing frontline staff.
- (d) **Corruption in procurement** -- Most of the enterprises paid close attention to procurement. Since the capital and turnover of listed companies were usually large, the sums involved in their procurement and outsourcing contracts were relatively substantial. This might provide a breeding ground for corruption. Most of the companies had proper control over procurement matters concerning their core business activities, but they sometimes overlooked the corruption risks arising from supporting activities such as packaging, freight transport and canteen operations.

The way forward

12. In conclusion, based on the experience gained from the Programme, listed companies took a positive attitude towards the Commission's liaison with them. Though some of the companies have not adopted ICAC services at this stage, communication channels have been opened up, and we have better understood the operation of listed companies, which will be useful for formulating our work strategies.

13. Looking ahead, apart from the on-going follow-up tasks of the Programme, the CRD will, through the network of regulators and professional bodies, approach the listed companies which have not been visited. In addition, we will sustain our contact with HKEx and approach newly listed companies after receiving the relevant information from

HKEx.

14. The following strategic efforts will also be made:

- (a) **Establishing partnership with regulators** -- In collaboration with regulators, corruption prevention services will continue to be provided to listed companies and professionals working on listing matters. Being the major regulators, SFC and HKEx will amend and draw up rules and ordinances from time to time to regulate market activities. The CRD will pay close attention to the development and provide suitable services to listed companies.

- (b) **Directors' training** -- Corporate governance relies heavily on the quality of the senior management. Upon invitation of the Hong Kong Institute of Directors, the CRD has delivered lectures in its regular professional diploma programmes. The lectures use corruption cases to emphasise that integrity is the key to the success of enterprises. The CRD plans to step up the training for directors by developing an ethics training module from an anti-corruption perspective. We will also explore possibilities of collaboration with professional bodies, especially the Hong Kong Institute of Directors, to reach more company directors through their networks.

- (c) **Strengthening ethics training for professionals** -- Professionals like sponsors, accountants, auditors, financial analysts and company secretaries play a significant monitoring role in corporate governance. Through continuous collaboration with relevant professional bodies, the CRD can reinforce professionals' ethical standard, due diligence and knowledge of legal requirements. The CRD will continue to arrange seminars and continuing professional development programmes to encourage professionals to report corruption and other illegal and irregular acts. To enhance the effectiveness, case studies based on ICAC cases will be compiled for use in training courses.

- (d) **Improving skills of middle managers / supervisors in handling staff conduct** -- To improve skills in managing staff integrity, we will produce a toolkit on managing staff integrity for the financial sector in 2006 as a pilot test. The toolkit will highlight that ethical staff management is crucial to corruption prevention and that negligence on the part of the management will lead to staff misbehaviour. The toolkit, which will include practical management tips and training packages, aims to remind the managerial staff to stay vigilant in personnel administration and to assist companies in consolidating company integrity culture.
- (e) **Strengthening liaison with Mainland enterprises in Hong Kong** -- For the H-share and Red Chip companies of which the management seldom station in Hong Kong, we will continue approaching them through chambers of commerce, such as the Hong Kong Chinese Enterprises Association. Besides, the CRD's Hong Kong Mainland Liaison Office and the Liaison Office of the Central People's Government in the HKSAR are discussing on organising ICAC seminars for the management of Mainland enterprises which are currently listed or plan to get listed in Hong Kong so as to familiarise them with Prevention of Bribery Ordinance as well as ways to prevent corruption and improve corporate governance.
- (f) **Reinforce publicity of the *Corruption Prevention Kit on Cross-Boundary Business*** -- In light of the growing cross-boundary business between Hong Kong and the Mainland, the CRD will continue to closely monitor the corruption problems. For example, the ICAC will produce a publication on the best practices in procurement. In addition, the CRD has published the *Corruption Prevention Kit on Cross-Boundary Business* for companies with cross-boundary operation. The publication will be promoted to relevant companies and encourage them to use our corruption prevention services.

- (g) **Making use of the network between the Hong Kong Ethics Development Centre (HKEDC) and chambers of commerce / professional bodies** -- For executives who often work in the Mainland or outside Hong Kong, we will keep them posted on the information about integrity management through the HKEDC website.
- (h) **Stepping up collaboration with business schools of universities** -- Noting that many students in business administration programmes in universities (such as EMBA) are incumbent corporate executives, the CRD will actively approach more business executives through these courses. On the other hand, tertiary students are future leaders of society. It is important to educate them the concept of corporate governance during their studies, so that they have a high ethical standard to resist unlawful monetary temptations after they start their career in future. In order to keep society free from corruption, we have always put our work focus on fostering the ethical standard of the new generation and we plan to organise a large-scale youth integrity summit for tertiary institutions next year.

15. It is not uncommon for public organisations and large enterprises in some western countries, such as the United States of America, to designate Ethics Officers to handle matters on staff conduct. Some sizable organisations in Hong Kong have established an audit or compliance department to ensure compliance with legal requirements. However, there is often no specific team overseeing staff ethical conduct which is not governed by laws. In most cases, the issue is only a small part of duties of the human resources department, suggesting that organisations have inadequate concern for staff conduct. In fact, enhancing corporate integrity culture has gradually been considered by society as an important element of good corporate governance. Recently, there are views in the community calling for the creation of the post of Ethics Officer in organisations so as to escalate the issue of managing staff integrity to the corporate policy level. The CRD will discuss such proposal with the organisations concerned.

Advice sought

16. Members are welcome to give their views on the Paper.

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Community Relations Department
Independent Commission Against Corruption
November 2005

Enlisting Community Support to Reinforce a Clean Elections Culture

Purpose

This paper aims to review how the ICAC ensures honesty and fairness at all levels of elections in HKSAR through education and publicity efforts and also make recommendations on how to, on the basis of existing work, consolidate community efforts for further enhancement of the clean elections culture in Hong Kong. Members' views are sought on the contents of this paper.

Developments in HK's political system and public elections

2. Since Hong Kong's reunification in 1997, the HKSAR Government has been committed to taking forward the democratic development of Hong Kong according to the Basic Law, allowing more room for political participation to strengthen the public involvement in the electoral system. Apart from enacting laws governing the Chief Executive (CE) Election and Village Representative Elections, the HKSAR Government has also increased the number of seats in various Councils. For example, in accordance with the Basic Law, in the third-term Legislative Council (LegCo) Election, those six seats previously elected by the Election Committee were changed to be elected through Geographical Constituencies (GC), thereby increasing the number of GC seats in the 2004 LegCo Election from 24 to 30. As regards District Councils (DCs), the number of seats was increased from 390 in 1999 to 405 in 2007.

3. On the other hand, the Commission on Strategic Development set up by the CE in late 2005 has played an active role in studying the future constitutional development of Hong Kong, including how to attain the ultimate aim of selecting the CE and all the members of LegCo by universal suffrage in

the light of the actual situation in Hong Kong and in accordance with the principle of gradual and orderly progress as mentioned in Articles 45 and 68 of the Basic Law.

4. In July 2007, the HKSAR Government published the Green Paper on Constitutional Development for discussion during a three-month public consultation by putting forth a package of proposals about the models, roadmap and timetable regarding universal suffrage to elect the CE and form the LegCo.

5. With the evolving political system, more and more opportunities are available for public involvement in running for elections at all levels. Information from the Registration and Electoral Office (REO) shows that as compared to 1999, there was an increase in the number of people either as candidates or voters taking part in the 2003 DC Elections. The number of registered voters in Hong Kong has reached 3.29 million, accounting for about half of the local population.

6. While Hong Kong's constitutional system is undergoing further development, members of the public are becoming more concerned with the electoral methods at all levels. To ensure integrity and fairness in elections, the Government has enacted the Elections (Corrupt and Illegal Conduct) Ordinance (ECICO) to regulate corrupt and illegal conduct in public elections. The ICAC is vested with the responsibility to enforce the ECICO for upholding clean public elections in Hong Kong.

Role of the ICAC in public elections

7. In performing this vital task, the ICAC has put into practice our philosophy in anti-corruption work by adopting a "three-pronged approach", i.e. through law enforcement, prevention and education, to effectively achieve its goals. Since the reunification, the Operations Department has been strictly acting in accordance with the ECICO. A specialised unit was set up to

investigate election-related corruption complaints, keeping close liaison with departments concerned such as the Police and the REO for the exchange of information on illegal practices involving elections and taking swift follow-up actions.

8. The Corruption Prevention Department (CPD) provides appropriate corruption prevention advice on the formulation of electoral procedures. For example, in 2004 when the Government began to set up a financial assistance scheme for LegCo candidates and candidates for the DC Election in this year to encourage more members of the community to run for the elections, the CPD recommended concrete measures for preventing the risks of corruption in subsidy application procedures under such scheme.

9. According to the characteristics and scale of each public election, the Community Relations Department (CRD) designs, promotes and organizes appropriate educational and publicity activities for those involved in elections, including candidates, election helpers and voters, to remind them of the need to abide by the relevant laws and regulations. The work carried out for upholding of clean elections includes:

- Production of relevant reference materials regarding each public election for distribution through the REO to each candidate and election agent, with a view to helping them understand the provisions of the ECICO and the possible pitfalls in the course of election to avoid any corrupt and illegal conduct.
- Sending representatives to take part in briefing sessions organized by the Electoral Affairs Commission for candidates of each public election to explain the ECICO to the participants.
- Setting up a 24-hour election hotline for answering enquiries raised by candidates in relation to the ECICO and the educational and publicity services provided by the ICAC for each public election.

- Production of “Guidelines for Electors” leaflets to remind voters of the legislative requirements over voting.
- Organizing publicity activities to call for public support to clean elections through the electronic and text media, including TV and radio APIs, posters, websites and press releases, and staging exhibitions.

Integrity of public elections in Hong Kong

10. Public elections at all levels have been generally clean since Hong Kong’s reunification with China. Overseas delegates (e.g. those from the European Parliament or the US Department of State) engaged in monitoring elections in Hong Kong also commended Hong Kong for its orderly, clean and fair elections.

11. Upon review of the LegCo and DC Elections held after the reunification, it is found that despite some complaints concerning corrupt conduct in the Elections received by the ICAC, the cases were mostly isolated ones. The majority (75%) of the complaints received were related to relatively minor illegal conduct, such as non-compliance of the requirements in election returns, publishing false statements of facts about the candidates, making false claims of support in election advertisements and publishing non-compliant election advertisements. It shows that members of the public in Hong Kong are generally vigilant against corrupt conduct in elections, but might not fully understand the legislative intent of illegal conduct to ensure honest, clean and fair elections.

