



國際專業管理學會

The International Institute of Management

# The Management Journal

December 2016

**31**<sup>st</sup>

**Anniversary**

Management For Harmony

# The IIM Coat of Arms

## The Crest

The crest is an Ancient Crown representing the authority of IIM as a professional body. Rising from the Crown is a Philippine Eagle representing The International Institute of Management Limited branching internationally. Holding in the Eagle's Claw is a Timer representing Effective Use of Time.

## The Supporters

On the left of the shield is a White Unicorn with Golden Horn representing Righteousness.

## The Supporters

On the right of the shield is an Imperial Golden Dragon representing Flexibility.



## The Shield

Across the top of the shield is a band with an open book in the center. Written on the book are two Latin words, "Commercium" for Commerce on the left and "Industria" for Industry on the right. On the lower part of the shield are two Keys representing the Keys to Knowledge and a pair of Scales representing Fairness in Dealings.

## The Motto

"Achievement Through Professionalism" is self explanatory.



## President's Message




**Prof. Dr. David Lan**, GBS, ISO, JP  
President  
The International Institute of Management (IIM)

**藍鴻震** 博士教授  
國際專業管理學會會長

Very happy to present this third issue of “The Management Journal (MJ)”, the official periodical of The International Institute of Management (IIM). MJ is a platform open to IIM members and all readers for sharing management thoughts, innovative ideas, good practices and leadership wisdom.

I am glad to share with you all on a very positive feed back that MJ is amazingly well received by readers from various sectors of our society, including a library of HKU, the chief librarian of which informed us in writing that MJ has been much welcomed by students of the University. The chief librarian's feedback was received after their putting in an earlier written request, suggesting IIM not to forget them when our new edition of MJ is available.

As President of IIM, it is my privilege to advise that this year we have some twenty one articles contributed by outstanding learned scholars, highly seasoned practicing professionals, prominent social and business leaders, sharing their knowledge & experience.. They are the very cream from HK as well as from overseas opinion leaders, some carrying roles overseeing more than a nation. This healthy cross-fertilization of knowledge and views from different regions truly reflects the international nature of this platform, substantiating our theme goal - developing future global leaders. Just to quote one or two examples, Prof. Justin Yifu LIN 林毅夫教授, Former Chief Economist & Senior Vice President of The World Bank, is currently holding the positions as Director, Center for New Structural Economics, Dean, Institute of South-South Cooperation and Development & Honorary Dean, National School of Development, Peking University, shared the gist & essence of his research work on : Demystifying the Chinese Economy 《解讀中國經濟》. He is the author of 16 books, including The China Miracle: Development



Strategy and Economic Reform, which has been published in seven languages, and State-owned Enterprise Reform in China, which is available in Chinese, Japanese, and English. He has published more than 100 articles in international journals.

The second one is Dr. Kevin C Cheng, a relatively youthful Hongkonger having received his primary & secondary education in HK, currently holding a senior position at the Strategy Unit, Strategy Policy Review Department of the International Monetary Fund (IMF) 國際貨幣基金組織, which plays a central role in developing IMF's strategic direction. Prior to his current role, he was the Mission Chief for Brunei Darussalam and worked on Asia's Regional Economic Outlook. Outside his IMF career, he is the Global Founding President of the Chicago Economics Society (CES), a global network connecting Economics alumni from the University of Chicago. Under Dr. Cheng's leadership, the CES has established chapters in Washington DC, Hong Kong, Singapore, and Peru. The CES has organized high-profile events featuring top-notch economic thinkers and policymakers and leaders around the world including Nobel Laureates Gary Becker, James Heckman, Lars Hansen.

I look forward to comments from readers and subscribers to help us further improve this initiative, and also your contribution of articles, enabling your management wisdom to be shared with members and the public, as well as stimulating constructive debates and cross-fertilization of learned opinions from different industries, professions and cultures.

This is your platform for free exchange of management ideas, updates on management good practices, observations, highlighting of new management trends....

Your cultivation will help to make this a fertile land of knowledge and ultimately a temple of management thought leadership.

I sincerely wish you happy and gainful reading.



