

INSIGHT

The only way is up

Edward Tse and Sunny Cheng say that, after years of inaction, Hong Kong must create new jobs for young people to give them the skills they need to become our future business leaders

The underlying assumption for social mobility to exist is that there is room above, so that younger workers can indeed move up. But, in a stagnant economy, where there is no room above, the only way to break the social mobility deadlock is to create new industries, and thus new jobs and mobility.

In the United States today, employment growth is mainly driven by the technology sector. For cities with little hi-tech industry, people simply move to seek work elsewhere. In Spain, Portugal and Greece, where youth employment is a problem, we are seeing more frustration and unrest. In Glasgow, where youth unemployment is among the highest in Scotland, the city voted for independence in the Scottish referendum. The young are saying: if there is no future for us, then we want change.

Each year, Hong Kong has about 70,000 school-leavers. They become qualified to vote at the same time. We must create new jobs for them – not low-wage opportunities but those where they can develop their skills and become future business leaders in another 10 to 15 years.

Since the handover, Hong Kong's government has failed to seriously address this issue. The strategy so far has been to

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continue on the same track: favouring incumbent big businesses; encouraging mainland tourism; propping up the property market and fortifying our place as a financial centre. Yet jobs in tourism and retail are often low paying, without real upward mobility. In property, the money goes to the developers, who share little of the wealth. In finance, the best jobs are going to mainlanders and expatriates.

Meanwhile, we have seen the demise of our manufacturing sector, and the trading sector has declined rapidly. Fifteen years of policy neglect has created more than a million frustrated, if not angry, voters. Also, Hong Kong's economy is losing its diversity and, therefore, its resilience. Worse, what used to be the bedrock of Hong Kong, our entrepreneurial spirit, has now dampened beyond recognition.

In the past, upward mobility was not an issue. Legends, such as Li Ka-shing and Lee Shau-kee, began with nothing. Success stories abounded as young people worked their way into senior positions at corporations, including multinationals.

Yet in the past 15 to 20 years, Hong Kong has had no new, self-made tycoon. The Hong Kong delegation of business leaders recently received by President Xi Jinping (习近平) had an average age of over 70 – a strong signal for change.

In contrast, entrepreneurship in China has been thriving, especially in the past decade. Waves of entrepreneurs have emerged, from a wide range of industries, such as the internet, food, autos, renewable energy, logistics, retail, telecoms and property; many since the 1980s – even since the 1990s – are becoming their own bosses. Some have ties with the government and were civil servants before, but most, especially the younger ones, come from pretty humble backgrounds.

Many started with nothing, or next to nothing, and it is the belief in upward mobility that has been the driving force.

Many of these new companies, especially internet companies, are organised like those in Silicon Valley. Money and ownership are not controlled only by a key founder: they are shared. For example, the e-commerce company Alibaba, whose initial public offering last month was the largest in US history, overnight helped more than 10,000 employees become yuan multi-millionaires. More importantly, it has created a platform for countless people in China and their small businesses to find a way to make a living that did not exist before. Alibaba is now run by people that are mostly in their 20s or 30s. Jack Ma, who is 50, considers himself "too old". Pony Ma, of Tencent – owner of the popular WeChat messaging service – has said his biggest concern is falling behind in the understanding of the new generation of post-1990s consumers.

Young people in China are keen to try their own luck and they aspire to be the next Jack Ma, Pony Ma, or Robin Li, of Baidu, the mainland search engine. (They hold the top three places in Bloomberg's list of China's richest people this year; all began their businesses about 15 years ago).

China is by no means perfect; indeed, far from it. Many point to its one-party rule: some would call it an authoritarian regime, corruption is still rampant and state-owned enterprises continue to enjoy special privileges. Yet, the rapid rise of entrepreneurship and its impact on the rest of the country have shown that even in an imperfect situation, one can find ways to make it work. This is precisely what



entrepreneurship is about. Xi said this was the era of the "Chinese Dream". But it is more than a dream. It takes vision, passion, commitment, a willingness to accept ambiguity and risks, and a carefully crafted plan. Many young mainlanders understand it, or at least are taking action, while many in Hong Kong still don't, and are stuck in a rut. The divide between Hong Kong and the mainland is not only physical, but, more importantly, it's mental.