Enlisting community support to boost awareness on clean elections

12. Due to Hong Kong’s constitutional development and some other factors, there has been a recent upward trend on the number of public elections (including by-elections) held every year. Since 2005, 12 or more public

elections were held annually. Although different districts and sectors were involved in each election, election itself has been taken as a part of daily life of the public. To manifest the culture of honesty, fairness and law-abiding in election activities, we should convince the community to acknowledge the ideology and behavioural model of clean elections, and also urge them to put it into practice. To achieve this long-term goal, sustained promotion and involvement by all sectors of the society are indispensable.

13. Apart from carrying out educational and publicity work for each public election, the ICAC has been establishing a close liaison with relevant departments/organizations and widely spreading clean elections messages to different sectors through relevant channels. As a result of years of hard work, a culture of clean elections has generally been built in the local community.

14. To further enhance the established awareness on clean elections, we consider that on top of the usual educational and publicity activities for each public election, a proactive strategy may be adopted in line with major elections to enlist community resources and efforts to inculcate relevant messages into district activities. By sustained contact and continuous promotion, it is aimed to make clean elections a behavioural model and distinct culture esteemed by the Hong Kong public widely.

A. 2007 DC Election – community involvement in practice

15. With special regard to the DC Election this November, we have put the above strategy into practice. First of all, all CRD Regional Offices have worked hand in hand with DCs and/or District Offices concerned to organize talks in the 18 districts of Hong Kong to explain the spirit and provisions of the ECICO for prospective DC Election candidates. The CRD has also taken the initiative to liaise with various political parties/organizations to introduce the services of the ICAC in providing ECICO briefings. As of date, 28 talks were arranged for the districts/organizations concerned.

16. On the other hand, in view of the third-term DC Election to be held in late 2007, the Regional Offices have also encouraged the involvement of DCs and district organizations of 18 districts as organizers, co-organizers or assisting organizations in 215 district activities under the theme of “Support Clean Elections”. These included roving exhibitions, competitions, parades, district newsletter publicity, online games and fun days, etc. As a result of our liaison efforts, the CRD has successfully motivated over 1,300 district organizations and schools to promote and/or participate in the above activities. Taking each district organization as an individual core for promoting “clean elections”, the strategy concerned has created an impact that greatly increased the visibility of the “Support Clean Elections” concept and also facilitated dissemination of the concept into various sectors through the networks of each organization. In the future, the concept may even be incorporated into activities such as talks and tea gatherings held by the CRD for district organizations/schools to enhance such effects.

B. Cultivating integrity values among young people

17. To cultivate the awareness on clean elections into personal values manifested in public elections and all forms of elections in daily life, we consider that youths should be the right target group to start with. Some years ago the CRD designed teaching packages for primary/secondary school students and inculcated the value of “Support Clean Elections” to students through the “ICAC Week” organized by schools. However, as the ICAC Week was just an extracurricular module and not a compulsory curriculum, not all students could have access to the topic. With the education reforms newly launched by the HKSAR, the Government has decided to implement the new academic structure of “3+3+4” in senior secondary education in 2009. Under the new curriculum, Liberal Studies will become a core subject together with Chinese Language and English Language for Form 4 to 6 students. The module on “Society and Culture” in the subject will cover issues such as the participation of Hong Kong citizens in social and political affairs and the exercising of voting rights, etc. We therefore recommend that teaching aids may be designed for this module to provoke thoughts among students on their

civic responsibility when taking part in election activities, thereby inculcating in them the notion of supporting clean elections.

Conclusion

18. It is an important mission of the ICAC as the anti-corruption agency in Hong Kong to take forward anti-corruption work for fostering a corruption-free culture in all sectors of the community, including public services, commercial trades and public elections. As far as election is concerned, the educational and publicity work launched by the ICAC for each public election in the past has in general assisted in building a clean election culture in the community. However, other than the publicity and educational work pertaining to public elections, we consider that proactive efforts should be made to form alliances with district organizations to incorporate the “Support Clean Elections” message into various community activities and regular curricula of young people so that public awareness of the concept can be enhanced gradually. These are for long-term and sustained reinforcement of the “Support Clean Elections” values so that this principle can be internalised by citizens and practised in public elections as well as non-public ones, such as elections of Owners’ Corporations, professional bodies or student unions in schools.

Advice sought

19. Members are invited to put forth their views on this paper.

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Community Relations Department
Independent Commission Against Corruption
September 2007

**Ethics Management Promotion Programme for
Small and Medium Enterprises**

Purpose

This paper aims to analyse from the corruption prevention perspective challenges faced by small and medium enterprises (SMEs) in Hong Kong¹ and the support they need to implement ethical management so as to facilitate the Community Relations Department (CRD) to outline the corruption prevention strategies and the corresponding service programmes for SMEs.

Background

2. SMEs are the economic lifeline of Hong Kong. At present, there are more than 270,000 SMEs in Hong Kong which accounts for 98% of Hong Kong's industrial and commercial organisations. The number of employees in these SMEs reaches 1.2 million, which is about half of the total employment population. SMEs are also the major backbone of cross-boundary business in Guangdong and Hong Kong. The two places have integrated into a new economic entity, particularly the Pearl River Delta (PRD) which is an international manufacturing, trading and service centre. About 80,000 Hong Kong SMEs are currently operating in the PRD, employing some 11 million employees. Apart from that, the number of Chinese enterprises running business in Hong Kong has already exceeded 2,000, while an increasing number of private SMEs are starting their business in Hong Kong.

¹ According to the Trade and Industry Department, small and medium enterprises are defined as manufacturing enterprises with fewer than 100 employees in Hong Kong; or non-manufacturing enterprises with fewer than 50 employees in Hong Kong.

3. There is an international consensus about the importance of transnational cooperation and strengthening corporate ethics governance to prevent corruption and related malpractices. This year, Asia-Pacific Economic Cooperation (APEC) held a Leaders' Meeting and a Ministerial Meeting in Sydney, Australia, at which representatives from APEC Economies (including the Chief Executive of the Hong Kong Special Administrative Region) together made an anti-corruption declaration, pledging to fight corruption and promote good governance of public and private organisations in order to boost business ethics. Being a member of APEC Anti-Corruption and Transparency Experts' Task Force, the Independent Commission Against Corruption (ICAC) of Hong Kong, in addition to promoting corporate governance to large enterprises including listed companies and financial organisations, will also join the international mainstream in promoting ethical management to SMEs with a view to enhancing Hong Kong's business competitiveness.

Needs of SMEs

4. The CRD has consulted a number of major chambers of commerce in order to better understand the characteristics of SMEs and their concerns regarding corruption prevention management. After consolidating the opinions of the industries and research findings, it is found that the development of SMEs has their own characteristics which are influenced by external and internal factors. External factors include the growing global economic integration, in particular the economic integration of the Mainland and Hong Kong which drives cross-boundary development of the SMEs. Internal factors concern SMEs' ability to achieve corporate governance. Below is a summary of the strengths and weaknesses of SMEs as well as the opportunities and challenges that they encounter:

Strengths

- In general, SMEs are run by sole proprietors or jointly by like-minded partners who are actively engaged in the business operations and mutually trust each other. Moreover, SMEs can respond to market needs quickly with their flexibility, acute sensitivity and high adaptability. The streamlined structure enables them to better control costs and the operations.

Weaknesses

- Due to limited resources and in order to reduce costs, business operators may easily ignore management effectiveness and thus fail to control risks effectively. There is usually a lack of clear working procedures in the company's operation or that the procedures may vary according to different people or situations. Since there is a lack of system and supervision, trust is easily abused resulting in higher corruption risks.

Opportunities and Challenges

- Following the opening of Mainland China market, more and more Hong Kong and Chinese SMEs operate cross-boundary business. However, SMEs may come across many challenges while business opportunities emerge.
- In order to lower costs and open up new markets, SMEs usually move their operational bases to other places. Business operators thus face the challenge of monitoring operations of the company remotely. The experience and integrity of the personnel being appointed to work in these offices have therefore become crucial.

- In addition to cultural differences, rules and regulations governing business operations also vary in different places. It is a huge challenge for cross-boundary business operators to do business according to the law and implement good corporate governance in foreign places.

- When facing intense market competition, SMEs are often asked to offer bribes and pressured to secure business through bribery. Such practices encourage corruption and destroy fair competition.

Ethics Management Promotion Programme for SMEs

5. To cater for the need of SMEs, the ICAC will implement a two-year Ethics Management Promotion Programme in early 2008. The main objectives of the programme are as follows:

- To raise the awareness of SMEs of the importance of abiding by the laws and to strengthen the capability of SME operators in implementing ethical management in order to avoid contravening the laws inadvertently. Taking demand of the SME sector into consideration, the ICAC will give priority to issues about cross-boundary business.

- To remind the managerial staff of SMEs that it is important to establish an ethical brand for the company and that corruption is a high-risk crime. The loss of the company would outweigh the gains should business be secured by corruption.

- To enhance the capability of SMEs to manage the conduct of their staff, to encourage and offer assistance to the management staff to formulate company code of conduct and organise training for staff, and to map out control systems to prevent corruption.

Strategies to be Deployed

6. In view of the wide variety of industries and the vast number of people involved in SMEs, it is necessary to provide them with suitable and user-friendly corruption prevention services through different channels. The strategies used include:

Offering corruption prevention services through partnership

- In order to enhance the effectiveness of the Programme, the CRD will work closely with related trade associations, professional bodies and government departments/public organisations from planning to implementing and promoting the programmes to contact SMEs extensively and secure better recognition of the Programme.
- Through the network of large commercial and public organisations, the ICAC will organise talks for suppliers and contractors who are SMEs to introduce to them the anti-corruption laws and common corruption pitfalls that they might encounter. The talks aim to strengthen their awareness of the “don’t bribe” message and remind them that they should have zero tolerance of corruption, and should report corruption should they be asked for bribes.

Promoting corruption prevention message through multimedia

- To strengthen the promotion of ethical management awareness widely through different media, including producing anti-corruption materials, organising seminars, publishing educational booklets and making use of the internet and newspapers.

