

Hong Kong's Irrational Election Process

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Chinese-style democracy at work

On July 1 next year, Hong Kong's third chief executive since the handover in 1997 will take office. Beijing has decreed that it could be the bland Henry Tang or the earnest CY Leung. No other candidates need apply.

The right to choose Hong Kong's next leader is confined to a 1,200-member college of electors which will be in place by December. They represent 0.01 percent of the population. Each 'constituency' is assigned a fixed number of block votes. Any candidate wishing to be considered must collect a minimum of 100 nominations.

It is a rubber-stamp assembly to legitimize Beijing's nominee, very much in the mould of politics on the mainland. The 1,200 electors strain keenly for smoke signals from Beijing on whom to vote for. They would rather not back the wrong horse.

Some members of the pro-democracy camp supported this 'reform' on the understanding that it will be totally abolished by 2017 in favor of universal suffrage. No one is sure if the Election Committee will be disbanded next round as there are mixed signals from the administration and silence from Beijing. Beijing has been at pains even before 1997 to assure Hong Kong's businessmen that no change will be made to its pro-business policies.

The 1,200 member election committee aggregates chambers of commerce, New Territories villagers, professional bodies, pro-Beijing organizations (NPC deputies, CPPCC members) and other narrow-interest groups. Many are known in Hong Kong as 'rotten boroughs' created for the purpose of stacking the deck. They have limited self-interest agendas and are easily shown whom to vote for.

The approval of two candidates by Beijing is a new one. Beijing may eventually wish to harness both in some form, while it gauges both the small-circle and public support for the candidates.

Citizens locked out

Hong Kong's 7 million residents are out of the loop. They have to watch in bewilderment as this 'Theater of the Absurd'

plays out over the next nine months. But in a free election, it is unlikely that either of Beijing's picks would have a chance.

The term of the first chief executive, the hapless Tung Chee-hwa, was curtailed for failing to push through the infamous Article 23 Security Bill. Some 500-700,000 Hong Kong residents poured out on July 1, 2003 to march peacefully against the bill. Tung was shell-shocked and his masters in Beijing even more so.

Hong Kong citizens face unaffordable housing, rising inflation, confusion about Cantonese versus English-medium schooling, a depreciating currency that is pegged to the US dollar and policy-paralysis in government. They despair over the administration's seeming unwillingness to use its massive foreign reserves and healthy fiscal surplus to address systemic, long-term social problems.

Instead the administration is pushing to spend billions on a joint bridge infrastructure project with Guangdong and to add a third runway to Hong Kong International Airport, amidst expert misgivings about the need for or commercial viability of these schemes. This lopsided prioritization reinforces the long-held suspicion of collusion between property developers and bureaucrats, to the detriment of ordinary people.

Hong Kong is a city suffering from prolonged absence of political leadership and a coherent program. People are weary, impatient and losing faith fast.

Henry Tang waits to be appointed

Henry Tang Ying-yen is a classic silver-spoon scion. His father, Tang Hsiang Chien, escaped to Hong Kong from China in 1950 in the aftermath of the 1949 Communist victory and made his fortune as a textile trader.

HC Tang was subsequently nominated to the standing committee of the Chinese People's Political Consultative Conference, the advisory body to the nation's legislature, the National People's Congress. Henry's 'red' family credentials are thus well established.

The Beijing leadership has been grooming Henry steadily through the senior ranks for 10 years. He was initiated into the Tung Chee-hwa administration in July 2002 as Secretary for Commerce, Industry & Technology, then replaced Antony Leung as Finance Secretary in August 2003 when Leung had to resign for purchasing a Mercedes-Benz days before he himself announced a tax increase on cars. Henry moved into the chief secretary's position in 2007.

Henry is best known for his impressive cellar of premium Bordeaux and Burgundy wines. His outstanding contribution as financial secretary was to remove the tax on wine. That won him the gratitude of wine consumers, merchants and importers. The 2008 abolition catapulted Hong Kong beyond London and New York to become the premier wine auction capital of the world. In 2007 the value of wine imported into Hong Kong was US\$185 million. In 2010 wine imports soared to US\$858 million - much of that destined for the mainland. As with art auctions, it is the gush of mainland cash driving the wine auction market. Cynics label this as money laundering with prestige attached.

Given his privileged upbringing, love of fine wine and the lifestyle it connotes, Henry is an affable sort who never needed to cloak-and-dagger his way to the top. He treats his associates and subordinates with courtesy and has an easy, relaxed style. The civil service is very comfortable with him. He is very much hands-off and lets the bureaucrats get on with their duties.

Awkward in public and unable to coherently address unscripted Q&A, Henry comes across as not having his fingers on the pulse of the society he may be called to lead. Business tycoons are most comfortable with him.

CY Leung wants the job, has an agenda

The civil service is wary and nervous of Leung Chun-ying. He is the kind of driven boss they dread. Life would not be comfortable for clock-watchers and time-servers under a CY Leung regime.

Leung is the son of a policeman. He obtained a diploma in surveying at Hong Kong Polytechnic, then went on to Bristol Poly to complete a BA in Real Estate Management. When he returned, he joined Jones Lang Wootton (Now Jones Lang LaSalle) in 1977. Within five years Leung was chairman of its Hong Kong branch, reportedly earning HK\$10 million annually. He was admired in local circles as the "Emperor of the Working Class".

He was a former chairman of the local branch of the Royal Institution of Chartered Surveyors and president of the HK Institute of Surveyors. He has chaired the councils of Lingnan and City Universities. He served as advisor on land reform to Shenzhen, Tianjin and Shanghai municipalities. He is international economic advisor for Hebei province.

Leung's credentials as a competent real estate strategist, leader and organizer, propelled him into the sights of the Communist Party looking for talent in Hong Kong. He was the 'Convenor' of the Unofficial members of the Executive Council (the cabinet) till he resigned in September to stand for chief executive. Donald Tsang has retained him to help shape his final Policy Address.

CY is best remembered for supporting CH Tung in his 1997 plan to build 85,000 new flats to increase affordable housing stock so that at least 70 percent of Hong Kong residents would be able to afford homes over 10 years. The Home Ownership Scheme (HOS) planned to sell public housing to means-qualified residents at 30-40 percent below market prices.

In 2003 the HOS scheme was mothballed. Private developers are not supportive of an increased stock of public housing. They are not interested in 70 percent of the population (nearly 5 million) having access to flats below market prices.

Two candidates. One almost disinterested.

CY Leung is actively meeting community groups across Hong Kong. He seems to have an appreciation for the plight of the under-class and the widening rich-poor gap. Ordinary people can relate to him. He reaches out. He listens. He takes notes.

Henry is taking the position of an heir waiting to be crowned. He is not going down to interact with society, declare his agenda, solicit support or do any more than wait to be confirmed by Beijing. Leung is the outsider who must generate a wave of popular hope. He badly wants to become the next CE and claims to have an agenda to get HK moving again.

Given the last 15 years of coasting, Hong Kong needs bold measures to re-ignite its dynamism. It must deploy its wealth sensibly to make life bearable for the poor and sandwich classes.

Between the two candidates, CY Leung deserves to be given a chance to show what he can do for Hong Kong. However, given Beijing's ear for the business lobby and paranoid fear of 'instability', it may opt for the status-quo. The minders are sure of Henry. They are not too sure of CY. He thinks too deeply and hath a mean and hungry look.