

Politicians who represent business interests at the expense of the people risk becoming obsolete, writes Michael Tien

Investment choices

In the larger scheme of things, my leaving the Liberal Party is little more than a teacup. But this unseemly and reluctant public display of party disunity brings out a bigger issue: how can any political party with a narrow base of functional constituencies still remain politically relevant to the man in the street?

As Hong Kong guides the gradual democratisation of functional constituencies, the mood of the public has changed. It is much less tolerant of a lopsided defence of pure business interests. This mood change has also been intensified by perceptions of unfair practices by big business. It is not so much feelings of "hate the rich" as "hate the unfair". This growing undercurrent of anti-business sentiment is made worse by the widening gap between the haves and have-nots. Hong Kong's Gini coefficient, which measures income inequality, is one of the highest among modern societies.

Even women from developing countries who work as maids here have realistic dreams of owning their own home and business when they return to their native

land, riding on the disparities of income, currency values and cost of living between their place of origin and place of temporary employment. The working poor in Hong Kong, by contrast, are condemned to an eternity of poverty.

I will never forget a conversation I had with a voter during the 2008 Legislative Council election. She told me that she and her husband toiled for 11 hours a day, six days a week, earning a combined income of HK\$14,000. Rent ate up HK\$7,000. There was hardly enough left for basic necessities, never mind money to give their children a good education. They had become stuck on the never-ending treadmill of the daily grind. It is a life of despair, helplessness and guilt as parents.

I asked her why they didn't just walk away from their menial jobs and get themselves on welfare rolls and thereby qualify for public housing. She replied emphatically: "I believe in self-reliance." Government handouts and dependency

on charity do not, therefore, offer a root-and-branch solution to chronic poverty. The HK\$10 billion fund for the poor will work only if it helps them to help themselves, for the vast majority of the working poor are fiercely independent people.

Hong Kong went through long periods of general poverty in the 1950s, 60s and even the 70s. But the difference between now and those simpler days is that there was always hope of better days if one worked hard and thought smart. Those days now seem to be gone forever. The cost of doing business is simply too high, particularly for small-scale start-ups, due to the high rents. I know only too well, for example, the greedy demands of landlords who want the highest return for their properties.

Despite all the bright people in government, not a dent has been made in our fight against chronic impoverishment. This is, I believe, because the administration has failed to broaden our economic base; we are still overly dependent on finance and property. Both sectors, though generating high-paying jobs, are not generating enough of them. It is a telling indictment of government inaction and inability to diversify our economy when university graduates this year are earning on average slightly less than graduates 10 years ago. There are simply not enough alternative industries creating high-value-added jobs for young people.

The second contributing factor to endemic poverty is the fact that not enough employers empathise with their employees. While maximising their profits within the limits of the law, many are unwilling to do anything that is above and beyond the legal requirement, despite reaping huge profits.

I believe equitable treatment by employers is another key solution to the problem of the working poor. I am not advocating socialism. I am merely advocating reasonable hours and fair pay for honest work. The outpouring of public anger in the Cafe de Coral saga is emblematic of the shortcomings of big business that cares only about its immediate bottom line.

The art of politics is compromise. The Cafe de Coral incident was what triggered my split from the Liberal Party. When the dispute was splashed across newspapers, one of the party's functional constituency legislators automatically chose to take the side of the proprietor, calling his action "understandable" and "inevitable".

The sorry alienating the public. The party's former chairman took the wiser course of behind-the-scenes quiet diplomacy to get the company to reverse course, thereby averting an explosive crisis.



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It goes to show that functional constituency politics need not be ugly or unseemly in the public's eyes, if it can strike a balance between sectoral interests and the larger interests of the community. With more than a million Hongkongers subsisting below the poverty line, the party that exists only to advance the interests of a smaller circle of blessed business owners is destined to become electorally challenged.

If you stray far from the people, you will be disowned by the people. It is the physics of politics. It is also the mathematics of politics. The trick is to be business-biased while being people-based.

Washington to lead a US strike force into war games with South Korea ships in the Yellow Sea. That was a significant move, symbolically and practically.

Voices: Hong Kong

Now it's up to RTHK to fulfil its public service duty

Albert Cheng
The government has ended years of uncertainty over RTHK's future by pledging more money and resources to expand its services. Now, the company's senior management and staff must live up to their end of the bargain to make sure RTHK is run like a genuine public broadcaster.

In fact, the government's pledge has gone beyond many employees' expectations as they had assumed funding would never be granted to build new headquarters. On top of that, it has also resumed the hiring of civil servants to fill 80 posts, allowing many long-time contract staff to become civil servants through internal promotion. Promoting job stability will certainly boost staff morale.