What can be done to help create upward mobility for Hong Kong's young people? We believe it must start with the private sector. During the first internet era in the late 1990s, Hong Kong had a vibrant investor community and a number of entrepreneurs, too. After the internet bubble burst, these entrepreneurs disappeared, while on the mainland they (re-)emerged and just kept going, in spite of failures. Investors turned their attention to the mainland.

Today, angel and venture capital investors in the city want to know what good ideas young Hongkongers have. Our young people should utilise the China market, especially when information and ideas are not necessarily constrained by physical boundaries.

The government must support this, though it has a disappointing track record. Tung Chee-hwa had a promising vision and Professor Tien Chang-lin's report on innovation and technology was good, but

unfortunately, it failed on implementation; Donald Tsang Yam-kuen neglected this entire area. Leung Chun-ying's initiative to re-establish the Science and Technology Bureau is a good one, but it needs to be a higher priority. Funding must be sufficient and bureaucratic red tape minimised. It should be aligned with all bureaus; everyone must see that creating new industries, jobs and small and medium-sized enterprises, and employing young graduates, is a top priority for Hong Kong. The government must work closely with the private sector to make it work.

Ultimately, young Hongkongers should strive to be the best at what they choose to do, building on their own capabilities and passion, and leveraging the China market. This is the best way to influence not only Hong Kong, but also the mainland.

We are proud that many young local athletes won medals at the recent Asian Games after many years of focused training efforts. We must do the same in the business sector and create new industries and new jobs, reignite hope for our young people, and channel their energy into creating that better future. It can be done.

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Island idyll

Peter Kammerer says one thing the Occupy protests have shown us is how we can make changes to really improve our quality of life



The dire consequences of the Occupy movement on Hong Kong haven't materialised as the doomsayers predicted. The foreshadowed billions of dollars of financial losses, a plunge in the stock market, collapse of housing prices and the sharp decline in tourist numbers were merely scare-mongering. Two weeks later, the protests still spluttering on, and all we've got to complain about is the traffic – something that has always been bothersome in a place with more vehicles than roads can handle. Put aside the inconvenience, a small cut in profits for chain stores, the loss of school time, and we're left with insights into improvements to our lives that officials have been reluctant to implement.

Walking around the barriers outside Sogo in Causeway Bay gave a taste of what could be if the government was committed to putting citizens ahead of big business. Pre-protest, the footpaths were shoulder-to-shoulder with people and the main thoroughfare, Hennessy Road, bumper-to-bumper with pollution-belching buses and trucks. But with the street occupied by a few scores of sitting students, the crowds were thinned out and the noxious fumes and din of traffic had disappeared. Causeway Bay long ago became a place I avoided – but this I liked.

A people-friendly policy to our city's most famous shopping district would take this a step further and make it a place for more than just shopping. Hennessy Road, between Percival and Yee Wo streets, could be permanently closed to traffic and turned into a street mall. Pave the road, liberally sprinkle seats, trees, fountains, artworks and sculptures, cafés and kiosks, and an experience that can be aggravating and exhausting can be turned into one of relaxation and pleasure. All that is required to make it happen is a little digging into those bulging government coffers and a few traffic diversions.

The shutting down of major roads by protesters most noticeably cut street-level pollution. If only the government insisted on bus and delivery companies retiring old diesel vehicles, we could have this all the time. Never again would passing buses blast people with fumes and shower them with lung-damaging nitrogen dioxide and small particulates as they wait at bus stops and street crossings. Our health would improve and we would live longer.