Offering priority services to cross-boundary business operators

- With regard to the issues concerning cross-boundary business operators' knowledge of anti-corruption laws in Mainland China and Hong Kong, the ICAC needs to seek cooperation from corresponding Mainland departments to provide information on Mainland's anti-corruption laws and on how to operate business there to Hong Kong businesses to help them observe the laws when doing business. In view of the frequent business exchanges between Guangdong and Hong Kong, and that the majority of the Hong Kong SMEs are in Guangdong province, our working partners are thus mainly from the Guangdong province. In fact, the ICAC and the Guangdong Provincial People's Procuratorate have on two occasions joined hands to produce legal guides for business operators in the two places in the 1990s. It is now opportune for the two organisations to work together again to produce corruption prevention guide for SMEs.

Formulating appropriate preventive education programmes for staff of different ranks

- In order to attain self-improvement and self-monitoring by putting corporate governance into practice, management and staff must work hand in hand to establish goodwill and an integrity culture for the company. Hence, the ICAC will provide corruption prevention services to the management and frontline staff of SMEs to enhance their awareness of ethical management and compliance with the law.

Details of the Programme

7. The CRD will organise various corruption prevention education activities targeted at management staff as well as frontline and junior staff. Details of the Programme are briefly described as follows.

Management staff

8. Corporate management team's awareness of corruption prevention is of paramount importance. They must be the role models for staff at different levels and help staff understand the company policy. Hence, the corruption prevention education for management staff will mainly focus on reminding them not to offer bribes amid fierce competition in the course of business dealings so as to prevent the company from breaching the laws. Besides, they must be proactive in implementing control measures and manage their subordinates properly to prevent corruption and acceptance of bribes by the unscrupulous, thus impairing the company's interests.

9. In view of the significant number of SMEs and the numerous industries involved, it may not be feasible for the ICAC to contact individual company management staff directly. In this connection, the CRD is collaborating with the Guangdong Provincial People's Procuratorate in jointly producing the "A Guide to the Prevention of Corruption for SME Entrepreneurs Investing in Hong Kong and Guangdong" as a reference for SME management staff operating business in Hong Kong and the Mainland. The CRD, through 18 chambers of commerce, has widely sought views from SMEs and cross-boundary businessmen to look into their concerns. After consolidating the opinions of various sectors, the Guide is divided into four parts:

- Explain concisely the concept, legislative basis and spirit of the anti-corruption laws of Hong Kong and the Mainland. Case studies

are used to facilitate readers to better understand the key points of the related laws.

- Assist cross-boundary businessmen to assess whether or not their companies can effectively control corruption risks and to learn about the procedures of applying for licenses from relevant government departments. Provide support to SMEs on how to enter into contracts with their business partners by ethical business practices and how to resolve commercial disputes through legal means.
- Use case studies to illustrate the internal management problems faced by SMEs and provide Best Practice Modules for reference.
- Introduce the anti-graft work in Hong Kong and Guangdong, contact information of Hong Kong and Guangdong Provincial Government as well as the relevant support services organisations, and “frequently-asked questions” and the corresponding answers.

10. Apart from publishing corruption prevention guide, the ICAC will also organise thematic workshops for SMEs of different trades through the partnership with the trade associations concerned to raise cross-boundary business operators’ awareness of corruption risks and encourage them to adopt ethical management measures. The ICAC will also take the initiative to contact sizable SMEs in key industries. Priorities will be given to trading, import and export, and those in the manufacturing sector like toys, textile, clocks and watches, and electronics industries. Tailor-made corruption prevention services will be provided, including the formulation of code of conduct, the arrangement of staff trainings and the promotion of the corruption prevention guide to SMEs engaged in cross-boundary business. The Advisory Services Group of the Corruption Prevention Department will also provide corruption prevention advice on system control to individual companies upon request.

Frontline and junior staff

11. With regard to frontline and junior staff, the major areas of work will be to increase their knowledge of the anti-corruption laws so as to safeguard their company against the evils of corruption. Emphasis will be placed on the fact that corruption is a high risk crime and they should never defy the law. The ICAC will distribute corruption prevention booklets to staff of SMEs during talks and through the network of related trade associations in order to enhance their understanding of the Prevention of Bribery Ordinance and the importance of carrying out their duties with integrity.

Promotion and Publicity

12. In response to APEC's call for enhancing corporate governance, and in order to implement the "United Nations Convention Against Corruption" which came into effect in the Mainland and Hong Kong early last year, the ICAC will organise a joint seminar with the Guangdong Provincial People's Procuratorate and related trade associations in Hong Kong in early 2008 to launch the "A Guide to the Prevention of Corruption for SME Entrepreneurs Investing in Hong Kong and Guangdong". In the event, contents of the Guide and practices for good corporate governance and ethical management will be introduced to SMEs.

13. The ICAC will make good use of the networks of the Trade and Industry Department and the Hong Kong Trade Development Council to widely publicise to SMEs the keys to enhancing corporate governance. The corruption prevention messages will also be disseminated through the websites of the Hong Kong Ethics Development Centre and related trade associations, as well as the newsletters of these trade associations. We will also liaise with the press to publish special features or feature articles on ethical management in SMEs.

Views Sought

14. Members are welcome to give their views on the paper.

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Community Relations Department
Independent Commission Against Corruption
November 2007

Strengthening Value Education for the Younger Generation
— the ICAC's Strategy

Objective

This document outlines the ICAC's on-going efforts on youth moral and preventive education and assesses the challenges and opportunities ahead. It also proposes future work strategies and focuses for Members' deliberation.

Current Strategies / Work Review

2. ICAC has been striving to foster positive values among the younger generation as one of its major work objectives. A paper on *Youth Moral Education and Preventive Education Work* was submitted to the Citizens Advisory Committee on Community Relations in 2005 with the following work strategies and focuses:

- a) Promoting moral education in schools – to enhance the awareness of students on the evils of corruption, such as by increasing the number of interactive drama performances to reach out to more secondary schools;
- b) Developing integrity training for tertiary students – to encourage the inclusion of corruption prevention modules in professional courses of tertiary institutions and organise large-scale youth summits and workshops;
- c) Promoting moral education through websites – to launch a new website for primary students and re-organise the moral education teaching materials in the ICAC Moral Education Web for teachers' easy reference;

- d) Producing teaching materials in step with education reforms – to complement the development of Liberal Studies curriculum by producing related materials to facilitate teaching of moral education in secondary schools; and
- e) Establishing Partnering Network for joint initiatives on preventive education – cooperate with different sectors, establish partnership with more schools and make a concerted effort with related government departments and youth bodies in the launching of moral education endeavours.

3. The above initiatives have been implemented in the subsequent years, including the inauguration of the website for primary school pupils in 2007. Please refer to Appendix I for moral education productions and activities of the ICAC over the last three years and Appendix II for statistics on visitors to the *ICAC Moral Education, Teensland and Kidsland websites*.

Challenges and Opportunities

4. New challenges and opportunities emerge in our moral and preventive education efforts for youth alongside changes in social environment, evolvement of values and attitudes of youngsters, development of education policies and advancement of information technology and the new media. Here are some observations :

a) Changes in social environment

A growing gap between rich and poor and the recent volatility in the financial markets inevitably would have an impact on youth's perception of wealth and living. They might waver and stray¹ in face of corrupt temptation. The need to strengthen integrity education and help young people establish a correct attitude towards money is ever more pressing.

b) The values and attitudes of youth

- i) According to findings of ICAC's annual surveys, public tolerance towards corruption in the civil service and business sector remained low but the average score given

¹ Reference from Youth Opinion Polls Series No. 159 on "How do youth perceive earning fast buck?" conducted by the Hong Kong Federation of Youth Group (2007).

by people in the age group 15-24 was higher than other age groups² (meaning their tolerance towards corruption was higher). The findings matched studies conducted by the Hong Kong Federation of Youth Groups on Youth Trends in Hong Kong (2004-06)³.

- ii) According to findings of a focus group study on public perception and tolerance towards corruption conducted by the CRD in July 2008, secondary students by comparison were less concerned about the problem of corruption and were foggy about the evils of corruption. On the other hand, tertiary students' sense of law compliance was relatively weak and their vigilance on conflicts of interests was not high.

c) Development of education policies

- i) Current reform in school curriculum strongly advocates integrating moral and civic education into different learning areas and providing a comprehensive yet balanced curriculum for students. For instance, through "Other Learning Experience", students would obtain exposure to moral and civic education as well as athletic/artistic skills⁴. The ICAC will capitalize on the curriculum reform when producing moral education teaching packages for teachers and students.
- ii) As for tertiary education, the four-year academic system will provide greater learning capacity for students. Tertiary institutions are planning to strengthen their General Education provision to broaden students' learning landscape. The ICAC will continue to seek co-operation with tertiary institutions with a view to intensifying moral training for tertiary students.

² Using a 0 to 10 rating scale (with 0 representing total rejection and 10 total tolerance), the scores registered by the age group 15-24 in 2006, 2007 and 2008 were 1.7, 1.4 and 1.4 respectively, whereas those registered by other age groups were between 0.9-1.1, 0.7-0.8 and 0.7-0.8 respectively.

³ According to survey findings on the change in perception in the rule of law, although youth's awareness of law compliance remained high (97.0%), 48.7% of the respondents still regarded corruption as a common practice in the business community.

⁴ "Advance to the new academic system – a people-based approach" by Dr K K CHAN, Principal Assistant Secretary of the Education Bureau (2008.9.4)

d) Application of information technology and the new media

The advent of information technology has made the internet and the new media an integral part of the teaching process. While the ICAC strives to optimize the potential of the new platform to furthering moral education, we need to take heed of resources and positioning consideration in designing contents and activities that appeal to young people.

Future work strategies and major initiatives

5. Whilst continuing with proven work strategies, the ICAC seeks to formulate future initiatives on youth moral and integrity education in the light of the above development trends.

a) To promote moral education in tandem with education reform

- i) To complement the new curriculum, the ICAC will organise participation programmes for students (e.g. programmes to recruit student ambassadors) to expand their learning experience and intensify the effectiveness of moral and civic education.
- ii) ICAC's work and anti-corruption messages have already been included into the formal curriculum of primary and secondary schools at present. 【Both the Economics & Public Affairs Subject of F.2 and F.3 and General Studies subject for senior primary school contain an introduction of ICAC's work and anti-corruption messages. The new senior secondary's Liberal Studies subject also contains elements about the rule of law and the quality of life.】 However, the contemporary trend in curriculum development is to reduce reliance on textbooks⁵. Teachers are encouraged to develop and share learning materials and to make more use of other learning and teaching resources such as the Internet and everyday authentic materials. The ICAC will continue to develop quality moral education teaching material in line with the relevant content of Liberal Studies and "Personal, Social and Humanities Education" subjects for teachers and schools.