The government's support will increase overall resources to enhance manpower, quality of services and facilities. The government has allocated a 30,000 square metre site in Tsung Kwan O to build a new Broadcasting House - the size of which is double that of the original proposed site.

The necessary equipment and conducting technical trials in the next few years.

The investment will benefit RTHK's development and help it become a true public broadcaster

Voices: North Korea

Seoul must know when to draw the line

Donald Kirk
The US and South Korea face an imminent problem to which they do not seem to have found an answer: at what point do they escalate from rhetoric and war games to serious reprisals? No one doubts South Korea has to take overdue defensive measures. The hard part, though, is knowing when, for instance, to send South Korean fighter planes against targets in the North.

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Voices: Emerging economies

Look beyond growth for true prosperity

Ashley Lenihan
Frustrated by stagnant economic growth in established economies like the US and Europe, investors are set to bet record amounts of money this year on emerging markets.

Russia's tendency to impinge on its citizens' political freedoms is well known. Corruption is also rife in the country, and getting worse according to Transparency International. The country's economic growth may be fairly strong, but in terms of overall prosperity, Russia ranks a below-average 63rd.

India's level of prosperity has declined more than any of the other BRICs in the last year. Measures of social capital have suffered since the 2008 Mumbai terrorist attacks, as Indians have exhibited less tolerance of immigrants.

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China's albatross

Since the 1950s, when Chinese and North Korean troops fought side by side against South Korea, American and other forces fighting under the UN flag, Beijing has described the bilateral relationship as being "as close as lips and teeth". This expression stems from events some 2,600 years ago, before the first emperor unified China, when the state of Yu was asked by the state of Jin to co-operate in an attack on the state of Guo.

One Yu minister warned: "Yu and Guo are like teeth and lips; when the lips are gone, the teeth will be cold. When Guo is annihilated, Yu will be the next victim." Sure enough, after Jin vanquished Guo, Yu was conquered too.

China has for decades seen North Korea as its lips, providing a buffer against the anti-communist government in Seoul and its ally, the United States. But while this may have been valid in the past, it is certainly not the case today. In the case of North Korea, China seems to be caught in a time warp.

South Korea is no longer an enemy; China is now South Korea's most important trading partner. From an economic standpoint, South Korea is far more important to China than North Korea. And North Korea, instead of providing protection for China through its provocative actions - such as the testing of nuclear weapons and missiles and, most recently, the shelling of a South Korean island - is proving to be a liability.

The publication of leaked diplomatic cables by WikiLeaks provides a little more texture. They tell us that some Chinese officials have serious misgivings about North Korea. But it is going too far to say that Beijing is willing to accept a unified Korean Peninsula under Seoul's control.

In fact, all indications are that China continues to support North Korea. It has not reprimanded North Korea for the latest attack but instead urged both Koreas to exercise restraint.

The WikiLeaks disclosures are likely to embarrass Beijing, as they do the US.

Another consequence is that North Korean leaders are likely to be even more suspicious of China's motives in the future and be even more demanding of proof that there is no change in Chinese policy.

As a result, in the short term, China may be even more deferential to North Korea, as it was when it sent its entire top leadership to Changchun (长春) to greet Kim Jong-il in August.

Chinese officials realise Pyongyang's paranoia and have declined to take any action that might indicate anything less than total dedication to the perpetuation of the Kim dynasty in North Korea. Thus, they have brushed aside American suggestions of discussions of possible contingency plans to handle a collapse of the North Korean regime.

One WikiLeaks cable reported that President Hu Jintao (胡锦涛) was asked point-blank by South Korean President Lee Myung-bak in January 2009 "what China thought about the North Korean domestic political situation and whether Beijing had any contingency plans". The Chinese leader ducked the issue by pretending not to hear the question.

The six-party talks were a definite plus for China, providing a platform for showing off its diplomatic prowess and substantially improving its relationship with the United States.

But now that North Korea has succeeded in developing nuclear weapons, China can no longer simply call for a resumption of the aborted talks as though it is somehow an uninvolved party. By supporting North Korea, China has disqualified itself as an impartial party.

It must realise that its behaviour has consequences, manifest now in the deteriorating political alliance in northeast Asia, where South Korea and Japan are tightening their relations with the United States. This is certainly not in China's interests.

North Korea's actions have put it beyond the pale. Beijing must realise that North Korea is now an albatross around its neck and will drag it down unless China acts in its own long-term interests.

Frank Ching is a Hong Kong-based writer and commentator

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