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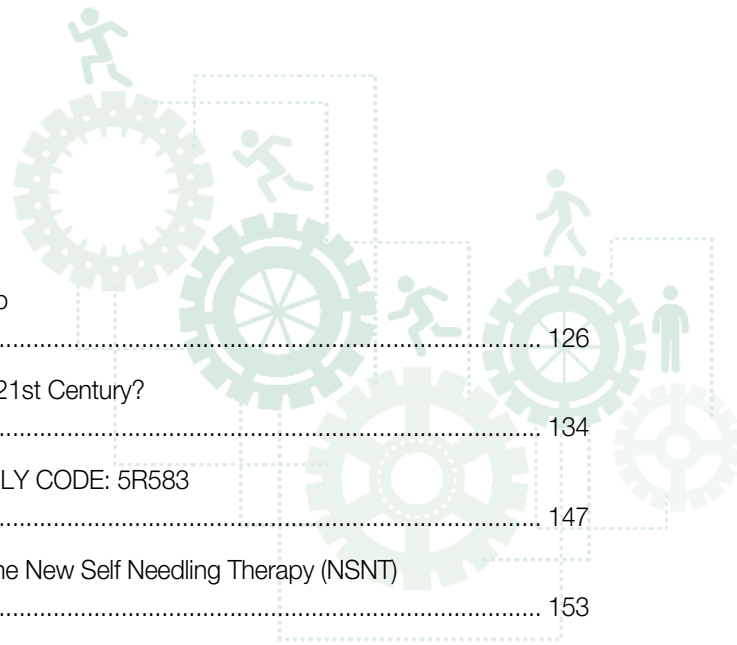




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## Astronomy at Our Door

Prof. Tony F. Chan



Biography:

### **Prof. Tony F. Chan**

President, The Hong Kong University of Science and Technology

Professor Tony F. Chan assumed the presidency of HKUST on 1 September 2009. From 2006-2009, Professor Chan was Assistant Director of the Mathematical and Physical Sciences Directorate at the U.S. National Science Foundation (NSF), which is the largest directorate at NSF. In that position, he guided and managed research funding in astronomy, physics, chemistry, mathematical science, material science, and multidisciplinary activities.

Professor Chan's scientific background is in Mathematics, Computer Science and Engineering. He received his BS and MS degrees in Engineering from the California Institute of Technology (Caltech) and his PhD in Computer Science from Stanford University. He pursued postdoctoral research at Caltech as Research Fellow, and taught Computer Science at Yale University before joining the University of California at Los Angeles (UCLA) as Professor of Mathematics in 1986.

Professor Chan was one of the principal investigators who made the successful proposal to the NSF to form the Institute for Pure and Applied Mathematics (IPAM) at UCLA. He served as IPAM's Director from 2000 to 2001.

Professor Chan is currently a member of the Board of Trustees of the King Abdullah University of Science and Technology (KAUST) in Saudi Arabia, President's Advisory Council of the Korea Advanced Institute of Science and Technology (KAIST), Scientific Advisory Board of the University of Vienna, and the United States Committee of 100.

He has published over 200 refereed papers and was one of the most cited mathematicians in the world. He has mentored over 35 PhD students and 25 postdoctoral fellows.

The Five Hundred Meter Aperture Spherical Telescope (FAST) is now fully functional in Guizhou, China, and has gathered a lot of media attention around the globe. FAST is now the world's largest radio telescope, surpassing Arecibo Observatory in Puerto Rico, which has been featured in many Hollywood movies (e.g. GoldenEye) and which I visited in 2000 as a tourist.

While I am not a professional astronomer, I had been involved in the development of astronomy. During my time as Assistant Director of the National Science Foundation (NSF), one of my duties was to scrutinize and advocate for funding for astronomy projects, as well as to monitor construction of new observatories. Thus I was reconnected with Arecibo, as it was funded by NSF and managed by Cornell University until 2011. I was also one of the US representatives on the governing board of the construction of the Atacama Large Millimeter Array (ALMA) in Chile. In 2007, I led a team of NSF delegates to visit China's scientific institutions, which

included observatories in Beijing and Nanjing, and FAST was already in the making. Seemingly out of nowhere, China has been investing a lot on basic science research lately. FAST, which costs 1.2 billion RMB to construct, was first planned 22 years ago.