⁵ "A Parental Guide on Textbook Matters" issued by the Education Bureau in 2008.

- iii) CRD will closely monitor and will complement the progress of the development of electronic books and electronic learning resources in the production of teaching materials, as mentioned in CE's policy address in 2008.

b) To include integrity as a moral training focus in schools

- i) Assistant Director/Community Relations met with the Principal Assistant Secretary (Curriculum Development) of Education Bureau in March 2007 and proposed adding "integrity" into the five priority values. The proposal was accepted by the Education Bureau and was included in the revised Moral and Civic Education Curriculum Framework in 2008⁶.
- ii) Integrity, fairness and law compliance have always been the core of ICAC's moral education teaching packages. With integrity included into the moral education curriculum framework, the ICAC is able to compile and introduce teaching material in this area systematically to schools. More efforts have been put into the design of education material based on social issues and student's live experience, and help teachers promote moral education at moral education classes, weekly meetings and class teacher's classes.

c) To strengthen ethics training for tertiary students

- i) Continuous professional training: CRD has always maintained close relationships with tertiary institutions by organizing ICAC talks for students from different faculties. In recent years, we have also produced corruption prevention material jointly with individual faculties (e.g. the Architecture Faculty) for inclusion into their undergraduate programmes and also assisted in the teaching of these subjects. The ICAC will develop similar collaboration programmes with other professional faculties to enhance integrity and professional ethics among tertiary students. Also, in consultation with professional bodies, we will explore the possibility of

⁶ In the curriculum reform launched in 2001, "Moral and Civic Education" was listed as one of the four Key Tasks to be taught and suggested that schools should primarily inculcate the five values and attitudes, namely "Perseverance", "Respect for others", "Responsibility", "National identity" and "Commitment" into youngsters. The revised Moral and Civic Education Curriculum Framework in 2008 include the two priority values namely "Caring for others" and "Integrity"

incorporating elements of corruption prevention and professional ethics into their CPD courses or qualifying examinations.

- ii) The ICAC will expand in earnest the ICAC Ambassador programme jointly organised with tertiary institutions to enhance the awareness of tertiary students on the evils of corruption through participation. They will be encouraged to organise and plan on-campus activities to promote positive values such as “integrity” and “probity”, thereby developing their leadership ability⁷. The ICAC will continue to expand collaboration with tertiary institutions in this aspect.

d) To maximise the use of information technology in promoting moral education

- i) With the youth website, children website and moral education website now serving different targets, ICAC will continue reviewing the effectiveness and positioning of these websites and enhance the integration and sharing of existing on-line resources.
- ii) The ICAC will further explore ways to strengthening the interactive elements of the websites and establishing learning communities in consultation with schools and academics on the latest trend in youth culture and tastes.
- iii) The increasing popularity of Campus TV stations has provided a new learning platform for students⁸. In 2007, the ICAC, as a pilot scheme, invited primary schools to shoot and provide moral education videos to broadcast at campus TV stations and ICAC’s children website. The ICAC will continue to seek wider collaboration with schools in this aspect.

⁷ The ICAC and the City University of Hong Kong first launched the programme in 2007

⁸ Roughly, about 40% of the primary and secondary schools (totaling some 400 schools) in Hong Kong have set up Campus TV stations.

e) To actively expand partnership to achieve co-operation and co-ordination

Working partners have always played an important role in ICAC's youth work. The ICAC will continue to consolidate and expand our partnership approach in the future. We will :

- i) step up co-operation with the Education Bureau, including :
 - liaising with the Education Bureau in co-opting ICAC representatives to sit on relevant curriculum development advisory committees/working groups to advise on incorporating integrity messages into the moral education curriculum;
 - organising activities jointly with the Education Bureau and inviting schools to produce sample material for teaching on the themes of probity and integrity, with the relevant resources to be uploaded on the websites of Education Bureau and the ICAC for reference of teachers;
- ii) enlist stronger support from headmasters and teachers, e.g. invite more schools to join the Moral Education Network Teacher Scheme and encourage registered teachers to share their teaching resources and participate in the production of teaching packages (CRD has introduced the scheme since 2005. At present, about 1,000 teachers are members to the Scheme⁹ and the number of subscribers to the Moral Education Web stands at over 10,000);
- iii) co-ordinate parents' participation in promoting values education, e.g. organize parenting activities to promote ICAC's work and values jointly with the Committee on Home-School Co-operation; and
- iv) co-operate with youth bodies which share the same values on joint moral education activities, such as the launch of a Charter for Youth Integrity.

⁹ At present, there are more than 500 primary teachers and 400 secondary teachers in the ICAC's Moral Education Network Teacher Scheme

Implementation of the Plan

6. With due consideration to resources commitment, the ICAC will implement the above initiatives in phases in accordance with a short-term, medium-and-long-term work strategy:

a) Short-term strategy (2009–2011)

In spite of a diversity of moral education activities provided for youngsters, the ICAC will treat integrity and moral education work for youth with top priority in the coming year. Taking stock of on-going activities, we plan to launch a series of specific moral training projects for youngsters. We will :

- i) organize a seminar on youth moral education and a “youth summit” for young leaders on integrity and ethics. We plan to invite the participation of academics, educators and youth bodies in the seminar with a view to deliberating on the values and attitudes of youth and raising the society’s concerns over the issue of integrity and ethics. The summit is aimed to promote the culture of ethical leadership among youngsters through exchanges between tertiary students from Hong Kong, Mainland and Macao, and through workshops and case studies competitions etc.;
- ii) produce moral education materials and organize activities which correspond to the development of the “3-3-4 academic structure”, e.g. to compile serialized moral education teaching packages pivoted on integrity and promoted to schools, as well as to help train moral education teachers; to pilot-run the ICAC Ambassador programme in secondary schools; to use the mobile exhibition vehicle as a focal point in encouraging the conduct of anti-corruption events, such as the ICAC Week, in secondary and primary schools; and
- iii) devise a strategic plan to utilize the use of website/learning media in promoting moral education, e.g. joint projects with Campus TVs.

b) Medium-term and long-term strategies (2011–2013)

We will take stock of the efficacy of the programmes and initiatives launched in the previous period and to formulate

suitable strategies to enable us to improve with changing times.
We aim to: -

- i) produce teaching materials to complement the development of electronic books and electronic learning resources;
- ii) actively strengthen collaboration with strategic partners in the promotion of moral education (e.g. to encourage parents' participation and co-operate with youth groups in promulgating a "Charter for Youth Integrity"); and
- iii) explore and incorporate corruption prevention and professional ethics elements in the examinations and CPD programmes of professional faculties in tertiary institutions.

Conclusion

7. This paper examines the youth moral education work conducted by the ICAC in recent years as well as opportunities and challenges that lie ahead. When formulating work strategies, the ICAC will proactively respond to the changing social atmosphere, evolving education reform as well as the teaching and learning needs of teachers and students. We will draw up work priorities and secure support from work partners of different sectors in fostering integrity in youth.

Advice sought

8. Members are welcomed to give their views.

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Community Relations Department
ICAC
December 2008

Major ICAC Moral Education Teaching Packages and Activities
(2006 – 2008)

Project	Brief Description	Partners
<p><u>Moral Educational Teaching Packages and Activities for Kindergartens/Primary Schools</u></p> <p>1. 'Gee-dor-dor Detective – Ten Strange Cases' Moral Education Cartoon (2006)</p>	<p>The Gee-dor-dor cartoon series consisting of 10 episodes of 2 minutes each were broadcast on TVB Jade Channel in 2006 summer and re-ran at December. They were broadcast on tvbQ web channel for children in October.</p>	
<p>2. 'Gee-dor-dor Detective – Ten Strange Cases' Moral Education Teaching Materials for Primary School (2006)</p>	<p>Targeted at junior primary students, the teaching materials were designed for classroom discussions and extension activities. They were distributed to around 700 primary schools.</p>	<p>Lion Clubs International District 303 – Hong Kong & Macau</p>
<p>3. 'Gee-dor-dor Detective – Ten Strange Cases' Moral Education Teaching Materials for Kindergarten (2006)</p>	<p>Targeted at middle and upper kindergarten pupils, the teaching materials were distributed to around 900 kindergartens and child care centres.</p>	
<p>4. Gee-dor-dor Musical Competition (2007)</p>	<p>Targeted at kindergarten pupils, the competition was participated by 57 schools. The preliminary round of competition was held in different districts and the final competition was attended by over 800 parents and pupils.</p>	

Project	Brief Description	Partners
5. Launch of 'Kidsland' Children Website (2007)	At the request of parents and teachers, the website was launched in January 2007. Nearly 500,000 visits were recorded for the first year with the average browsing time about 10 minutes. There are now 10,000 people subscribing the website.	
6. "Superkid" Project (2007)	To enhance the visibility of 'Kidsland', this programme enabled primary school pupils to develop positive values through participation, learning and practice. 92 primary schools had signed up. The programme was conducted in three phases, including web games, various training activities and creativity competition.	<ul style="list-style-type: none"> • HKed City • RTHK • Union of Heads of Aided Primary Schools of Hong Kong • Subsidized Primary Schools Council • Playright Children's Play Association • The Boys' & Girls' Clubs Association • Sing Tao Jih Pao
7. 'Hong Kong is My Home Town' Gee-dor-dor Cartoon (2008)	The Gee-dor-dor cartoon series consisting of 10 episodes of 2 minutes and 15 seconds each would be broadcast on TVB Jade Channel for two consecutive weeks from mid December 2008.	
8. 'Hong Kong is My Home Town' Gee-dor-dor Moral Education Teaching Package (2009)	The 'Gee-dor-dor Outstanding Teaching Plan' Collaboration Programme was conducted jointly with the Hong Kong Institute of Education (HKIEd). The HKIEd students were invited to design teaching plans basing on the themes and contents of the cartoon series. The teaching package would be distributed to all primary schools, kindergartens and child care centres in the territory in early 2009.	<ul style="list-style-type: none"> • Hong Kong Institute of Education

Project	Brief Description	Partners
9. General Studies Moral Education Teaching Package for Primary Schools (2009)	Targeted at senior primary students, the package consisted of five modules in which themes like self-discipline, law compliance, love & care, integrity and fairness were chosen as the focus of the teaching package. The teaching package would be distributed to all primary schools in early 2009.	<ul style="list-style-type: none"> • Education Bureau
<p><u>Moral Educational Teaching Packages and Activities for Secondary Schools</u></p> <p>1. Senior Secondary Liberal Studies Teaching Package (2006)</p>	To tie in with the reform of senior secondary curriculum, the teaching package was produced for secondary school teachers in teaching liberal studies subjects. The teaching package consisting of a 25-minute film and a teaching guide would be distributed to around 500 secondary schools.	<ul style="list-style-type: none"> • HKed City • Education Bureau • RTHK • Sing Tao Jih Pao
2. 'Food for Thought' Moral Education Teaching Package (2007)	Suitable articles from the 'Collection of Renowned Writers and Celebrities' Contribution' were selected for production of the 'Food for Thought' teaching package – a supplement to the Chinese Language syllabus for senior secondary students and intended as a teaching tool for moral education.	
3. 'Fuller Life in a Corrupt-Free Society' Moral Education Teaching Package for Junior Secondary Schools (2007)	Targeted at junior secondary students, the teaching package with themes such as 'Clean Society' and 'Towards a Fuller Life' were distributed to around 500 secondary schools.	

