

Basic respect

Paul Yip says Hong Kong's efforts to reduce poverty must be built on a social contract that supports paying workers a decent wage, even if it chooses not to go the way of a welfare state

The Hong Kong government has made it a priority to reduce poverty. This is good news. It is, of course, the duty of any responsible government to alleviate poverty in the community. However, it is also important to realise that a certain proportion of the population will always be below a relative poverty line (in Hong Kong's case, 50 per cent of the median household income).

The suggestion to reduce the figure to a single-digit percentage is nearly impossible, given that it is simply a statistical distribution of income in the community. The proportion of Hong Kong's population below the poverty line has been around 15-20 per cent in the past two decades. The latest figure is 19.6 per cent.

As the chief secretary rightly pointed out, the real test lies in devising effective poverty alleviation measures. Our real challenge is to help the less fortunate to improve themselves.

A recent visit to Oslo, Norway's capital, provided some interesting comparisons.

Socially responsible companies and a hard-working, intelligent labour force are crucial

There, a hamburger costs the equivalent of about HK\$60, or three times as much as in Hong Kong. On the other hand, Norway's median household income is also about three times higher than it is here. A bus driver earns as much as a teacher or a lecturer in an academic institution. The top 10 per cent of income-earners make three to four times as much as the lowest 10 per cent. In Hong Kong, the top 10 per cent earn more than 10 times as much as those in the bottom 10 per cent.

There is no statutory minimum wage in Norway but most people, if not all, earn enough to pay tax; tax revenue is over 40 per cent of gross domestic product. Workers in McDonald's earn the equivalent of about HK\$160 an hour. The Norwegian community believes that people who sell burgers deserve a decent salary. People accept the high cost of living, and are prepared to pay to reduce social inequality. Of course, average home prices are only about half of those in Hong Kong.

Visitors to Norway are concerned

about the high costs, but it doesn't stop them visiting, to experience the beautiful scenery, blue skies, clean air and rich culture.

My Norwegian counterpart, Professor Lars Mehlum, of the University of Oslo, says a consensus has been built on the view that a better society can be created if everyone earns a decent salary and everyone pays tax. There is no free lunch, and people are willing to pay, through taxes, for a society with less poverty and inequality; a place where everyone gets a share of the lunch they pay for – both the affluent and the less well off.

He believes a more harmonious and happier society can be created by narrowing the income gap. The Norwegian government provides generous family-based benefits, including maternity leave and free education up to university level for all. But, again, everyone is contributing to the situation; there is community consensus to support the necessary measures.

There are potential pitfalls, however. High wages can, for example, lead to more work being outsourced to countries with cheaper labour.

Hong Kong's situation is somewhat different; everyone thinks they are owed something, whether they are rich or poor. This is a self-centered society, without much community spirit. The rich complain of an overreliance on welfare that leads to a deterioration of the business environment; the poor remain in poverty, with little chance of climbing the ladder.

The working poor have been deprived of a salary that would allow them to maintain a decent living. The relatively low salaries also provide little incentive to work instead of relying on government assistance. At the same time, over 50 per cent of those who work do not earn enough to pay tax. Many actually work hard, for long hours, but their efforts are not rewarded with a reasonable salary.

Many people laud Hong Kong's free market. Yet, it's worth reviewing workers' salaries, especially the wages of manual and semi-skilled labourers. This will require massive social engineering and a change of mindset in the community. Are we content to live in a society with a million low-income earners, where the middle class is shrinking, and a few tycoons have amassed huge wealth? Would our community be happier and healthier if the income level of those at the lower end was improved?

Certainly, we can understand business concerns that high labour costs would make Hong Kong less competitive. However, that shouldn't stop successful firms contributing 1 or 2 percentage points of



their annual profits to employees. This would have a limited impact on shareholders and their own riches. And I'm sure there would be lots of happier faces.

Furthermore, the government and non-governmental organisations should provide additional security for the community, especially young people, by creating more long-term, permanent positions. The government's use of subcontractors is one factor creating the working poor in our community. On the surface, officials may save some money, but what about the social costs?

Reducing poverty requires a collective community effort. Yes, we need good government policies. But socially responsible companies and a hard-working, intelli-

gent labour force are crucial components as well.

We don't have to follow the example of the welfare states of Western Europe. However, the basics of respecting workers, paying them a decent salary and being committed to building a harmonious society should not be any different. We might take a different route, but we should be aiming to achieve the same thing.

There's a good reason why the Nobel Prize award ceremonies are held in Oslo: Norwegians have made a commitment to world peace and reducing inequality in the community – they work and pay for it.

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Nobel nerves

Frank Ching says this week's Peace Prize and Sakharov awards have got the US fearing the sort of embarrassment China used to dread



This year's Nobel Peace Prize winner will be announced on Friday. Interest has been fuelled by the nomination of Russian President Vladimir Putin for his proposal to dismantle Syria's chemical weapons stockpile, forestalling a missile strike threatened by US President Barack Obama.