However, the closures have also taught us good habits. Office workers, deterred from driving onto Hong Kong Island by traffic that was more than usually snarled, opted to take public transport. Some did as authorities have been encouraging and parked near New Territories and Kowloon MTR stations and caught trains. Cheaper parking, smooth tunnel traffic flow and less crowded streets in Central – it was a matter of win-win for all.

It is wrong to paint the protests as bad for Hong Kong. For the government and Beijing, it has shown through massive international media attention that the world is watching and cares about our city's development; that extra layer of oversight is much-needed. There have been negatives, but those have been amply outweighed by the positives. The wrangling for a democratic government will drag on, but making use of the insight we have been given into more attainable matters has to be quickly taken up.

Peter Kammerer is a senior writer at the Post

Xi's blueprint for rejuvenating China cuts through the fear and confusion

Robert Lawrence Kuhn says candid book of speeches reveals president's thinking to the world

The caller, a Chinese official I respect, asked that I black out October 8. Why, he wouldn't yet say. The project was an unprecedented, 500-plus page book, called *Xi Jinping: The Governance of China*. I was invited to speak at its launch on the Frankfurt Book Fair's opening day. That the book by Xi Jinping (习近平) was released during the Hong Kong protests is coincidental, but the contrasting approaches to governance are instructive.

Xi's book was published in nine languages at the same time, a massive task of translation and publishing logistics.

I saw Xi's book as an opportunity to discern the Chinese leader's way of thinking on multiple levels; it is like a blueprint of what Xi thinks it will take to realise "the Chinese Dream" and to achieve "the great rejuvenation".

I offer three perspectives on this nonpareil publication: substance, presenting Xi's political philosophy; symbol, recognising Xi's emergence as China's leader; and signal, communicating Xi's way of thinking to the world.

On substance, the book specifies how Xi's political theory and practice affect all aspects of society and statecraft – in 79 of Xi's speeches and commentaries. Comparative numbers may reveal relative importance. Of the book's 18 chapters, 11 relate to domestic affairs, seven to foreign affairs; six have political relevance; six concern standards of living; four stress standards of behaviour; there is one chapter each for

deeper reform, economic development, advanced culture, social undertakings, and ecological progress; in foreign affairs, three chapters cover diplomacy, three deal with international cooperation, and there's one on national defence.

Xi's governance is writ large. It is founded on political structure and function, but it is all-inclusive, encompassing the full spectrum of national activities and citizen affairs, leading to national revival and citizen prosperity.

On symbol, that this authoritative work, including a mini-biography, is published

The world is watching China; many are hopeful, too many are fearful

less than two years after Xi became general secretary of the Central Committee of the Communist Party of China, conveys, in China's special way, the established fact of Xi's consolidation and confidence of power, and his strength and vision of leadership.

Moreover, the book's grand and all-embracing title, *The Governance of China* – without parallel for an in-office Chinese leader – reflects an agreed conviction that China's current

conditions call for bold leadership, fresh thinking, resolute dedication and unflinching commitment.

On signal, by explicitly presenting his views, and by publishing his book globally, Xi makes known to the world his philosophies and policies – and takes responsibility for making his ways of thinking clear, unambiguous and open to all. It is a good sign when China reaches out to the world.

In Xi's book, one can trace various themes for realising the Chinese dream. One is a "chain of developmental causation" – linking political stability to far-reaching reform to economic growth to social betterment to cultural enrichment. The 18 chapters are "bookended" by political stability. "Socialism with Chinese Characteristics" is the first chapter of the book, affirming China's fundamental political theory. "The CPC Leadership" is the last chapter, asserting the party's continuing ruling status. Both highlight Xi's commitment to maintaining China's one-party political system, in order to achieve the Chinese dream.

"The Chinese Dream" is the second chapter. Once the political system is confirmed as the foundation, "The Chinese Dream" announces the all-encompassing goal of national pride and personal fulfillment. Then, reform and development follow naturally, as economic growth is the driver to transform and modernise China.