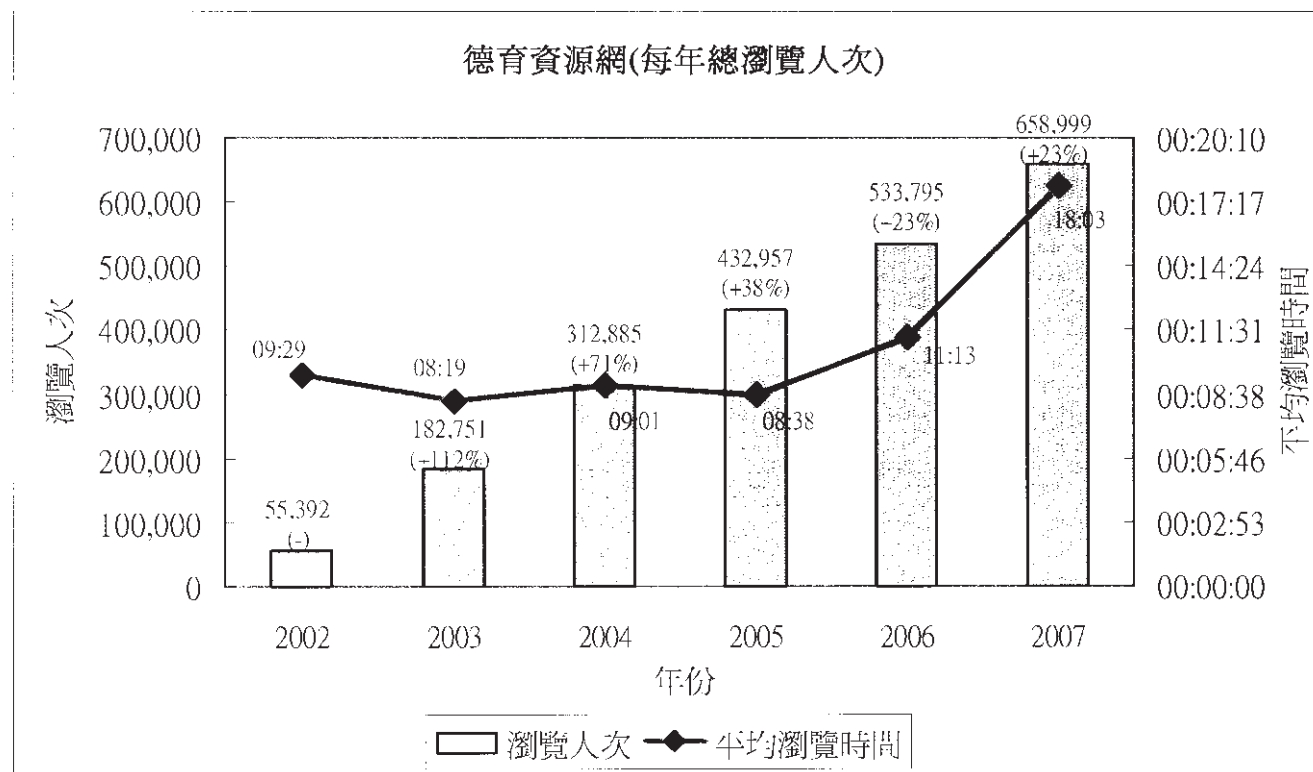
Project	Brief Description	Partners
4. 'Fuller Life in a Corrupt-Free Society' Junior Secondary School Project-Based Reports Competition (2007)	As an extension of the 'Fuller Life in a Corrupt-Free Society' Junior Secondary School Teaching Package, the competition was participated by 32 schools and 57 reports were received. Adjudication work had completed and 12 winning entries were chosen.	<ul style="list-style-type: none"> • Ming Pao
5. Documentary Booklet on Territory-wide Competition on Project-based Reports' (2008)	Outstanding entries of the competition on project-based reports were compiled as teaching materials complemented with a teaching guide and distributed to around 500 secondary schools.	
6. 'Wealth and Living' Video Competition (2008)	Targeted at secondary schools students, the competition was participated by over 70 teams from 48 secondary schools. Winning entries would be included in a teaching package to be distributed to all secondary schools in early 2009.	<ul style="list-style-type: none"> • Hang Seng Bank • Hong Kong Subsidized Secondary Schools Council • Hong Kong Association of Heads of Secondary Schools • Hong Kong Academy for Performing Arts • Education Bureau • ATV
7. Interactive Drama Performances for Secondary Schools (2006-2008)	Interactive dramas targeting at F.3/F.4 students aimed to drive home the evils of corruption caused to the individuals and society as well as the main points of anti-bribery law. CRD reached a total of 35,070 secondary students through interactive dramas in 06/07 and 40,150 secondary students in 07/08.	<ul style="list-style-type: none"> • Commission on Youth (07/08 Year) • Committee on the Promotion of Civic Education (07/08 Year)

Project	Brief Description	Partners
<p><u>Moral Education and Activities for Universities</u></p> <p>1. ICAC Talks for Universities (2006-2008)</p>	<p>CRD has been organizing ICAC talks on anti-corruption laws, code of ethics, ways to deal with ethical dilemmas, etc for universities to remind university students of the corruption pitfalls which they might encounter in different working environment and to inculcate probity awareness. CRD reached a total of 10,145 university students through talks in 06/07 and 11,680 university students in 07/08.</p>	
<p>2. 'Ethical Leadership for the New Generation' Training Programme (2006-2007)</p>	<p>CRD organized the programme to equip students in tertiary education institutions with the knowledge and skills to become ethical leaders through their participation in workshops, a case study competition and a youth summit. The programme reached 800 local tertiary students and 750 university students from Mainland, Macau and overseas.</p>	<ul style="list-style-type: none"> • Commission on Youth • Committee on the Promotion of Civic Education • Hong Kong Institute of Certified Public Accountants • Hong Kong Institute of Chartered Secretaries • Hong Kong Institute of Directors • Hong Kong United Youth Association
<p>3. 'ICAC Ambassador Programme' (2006-2008)</p>	<p>CRD and the City University of Hong Kong (CityU) co-organized an 'ICAC Ambassador Programme' with a view to mobilizing CityU students to organise multi-faceted activities on the campus (e.g. workshop, film session, case study competition and exhibition) to promote clean and probity messages. 30 ICAC ambassadors were recruited to hold activities in</p>	<ul style="list-style-type: none"> • City University of Hong Kong

Project	Brief Description	Partners
	the campus in 07/08, reaching a total of 650 CityU students approximately. In 08/09, a total of 41 ICAC ambassadors organized a wide range of preventive activities on the campus in February 09.	

2.1 ICAC Moral Education Web

Targeted at teachers, the ICAC Moral Education Web (<http://www.icac.org.hk/me>) provides teaching materials/information for use by teachers in the promotion of moral education. The Web has currently 10,996 subscribers.

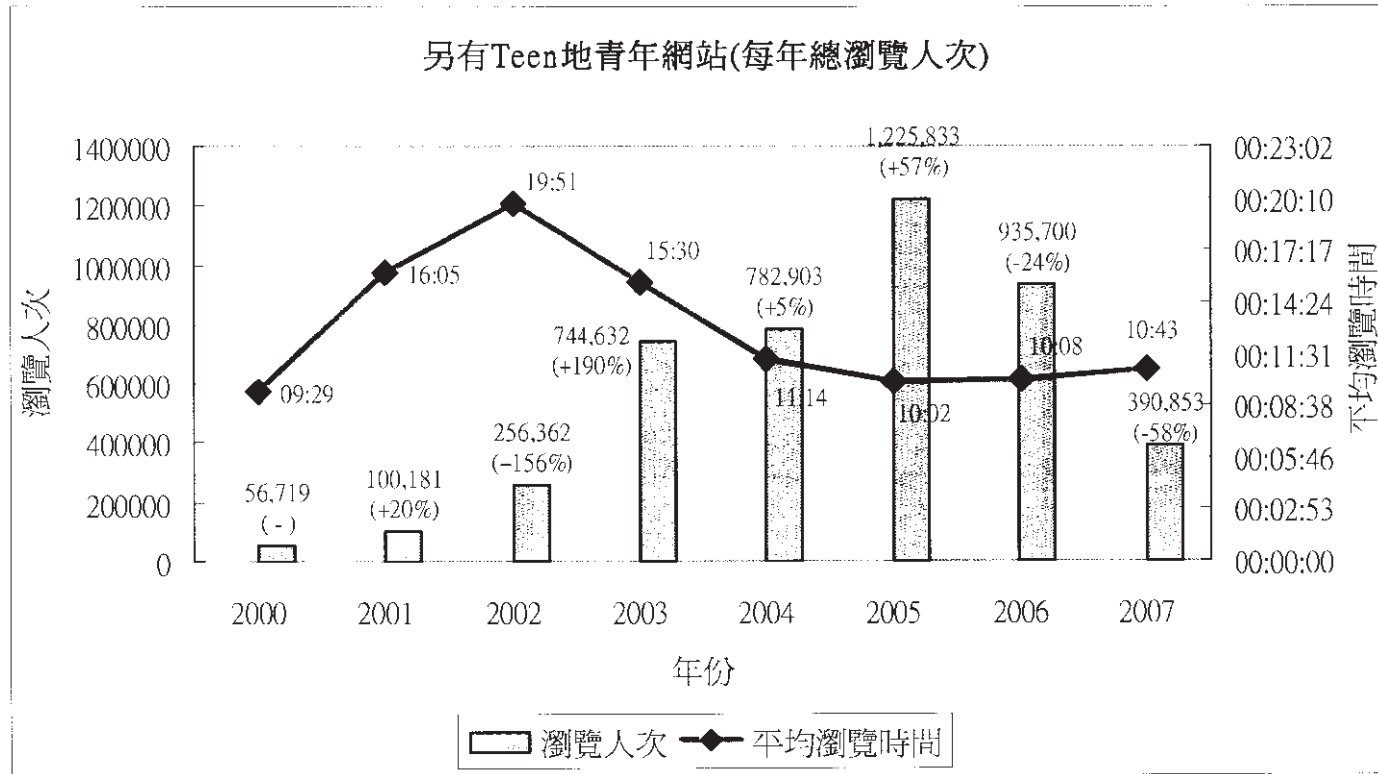


The rate of increase for year 2003 was calculated on the basis of the average number of days in year 2002, as the website came into operation in May 2002,

德育資源網(每年總瀏覽人次) ICAC Moral Education Web (Annual Total Number of Visitors) / 瀏覽人次 Number of Visitors / 平均瀏覽時間 Average Browsing Time / 年份 Year

2.2 “Teensland” Youth Web

The “Teensland” website (www.teensland.icac.hk) provides an online platform to share with youngsters the positive values of life. The Web has currently 12,772 subscribers.