Nomination, of course, isn't winning. This year there are more than 250 nominees – the most ever – including 50 organisations. Nominees include Malala Yousafzai, a Pakistani teenager who survived being shot by Taliban gunmen for her support of girls' education; and Chelsea Manning (previously Bradley Manning), a former army private who was sentenced in August to 35 years in prison for sending hundreds of thousands of classified US files to WikiLeaks.

A win for Putin would be embarrassing for the US, especially Obama, who won the Peace Prize in 2009. But it would be much more embarrassing for the US if the prize went to Manning, who announced his desire to live as a woman the day after his sentencing.

Another major international award announced this week is the Sakharov Prize for Freedom of Thought, awarded annually by the European Parliament. Previous recipients include Aung San Suu Kyi of Myanmar and Nelson Mandela of South Africa. The prize has never gone to an American.

The outcome of this award may be even worse than the Nobel for the US: among those shortlisted is Edward Snowden, the former National Security Agency contractor whose extradition from Russia is being sought by the Obama administration.

While condemned as a traitor by some, Snowden is hailed as a patriot by others. The European Parliament nominated Snowden for its prize after holding hearings at which a letter purportedly from the fugitive was read out. It said that, "the surveillance of whole populations, rather than individuals, threatens to be the greatest human rights challenge of our time".

A former NSA senior executive, Thomas Drake, himself a whistleblower, testified that the agency is, "not just eavesdropping on all Americans and building the architecture for a police state in the US; it has created the largest set of mass surveillance programmes in the history of the world".

Snowden's chances of winning are good but the competition is stiff. Also shortlisted are Malala and a group of three Belarusian political prisoners. If Snowden gets the prize, it probably won't end Washington's attempt to put him behind bars for the rest of his life. But it will suggest that he has the moral high ground vis-à-vis the American government.

So, two individuals seen as traitors by the US are being considered for prestigious ideological awards.

Gone, it seems, are the days when China lobbied every year to ensure that the Nobel Peace Prize and the Sakharov Prize did not go to Chinese dissidents. Eventually, the Sakharov Prize went to Hu Jia (胡佳), an imprisoned dissident, in 2008, and the Peace Prize went to another imprisoned Chinese dissident, Liu Xiaobo (劉曉波), in 2010.

Now, it appears, it is the United States' turn to worry, and, perhaps, be embarrassed.

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Fear the rule of a political party that speaks only for narrow interests

Paul Letters says whether here or in America, democracy can easily be hijacked to serve the few

The US shutdown is an embarrassment both for America and for democracy – and their leaders are admitting as much. This comes at a time when democracy is being dangled in front of, and debated within, a growing number of nations from the Arab world, and here in Hong Kong. Forced to stand in for President Barack Obama at this week's Apec meeting in Bali, Secretary of State John Kerry said that "those standing in the way [of a resolution] need to think long and hard about the message that we send to the world when we can't get our own act together."

The US political system is as unusual and idiosyncratic as any version of a more democratic Hong Kong would inevitably be, but they share similarities.

Replace "Congress" with "Beijing" and we may approximate the limits on executive power in any possible "democratic" Hong Kong. Ah, you may say, but the US Congress has a mandate to that power through fair and democratic elections. Well, sometimes. But, just as Al Gore did against George Bush in the 2000 presidential battle, the Democratic Party won the popular vote (by 1.4 million) for the current House of Representatives. However, as Ari Berman detailed in this week's *The Nation*, 2010's painstaking redrawing of constituency boundaries – where the Grand Old Party controlled the process in 20 states due for redistricting, compared to the Democrats in seven – enabled the Republicans

to cling on to their majority. It's not hard to imagine such shenanigans in Hong Kong.

And both the US and Hong Kong like a filibuster. "Long Hair" Leung Kwok-hung, of the League of Social Democrats, is a leading proponent in the Legislative Council, and Republican Senator Ted Cruz succeeded in raising his profile when he filibustered against Obamacare.

Checks and balances are vital to democracy, but Washington's seesaw is balanced to the point

In both democratic US and non-democratic Hong Kong, money talks

where the president and Congress rarely have their feet on the ground. The system allows the party in opposition to the executive not just to check the power of the president, but to stifle it.

In both democratic US and non-democratic Hong Kong, money talks – and it's hard to see that ever changing in either. Close to one fifth of our population live in poverty, as is the case in the US. Yet American democracy wastes millions of dollars simply on political campaigning: a cap on donations, spending and

television airtime would curtail both the profligacy and the prime-time histrionics. Even more worrying is how one or two rich individuals can engineer a hiatus in governing. As *The New York Times* reported, billionaire Koch brothers, Charles and David, have "invested" hundreds of millions of US dollars to finance the "tea party" movement and, since it was passed into law in 2010, orchestrate a campaign to destroy Obama's flagship domestic legislation, the Affordable Care Act. It is hard to imagine Hong Kong business leaders failing to prevent – more likely than repeal – legislation they oppose.