One is struck by Xi's commitment to reform. Not the Western model of political

reform with multiparty national elections, but a bracing kind of ambitious, expansive, ubiquitous reform that seeks to transform China's society and culture as well as its economy.

The world is watching China; many are hopeful, too many are fearful, so the multiple chapters on international relations should be scrutinised. Xi is unapologetic in asserting China's sovereignty: "While pursuing peaceful development, we will never sacrifice our legitimate rights and interests or China's core interests. No foreign country should expect China to trade off its core interests or swallow bitter fruit that undermines China's sovereignty, security or development."

There is great need for true understanding of China, as the largest population on earth undergoes the greatest transformation in history. China participates in every matter of world importance – yet misunderstandings abound. There is now no need to speculate about President Xi. *The Governance of China* is how he thinks, comprehensively and candidly. It is the pride of a patriot.

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Peaceful rebellion a reminder of Beijing's political mindset

Yun Tang says Hong Kong policy should be reviewed at fourth plenum

The Occupy Central protests in Hong Kong are still raging, and testing Beijing's rule in the former British colony – bringing into new focus the perennial themes of Chinese politics, democracy and nationalism.

The peaceful rebellion demanding universal suffrage is the largest, most prolonged protest in China since the Tiananmen crackdown of 1989. It has exposed the clumsiness of Beijing's elite in running Hong Kong following the 1997 handover.

The turmoil has sounded the alarm that the growth of China's soft power lags awkwardly behind its economic development. Last week, the International Monetary Fund announced that China had surpassed the US in purchasing power parity, thus becoming the world's largest economy.

However, there is a stark contrast between China's material achievements – inspiring awe and admiration – and its rigid political system, which evokes dislike and fear.

Without an attractive political system, including freedom of information, China can never be a real superpower; instead it will be a giant with feet of clay.

Last month, speaking at the 65th anniversary of the Chinese People's Political Consultative Conference, President Xi Jinping (习近平) said "democracy is not a decoration", meaning it must have enforcement power.

Next week the Communist Party will hold its fourth plenum, during which the focus will

reportedly be on strengthening the rule of law. Beijing ought to take this opportunity to review its Hong Kong policy – paying close attention to the lives of ordinary people and their concerns about democracy, to avoid further alienating Hongkongers.

John Ross, a British academic and a former adviser to Ken Livingstone when he was London's mayor, stirred the waters with comments on weibo, saying that during its colonial rule, Britain had never permitted Hongkongers to vote for the head of their government. "The system China

The worry of the world is whether China intervenes and uses force against the demonstrators

has set up for Hong Kong is much more democratic," he claimed.

His words echo Chinese nationalism, which is on the rise today. In the same spirit, China's ambassador in London declined to meet British Deputy Prime Minister Nick Clegg, despite being summoned to discuss the situation in Hong Kong.

Nationalist emotions mean the Hong Kong protests have had a mixed reception on the mainland.

While sympathetic to students and citizens, a large number of intellectuals believe the protests have been instigated by outside forces scheming to thwart China's continuing rise. Apparently, the intellectuals have become more suspicious of the West.

The major concern of the outside world remains whether the Chinese authorities will intervene and use force against the demonstrators.

The Washington Post warned in an editorial that "the use of force would have consequences for US-China relations".

The two countries are more tightly entwined economically today than in 1989; and such an outcome would undoubtedly damage bilateral ties.

An article in *The New York Times* summed this up when it called the demonstration "an inconvenient protest for both China and US".

US President Barack Obama is scheduled to visit Beijing for the annual Asia-Pacific Economic Cooperation meeting on November 10, and then to have a summit with Xi.

"With so many sensitive items on the agenda, Chinese and American officials are both labouring to prevent Hong Kong from hijacking Mr Obama's visit," *The Times* said.

Of course, if there were gunfire on the streets of the special administrative region, things would surely be very different.

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