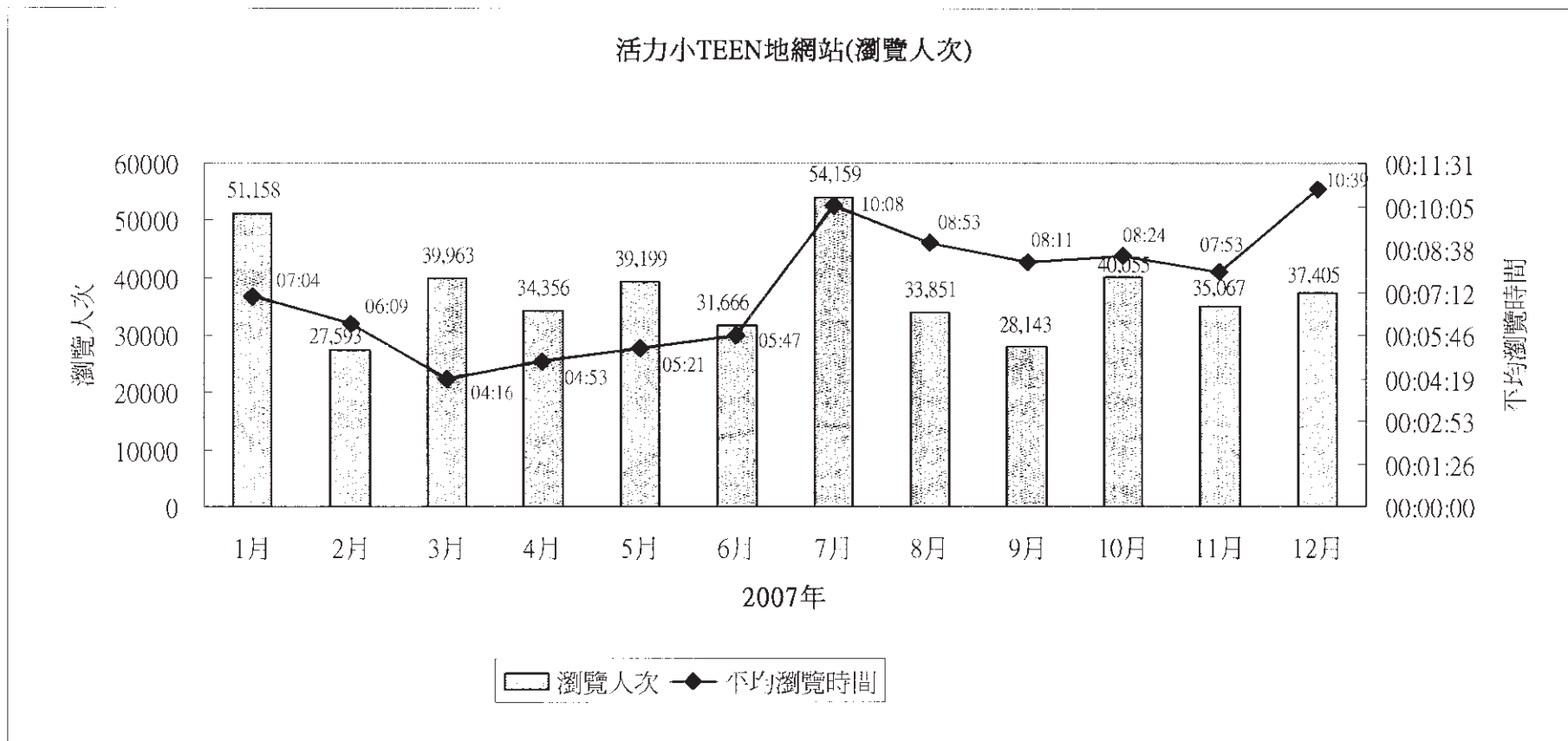


The rate of increase for year 2001 was calculated on the basis of the average number of days in year 2000, as the website came into operation in April 2000,

「另有 Teen 地」青年網站(每年總瀏覽人次) “Teensland” Youth Web (Annual Total Number of Visitors) / 瀏覽人次 Number of Visitors / 平均瀏覽時間 Average Browsing Time / 年份 Year

2.3 “Kidsland” Children Web

Launched in early 2007, the “Kidsland” Children Web (www.kidsland.icac.hk) aims to inculcate anti-corruption awareness and positive values into children through interactive and interesting contents. The Web has currently about 10,000 subscribers.



「活力小 Teen 地」兒童網站(瀏覽人次) “Kidsland” Children Web (Number of Visitors) / 瀏覽人次 Number of Visitors / 平均
 瀏覽時間 Average Browsing Time / 年份 Year

**New Trends, New Thoughts – Rethinking the Strategies on
Moral Education for Youth**

Objectives

Youth education on anti-corruption is an important work objective of the ICAC. The CACCR paper, submitted in 2008, reviewed the work strategies on youth moral education. Short-term, medium-term and long-term objectives were also formulated in consultation with committee members.

2. The promotion of anti-corruption education cannot be effective unless we keep our finger on the pulse of the community, understand the developmental needs, behaviour and attitudes of young people, and remain innovative all the time. This paper, based upon the 2008 paper, will further explore the latest developmental trends of the society and young people in Hong Kong, study their implications on the formulation of strategies on anti-corruption education and then map out a future plan in consultation with committee members.

New social trends (The macro environment)

3. *Impact of the financial tsunami.* The global financial tsunami not only gave rise to a severe economic crisis in Hong Kong, but also challenged the core values of the society. Traditional values like “social responsibility”, “trust” and “hard work” were damaged, which also urged young people to reflect about the harm of greed and what damages it would bring in disregarding the interests of others.¹ Considering the impact of the financial tsunami, it is necessary to reinforce beliefs like “integrity” and “probity” among young people, so as to uphold the core values of the Hong Kong society.

4. *The trend of integration between Hong Kong and China.* The Hong Kong society is increasingly connected with the Mainland. In particular, the

¹ The Hong Kong Federation of Youth Groups, *Youth Opinion Polls No. 183*, “The Effects of the Financial Tsunami on Young People’s Views towards Money and Career” (17 March 2009)

cooperation with the Pearl River Delta region will bring about integration and development in economic, social and other aspects.² To facilitate young people to seize the opportunity of future development, we have to strengthen their recognition as well as enhance their knowledge of the characteristics and advantages of Hong Kong. These include the “soft powers of the Hong Kong brand”, such as *integrity, judicial independence, and a free and clean society*.³

5. ***Education Service Hub.*** In recent years, the number of mainland students studying in Hong Kong is on the rise, and vice versa. The Task Force on Economic Challenges has lately pointed out that Hong Kong has potentiality to attract students in the Pearl River Delta to pursue studies at secondary and higher education programmes in Hong Kong. It has also suggested that measures should be taken to make it easier for more mainland students to further their studies in Hong Kong, and that assistance should be rendered to existing educational institutions to set up affiliated institutions in Shenzhen or Pearl River Delta.⁴ The promotion of anti-corruption education, in the long run, requires strategic considerations with focus on this developmental trend.

New trend of education and youth development

6. ***New Academic Structure and Learning Needs of Youngsters.*** The “3-3-4” academic structure, which was implemented in the 2009/10 academic year, stresses the holistic development of students. For secondary school programmes, the new “Other Learning Experiences” curriculum component helps strengthening the cultivation of moral and civic values of students. The four-year curriculum for tertiary education also provides students with a broader learning platform and puts equal weights on the teaching of professional

² The speech of Chief Secretary for Administration entitled *Equipping Youths and Grasping the Opportunity* in the first Hong Kong Youth Leader Forum (23 May 2009)

³ Transcript of remarks by the Chief Executive at a media session after a meeting of the Task Force on Economic Challenges (22 June 2009) – “To the outside world, Hong Kong embodies professionalism, integrity, judicial independence, efficiency, a free and clean society and free flow of information. This brand name, embodying the host of “soft powers”, can be leveraged to draw customers from around the globe.”

⁴ Summary of the Focus Group Discussions on the Six Economic Areas identified by the Task Force on Economic Challenges (22 June 2009)

knowledge and value education.⁵ The ICAC may step up cooperation with educational institutions, promoting anti-corruption education in line with the requirements of the new academic structure.

7. ***Participation in Internet Community.*** In recent years, the use of internet is getting increasingly popular in Hong Kong. According to the survey results of “Information Technology Usage and Penetration” conducted by the Statistics Department in 2008,⁶ households with internet registration constituted 70.9% (1.6 million) of all households in Hong Kong whereas the percentage of persons aged 15–24 who had used internet 12 months before the survey was 98.8%. Internet has become an essential channel for young people to express themselves, connect with others and receive information.⁷ Therefore, using internet effectively as a platform to spread integrity and ethics messages to young people has become a necessary means.