Whither democracy? A year ago, America was in the throes of a presidential election campaign where a recession-weary electorate got to choose between a disappointing president and a disengaged challenger; Mitt Romney's efforts to entice floating voters floundered, and the Republican Party was exposed as unconcerned with swathes of voter groupings. That should have become the turning point that shunted the Republican Party to the left, to compete in the middle ground. Yet, today, they continue to attempt to turn back demographic time to when their mainstay voters – male, heterosexual, white and not so young – were sufficiently prevalent to give them victory.

Before the cold war ended (and never since), the Republican Party often gained a majority of women's votes, while "gay" was politically ignored for

any meaning other than "happy". Pre-Obamamania, the youth vote was all-too untapped and ethnic minorities – today a burgeoning force – did not decide the presidency.

Although America did get its first racial minority president in 2008, the "world's leading democracy" will project a prejudice too many countries share until their first woman is appointed president. Perhaps 2016 will be the breakthrough year? If not, perhaps Hong Kong will beat the US to it, with a less democratically selected Regina Ip Lau Suk-ye?

All groups within the American electorate deserve a genuine choice – as they do elsewhere. Can you foresee a democratic Hong Kong – let alone a democratic Syria, Egypt or Iraq – developing political parties for all? Perhaps the best we may hope for would be a version of today's US Republican Party, catering for selected tranches of society.

The GOP, corralled by the tea party faction that led the charge to shut down the federal government, will need to broaden its horizons to make itself relevant to all groups – and to prevent the dimming of American democracy as a beacon to the world.

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Energy security must benefit both people and the planet

Noeleen Heyzer says Asia can't sacrifice sustainability for equitable access

The world is at a critical juncture. Energy consumption is rising dramatically; total primary energy demand in the Asia-Pacific region alone is expected to nearly double between 2010 and 2030.

How will the region meet this demand? How will we grow in a sustainable way? How can universal energy access be achieved? These are some of the key questions being addressed at the World Energy Congress in Daegu, South Korea, this month.

The world today faces two main energy challenges: providing enough light, warmth and power for every household, while shifting to cleaner energy sources.

Ensuring sustainable energy for all is additionally challenging in Asia and the Pacific – there are still 628 million people in the region without access to electricity, and 1.8 billion still use traditional fuels such as wood, charcoal, agricultural residues and animal waste.

Widespread energy poverty condemns billions to darkness, ill-health and missed opportunities. We must end this inequality, but we need to do so in a way that is smart and sustainable, utilising natural resources, while preserving the integrity of the ecosystems on which we depend.

The Asia-Pacific region also has some of the highest levels of carbon intensity. Our primary energy intensity is among the highest in the world, despite significant reductions in recent decades. This limits national and regional competitiveness –

jeopardising employment opportunities and income levels.

The region has some of the largest exporters and importers of fossil fuels, as well as the highest rates of fossil fuel subsidies. The increasing dependency on fossil fuel imports exposes our region to the risks of oil price volatility, and the impacts of climate change.

Rebalancing our energy mix is therefore critical. The countries of our region have one of the fastest growing rates of

The lesson is that co-operation works best when it is based on such a common vision

investment in renewable energy, taking advantage of our ample supplies of solar, hydro, wind, biomass, geothermal and ocean energies. Still, the current energy mix remains mostly fossil fuel-based, especially coal, with renewable resources accounting for only 16 per cent of total electricity production.

A comprehensive, long-term understanding of "enhanced energy security" is evolving in the region. This concept moves beyond calculations of supply and demand alone, towards a consideration of multiple aspects, including access,

efficiency, renewables, economics, trade and investment, and connectivity.

As early as 2008, member states of the UN Economic and Social Commission for Asia and the Pacific (Escap) were developing a regional framework to address these challenges. In a lecture last year in Singapore, I proposed that the region should explore the creation of a game-changing Asian Energy Highway – an integrated regional "smart grid".

These discussions culminated in May. Supported by the Russian Federation, 34 countries met in Vladivostok and adopted a groundbreaking framework that included a five-year plan of action on regional co-operation for enhanced energy security and the sustainable use of energy.

One key area is to develop common infrastructure, and to promote energy policies which accelerate regional economic integration. Energy connectivity is not new to the region; the Asean Power Grid, for example, is one several subregional initiatives that could be linked and expanded under a common vision.

The lesson of this and other initiatives is that co-operation works best when it is based on such a common vision. Our region is committed to shaping the regional energy future we want: one of equity, efficiency and resilience, to benefit our people and our planet.

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