8. ***Young People’s Values and Attitudes.*** According to an annual survey conducted by the ICAC in 2008, in terms of people’s tolerance towards corruption, persons aged 15–24 scored higher average points than the other age groups did.⁸ The results of a telephone survey conducted in 2009 also showed that people of younger age groups had lesser degree of recognition of the ICAC core values (such as integrity, compliance with laws, fairness and justice, etc.).⁹ This is probably due to the fact that young people, being green and inexperienced, are foggy about the evils of corruption. In order to instil positive values and

⁵ For example, in planning the 3-3-4 academic structure and teachers’ training programmes, The Hong Kong Institute of Education clearly states that developing students’ *character and moral responsibility* as one of the essential learning outcomes. The University of Hong Kong has developed a Common Core Curriculum programme to provide students with more diversified learning experiences in responding to the four-year academic structure.

⁶ The survey was conducted between July and September 2008. 10,022 households were interviewed. The responding rate was 75%.

⁷ The Hong Kong Federation of Youth Groups, *Youth Opinion Polls No. 175*, “The Digital Networking of Youth in Hong Kong” (19 December 2008)

⁸ On a scale from 0 to 10 points (0 representing totally intolerant; 10 points representing totally tolerant), the points scored by persons of 15–24 age group in 2006, 2007 and 2008 were 1.7, 1.4 and 1.4 respectively; while the points scored by persons of other age groups were in the range of 0.9–1.1, 0.7–0.8 and 0.7–0.8 respectively.

⁹ Taking “integrity” as an example, persons from the 15-24 age group scored 2.95 while persons of the other age groups scored 2.98–3.10 (4 points representing the highest degree of recognition, 1 point representing the lowest degree of recognition).

attitudes in young people, we need to give more thoughts on the life experiences that they encounter.

Review on Current Work Strategies

9. Under the premise of strengthening and developing partnership, the 2008 consultation paper put forward work strategies in the following aspects:

- a) promoting moral education in tandem with education reform;
- b) enhancing integrity training for tertiary students; and
- c) optimizing the use of information technology in promoting moral education.

10. The above work strategies were brought to effect one by one in the past year. Their implementation is briefly reported as follows:

- a) ***Promoting moral education in tandem with education reform.*** In view of the introduction of the New Senior Secondary Curriculum, an ICAC Ambassador Programme for senior secondary students was launched, allowing students to act as ambassadors for the ICAC and to organise probity activities in their schools disseminating messages about the evils of corruption and the anti-graft work of the ICAC to their fellow students. On the other hand, a teaching package on Liberal Studies was produced. Episodes of the drama “ICAC Investigators 2009” and the documentary on ICAC produced by Phoenix Television were incorporated in the package. School touring performance of an interactive drama was organised to disseminate integrity-related messages to secondary students.¹⁰ In addition, representatives of the ICAC joined the relevant Ad Hoc Committees on Curriculum Guide of the Curriculum Development Institute in 2009,¹¹ giving

¹⁰ The scheme targets at Form 3 / Form 4 students. In the academic year of 08/09, Community Relations Department approached a total of 52,000 secondary students from 290 secondary schools through the interactive play. As at early September 2009, over 280 secondary schools have already made a booking with the interactive play for this academic year.

¹¹ Including the Ad Hoc Committees on the curriculum revision of “General Studies” for primary schools and the newly introduced “Life and Society” for junior secondary forms.

their views on the inclusion of anti-corruption elements, such as fostering a probity culture in the society, into the relevant curricula of primary and secondary schools. The ICAC is also going to hold a Moral Education Seminar to raise the society's concern on the subject of youth moral and ethical development.

- b) ***Enhancing integrity training for tertiary students.*** In addition to providing anti-corruption talks in universities on a regular basis, the ICAC also jointly organised an ICAC Ambassador Programme with the City University of Hong Kong and encouraged universities to adopt professional integrity training as a required component in relevant curriculum. The ICAC has also organised training programmes targeting on tertiary students from time to time. For instance, tertiary students from Hong Kong, the Mainland and overseas will be invited to participate in a training and exchange programme on a "youth integrity project" this year.
- c) ***Optimizing the use of information technology in promoting moral education.*** Plans were drawn up on promoting the moral education website. Attempts were made to establish a more extensive contact with youngsters via online media (Facebook, Youtube). Issues of youngsters' concern related to anti-corruption education were uploaded to the website on a regular basis to forge stronger ties with the youth.

The Future Strategic Direction

11. On the whole, the work objectives proposed in the document of 2008 have been implemented gradually and the projects have made some achievements. In view of the above analysis, when deciding the direction of probity education for youth, the ICAC will place special emphasis on the followings, including: ***proactively embracing creativity of the youth; organising cross-boundary probity programmes; encouraging participation of tertiary education institutions; as well as reinforcing online and offline contacts.***

a) To Embrace Creativity of the Youth

- Young people are not only the target but also the stakeholder of integrity education programmes. By consolidating the efforts of young people and encouraging youth participation in ICAC education programmes, we can engage them to promote positive values to their peers from their own perspectives which would make the programmes more easily recognised and readily accepted.
- Feasible plans include establishing an association which comprises core members who have taken part in the school ambassador programmes, and inviting tertiary and senior secondary school students to join, so as to give assistance to the ICAC in planning and promoting probity education programmes.
- To invite tertiary students in the creative media / design faculty to participate in mass media and new media publicity programmes of the ICAC, so as to tap their ideas and creativity with a view to facilitating the dissemination of anti-corruption messages.
- To run a “reporter trainees” programme for primary and secondary school students. Participation in reporting anti-corruption messages through the internet or campus TV can strengthen students’ analytical skills and cultivate positive values in them.

b) Cross-boundary anti-corruption activity

- Integration between the Mainland and Hong Kong brings about economic and educational development. Exchanges between the two places and organization of cross-boundary anti-corruption activities can broaden the cultural vision of the youth and enable them to have a better understanding of the characteristics and advantages of the anti-corruption achievements in Hong Kong.
- Community Relations Department has worked closely with its Guangdong counterpart in organising an “Anti-corruption TV Advertisement Competition in Guangdong, Hong Kong and

Macao” this year. The project aims to intensify the exchange of views and tap creativity of the youth from the regions to promote anti-corruption messages.

- In the future, it is recommended to strengthen the cooperation with the relevant departments on the Mainland by organising cross-boundary educational activities and so on.

c) Intensify the participation of tertiary education institutions

- It is a major work target of the ICAC to expand the integrity training for tertiary students. As mentioned above, the ICAC regularly organises different kinds of integrity and anti-corruption activities for tertiary students, including exchange programmes for mainland and overseas tertiary students.
- In view of the development of the 4-year university curriculum, the ICAC will keep in close contact with tertiary education institutions to discuss the incorporation of anti-corruption and ethical elements into professional courses. The ICAC will strengthen its cooperation with offices of student affairs for the purpose of organizing integrity training activities and providing opportunities of ICAC internship for degree students of tertiary education institutions.

d) Strengthening online and offline links

- The youth and kid websites will be revamped to enhance efficiency and the sharing of resources between websites.
- The link with youngsters will be strengthened through internet and new media. Integrity promotion activities, such as competitions on web page or online game design related to the ICAC’s youth website, will be tailor-made for young people based on their interest and life experience.

- An online membership system may be established. Young people/students will be invited to become members with a view to increasing the interaction and sharing of anti-corruption messages among them. The online membership system may be extended to schools and parents. It is hoped that the establishment of the networking social group will facilitate the sharing of resources and provide a platform for teachers and parents to join in the promotion of moral education to young people.
- Creative ideas from the youth may be incorporated to explore more effective ways to make use of the internet as an advertising means (Yahoo, Google, Discussion.com) to build up a probity culture.

Considerations on implementation of the plans

12. The above are the reflections on the direction of the ICAC's youth education work and the preliminary suggestions. For the implementation of the plans, the Commission enjoys some advantages but it also has its limitations.

13. ***Inclination of the Organization.*** In spreading the integrity messages and promoting the anti-corruption education, the ICAC has its unique mission and has gained its reputation in this aspect. However, it is unavoidable that the Commission's moral education teaching packages and website resources also face keen market competitions. For example, in terms of the allocation of resources, the ICAC website can hardly compete with commercial youth websites. The ICAC should, therefore, further define its market position and the weight of the resources to be allocated for this purpose.

14. ***Continuity of the Plans.*** The ICAC understands the importance of continuity in the anti-corruption education. Long-term plans for anti-corruption education are suggested in this document, which include the establishment of a membership system to provide a platform for all stakeholders to contribute towards the anti-corruption education. However, these plans require a large number of resources and manpower. The Commission will actively develop the cooperation with its strategic partners for the continuity of the plans.

Conclusion

15. This paper reviews the trends on the latest development of the Hong Kong society and youths, and proposes recommendations. Building on the existing foundation, the Commission will continue strengthening the collaboration with strategic partners in promoting probity education. We shall take into the views of members and proactively develop new initiatives with consideration of the resources.

Invitation for views

16. We invite views from Members on this paper.

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Community Relations Department
Independent Commission Against Corruption
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**Mainland Liaison Work of the
Independent Commission Against Corruption –
Review and The Way Forward**

Introduction

Back in the 1980's, the Independent Commission Against Corruption of Hong Kong (ICAC) commenced liaison and cooperation with the anti-corruption authorities in Mainland China. After the handover, there had been more interaction between Hong Kong and the Mainland. Since the reform and opening-up policy was adopted, the political, societal, economic, cultural and technological fields in the Mainland had undergone rapid development. Hence, we need to review ICAC's Mainland liaison work and, in response to the latest developments, make a study on our positioning and future strategy. This paper aims to make a preliminary study on the topic and seek Members' opinions.

Prerequisites

2. We need to look into two prerequisites in determining the direction of ICAC's Mainland liaison work. One is the latest development of anti-corruption work in Mainland China while the other the relationship between Hong Kong and the Mainland.

Latest Development of Anti-corruption Work in Mainland China

3. The booming economic development of China gives rise to more corruption problems. Hence, the Central Government has been revising its work direction, continually strengthening its anti-corruption work which is taken to higher levels. The significant measures implemented in recent years include :

- The “2008-2012 Work Plan for Establishing and Improving the System of Punishing and Preventing Corruption” promulgated in 2008 ;
- The establishment of the National Bureau of Corruption Prevention of China in 2007 ;
- The “United Nations Convention Against Corruption” enacted and implemented in the Mainland in 2006 ;
- “The Implementation Outline for Establishing and Improving a Corruption Punishment and Prevention System that Emphasizes Education, Institution and Supervision” introduced in 2005 ; and
- The policy of “combating corruption in an integrated way, addressing both its symptoms and root causes, and double-barrelled strategy of corruption punishment and prevention, with emphasis on the latter” introduced in 2004.

4. Before and after the Fourth Plenary Session of the 17th CPC Central Committee held in September this year, it was raised that anti-corruption work in the Mainland would have significant impact on the effectiveness of government governance; and corruption cases investigated had also involved officials of higher levels¹. Regarding specific policies, the implementation of the Officials Property Declaration System by the Central Government has been put on the agenda. Overall, anti-corruption work has become unprecedentedly important in the Mainland.

5. Regarding the anti-corruption strategies, the Central Government has shifted from the “vigorous combat” approach at the early stage to the “double-barrelled strategy of corruption punishment and prevention”. In

¹ Major corruption cases investigated in recent years involved officials of Ministries and Commissions under the State Council, local administrative heads, senior officials of the NPC, CPPCC and the Court System, senior executives of financial and state-owned enterprises, and even senior officials of the Discipline Inspection System, including CHEN Liangyu, a member of the Central Politburo, and HUANG Songyou, the Vice-President of the Supreme People’s Court, etc.

light of this, opportunities for exchanges between the ICAC and the Mainland authorities concerning corruption prevention and anti-corruption education are broadened.

Speedy Economic Integration

6. With the rapid economic development of China, there has been continual economic integration between Hong Kong and the Mainland²; at the same time, the number of Mainland Chinese enterprises which raise capital or set up branches in Hong Kong is also continuously increasing³.

7. The National Development and Reform Commission announced the “Outline of the Plan for the Reform and Development of the Pearl River Delta” (the Outline) in January 2009, foreseeing further economic integration between Hong Kong and the Pearl River Delta region. The Chief Executive in his policy address delivered in 2009 also suggested Hong Kong to make good use of the framework and platform provided by the Outline so as to develop the six industries which Hong Kong enjoys clear advantages⁴. As a matter of fact, in view of the inseparable advantages enjoyed by Hong Kong and the Mainland, the common achievements of the anti-graft work would also benefit citizens in both places as well as cross-boundary businessmen.

Present Positioning of ICAC’s Mainland Liaison Work

8. Established in 1996, ICAC’s Hong Kong Mainland Liaison Office (hereinafter referred to as “MLO”) under the Community Relations Department is responsible for coordinating non-investigative Mainland liaison work. Before the handover, MLO’s work generally was relatively

² According to the information from the Ministry of Commerce, the accumulated amount of investment by Hong Kong people in Mainland China was US\$380.3 billion which accounted for 41% of the total foreign investment.

³ According to the information from the Hong Kong Stock Exchange (HKEx), as at September 2009, 483 Mainland Chinese enterprises have been publicly listed in Hong Kong with a market value accounting for 56.7% of the total market capitalization of the HKEx.

⁴ The six industries which Hong Kong enjoys clear advantages are : education services, medical services, testing and certification, environmental industries, innovation and technology, cultural and creative industries.

passive in that the MLO only organized exchange programmes at the request of Mainland counterparts for the purpose of establishing good relationships. Exchanges concerning general information and anti-graft experience were confined to Guangdong Province and targeted at government organizations and senior officials in the Mainland. The liaison work involved mutual visits between senior officials, staff training, seminars, joint production of anti-corruption publications and so on.

Changes under New Developments

9. In view of the development of anti-graft work in Mainland China in recent years as well as the economic integration between Hong Kong and the Mainland, anti-corruption exchanges on both sides have been undergoing changes in terms of “quantity” and “quality”:

- (1) Increased demand: The overall number of Mainland counterparts attending training seminars in Hong Kong and ICAC’s courses organized upon invitation from the Mainland have been increasing⁵;
- (2) Expansion of areas: ICAC mainly liaised with coastal regions which are more advanced in economic development like Guangdong, Shanghai and Beijing, etc. in the early stage. With further economic development in the Mainland, some inland provinces also requested to have exchanges of experience with the ICAC⁶;
- (3) More diversified target groups: Mainly government officials and state-owned enterprises’ management staff were reached at the early stage; but now it has been extended to management

⁵ Around 3,000 mainlanders visited the ICAC in 1996, gradually growing to the largest number of 8,800 visitors in 2002. Later, due to limited resources, the number of visitors is roughly between 6,000 and 7,000 every year.

⁶ For example, Hunan, Yunnan, Sichuan, Chongqing, etc.

staff in education services, medical services and financial sectors as well as private enterprises; and

- (4) More in-depth contents: There have been more in-depth exchanges in recent years. Apart from general experience sharing, there are also some specific topics like anti-corruption measures in relation to construction projects, corporate governance in the financial field and civil service integrity, etc.

10. In 2007, the Ministry of Supervision of China agreed to organize the first joint corruption prevention seminar⁷ for Mainland, Hong Kong and Macao anti-graft officers. The seminar, which has become a regular exchange programme, marked a new milestone for anti-graft exchanges between Hong Kong and Mainland China.

New Position of Mainland Liaison Work

11. Based on the co-operation and exchanges achieved between Hong Kong and the Mainland on anti-corruption and under the new trends in anti-corruption work of the Mainland, the natural way forward is “diversified development of anti-corruption work at multi levels”. Within the framework of “One Country, Two Systems”, the new position of liaison work with the Mainland in enhancing anti-corruption work should cover the following areas:

- (1) To actively share with the Mainland Hong Kong’s experience in anti-corruption work, especially in the areas of corruption prevention and education on probity and integrity;

⁷ The joint seminar between Hong Kong, Macao and the Mainland was first held in Shenzhen in 2008 with Hong Kong and Macao taking turns to organize the seminar later.

- (2) In the course of liaison and exchange, special reference should be made to important factors leading to Hong Kong's success in anti-corruption work and some of the concepts⁸ involved; and
- (3) In the long run, through liaison and exchange on anti-corruption work, to promote and assist in the integration of economic activities in the entire Greater China.

New Strategies under the New Position

12. We recommend that the new strategies in liaison with the Mainland can be broadly divided into three directions:

- (1) Based on existing efforts, to deepen and broaden the co-operation and exchanges with anti-corruption agencies and related anti-corruption studies units in the Mainland;
- (2) To strengthen and develop co-operation in corruption prevention education⁹; and
- (3) To strengthen and develop co-operation with the media in the Mainland¹⁰ to promote integrity.

⁸ Some examples of the concepts of ICAC's work are: the offering and accepting of bribes are equally serious and punishable, corruption in both the public and private sectors warrant equal attention, independent operation, system of confidentiality, false accusation will be severely dealt with, change of social culture, the building of trust and honesty, etc.

⁹ The ICAC, the Guangdong Provincial People's Procuratorate and the CCAC of Macau have co-organized the "Cross Boundary Anti-Corruption TV Commercial Competition in Guangdong, HK & Macau". The participants included senior secondary and tertiary students from Guangdong and Macau.

¹⁰ The China Central Television (CCTV) will broadcast the "ICAC Investigators" drama series next year to introduce anti-corruption work in Hong Kong to Mainland viewers.

13. In respect of deepening and broadening exchanges, apart from consolidating co-operation with Ministries and Commissions of the Central Government, such as the Ministry of Supervision, the Supreme People's Procuratorate and various provinces/cities, the sharing of professional experience with staff members of these departments will be deepened at the same time; the requests for exchanges regarding anti-corruption work will be actively responded to. Some new joint ventures can also be conducted on a trial basis at cities/places that are geographically, culturally, socially and linguistically close to Hong Kong, such as Guangdong and Shenzhen, before making these joint ventures standardized.

14. As for corruption prevention education, riding on the cross boundary anti-corruption TV commercial competition being organized, other related activities such as essay writing, cartoon drawing and slogan competitions, etc. can also be held. The ICAC should actively seek co-operation with the Ministry of Education, and education bureaux at provincial levels to provide existing teaching materials of the ICAC to schools and colleges in the Mainland, and at an appropriate time, consideration can be given to the joint production of teaching materials.

15. Regarding co-operation with the media, the ICAC should enhance co-operation with television stations in the Mainland to explore the possibilities of joint production of television broadcasting programmes. Moreover, the influence of the internet cannot be overlooked. Internet users in the Mainland are in huge numbers. We will review the existing websites for youths and moral education and provide relevant anti-corruption messages to internet users in the Mainland. On the other hand, the ICAC can strengthen its ties with the news media in the Mainland and actively release anti-corruption information and at the same time negotiate with relevant organizations in the Mainland to produce promotional programmes to introduce ICAC's experience in the fight against corruption.

16. Another service target of the ICAC are the cross-boundary businessmen. In this respect, we will actively explore their demands through the trade associations and the Hong Kong Economic and Trade Offices in the Mainland and respond positively to their requests for our officers to conduct talks for them in the Mainland. We will also examine the possibilities of inviting officials of Mainland anti-corruption agencies to be speakers. It is hoped that our service targets will be gradually extended to investors and businessmen in Greater China.

Internal Adjustments

17. China is a vast country with huge population. The Central Government is very much concerned about the development of anti-corruption work. Government officials, general public and students alike are all aware of the importance of anti-corruption work. The ICAC of Hong Kong, as the anti-corruption agency in the country's Special Administrative Region, is obliged to share Hong Kong's experience in anti-corruption work with the Mainland. However, in view of the massive demands in terms of quantity and quality, it is necessary for the ICAC to make some internal adjustments as follows:

- (1) Strengthening of research capacity: To summarize Hong Kong's experience in anti-corruption work through research, including history of anti-corruption work, development of the crime, corruption prevention measures in various trades and professions, the relationship between the civil service and corruption prevention work, checks and balances etc., and to deepen exchanges with the Mainland;
- (2) Preparation of ICAC officers: ICAC officers should be actively prepared by receiving training in national affairs and professional skills, like Putonghua, etc., and should acquire more experience in exchanges with the Mainland; and

- (3) Internal deployment: To examine existing resources of manpower and arrange internal deployment to handle the main tasks of the ICAC and at the same time make reasonable adjustment to deal with the ever increasing demands of the Mainland.

Conclusion

18. The Mainland is under rapid development, of which its force not only provides a strong backup to maintaining the prosperity of Hong Kong but its economic achievements can also influence the entire world. One key element in the course of the country's development is a corruption-free government. Hong Kong can certainly play an active role in Mainland's efforts in building a corruption-free government.

19. Members are welcome to express their views on the subject of this paper.

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