Astronomers around the globe have been using telescopes of different kinds to observe the universe. These include radio telescopes (e.g. FAST), which study the radio frequency portion of the electromagnetic spectrum emitted by astronomical objects, and optical/infrared telescopes, which study the visible and infrared portion of the spectrum. There are large stationary telescopes (e.g. FAST), smaller movable telescopes which can survey the sky (e.g. Green Bank Telescope in the US), and large arrays of even smaller telescopes which function effectively as a larger one using interferometry (e.g. ALMA, with 66 antennas situated at 5000 meters altitude). There are also telescopes in space, such as Hubble.

Constructed at the Dawodang, Guizhou, within a natural geological depression and minimal electromagnetic interference, FAST's antenna area is almost 3 times that of Arecibo and 25 times that of Green Bank. Size is important, as radio waves coming from astronomical radio sources, such as stars and nebulae, are extremely weak, and a large reception area enhances a telescope's ability to detect and collect them. FAST enables astronomers to detect the faint radio emissions from the periphery of the universe and extract information from these emissions, which would allow them to catalog pulsars, probe gravitational waves, dark matter, and fast radio bursts; and listen for transmissions from alien civilizations.

As a basic science, astronomy does not generate instant return on the economy. However, we must not underestimate the importance and advances astronomy brings to mankind and to practical technology we sometimes take for granted. Throughout human history, our drive to understand the world around us has pushed humans to explore beyond our immediate environment and to look for things we have never imagined before. All it takes to fall into love with astronomy is to experience looking into a really dark night sky (not easy in Hong Kong!) and to be mesmerized by the vast expanse of stars out there, as I had on visits to ALMA. I'd even describe that as a "religious experience". On a more practical front, many of the technologies we are using today also derive from the demand for better instruments in astronomy. The rapid development of CCD sensors, such as those used in early digital cameras, owes much to its early adoption in astronomy. And GPS would not be possible without the development of antenna technologies in astronomy. Astronomy is not just for romantic dreamers.

Astronomy is an excellent introduction to STEM (Science, Technology, Engineering and Mathematics), especially for young people. In the past, Hong Kong has produced its share of experts in astronomy, such as Fred K.Y. Lo, a Wah-Yan and MIT graduate who would later become Director of the US National Radio Astronomy Observatory (which is the US participant in ALMA and operates Green Bank), and Sun Kwok, former Dean of Science at the University of Hong Kong and former Director of the Astronomy Institute in Academia Sinica in Taiwan. They are great role models for young aspiring astronomers. FAST, located in Guizhou, which is only a few hours train ride from Hong Kong, is right at our doorstep. Its close proximity should provide ample inspiration and opportunities for budding astronomers in Hong Kong. It is perhaps time now for us to think of ways to promote astronomy education, both for its own interest and also to promote STEM.



## Demystifying the Chinese Economy

June 4, 2013

Prof. Justin Yifu Lin

### **Preface By Prof Dr David H T Lan, GBS, ISO, JP, National Committee member (CPPCC) 10th & 11th sessions President of The International Institute of Management (IIM)**



Prof Dr David H T Lan

On Wednesday 4:00pm, 16 December 2015 at the Penthouse of Hang Seng Bank Building, the The Open University of Hong Kong through their Great Speakers Series, invited Prof. Justin Yifu LIN 林毅夫教授, Former Chief Economist & Senior Vice President of The World Bank, whilst currently holding the positions as Director, Center for New Structural Economics, Dean, Institute of South-South Cooperation and Development & Honorary Dean, National School of Development, Peking University, delivered in English his open talk entitled : Demystifying the Chinese Economy 《解讀中國經濟》.

In the midst of a full audience of top academics, entrepreneurial & professional leaders in the banking, financial & business sectors at the Bank's penthouse, an IIM delegation led by its President, Prof Dr David HT LAN, together with Council members Dr Simon TAM, Dr Henry AU, close associate of IIM Prof Marcopolo TAM & others participated at the OUHK's successful event. At the conclusion of this spectacular open talk, President David LAN made this remark:

"This valuable series should be read & carefully studied not only by our IIM members, but also by those who wish to learn more about, participate as well as wanting to share in the future prosperity & development opportunities in China for the coming 30 years. Why? It is simply because Prof Lin's article provides the key that help's to open the door towards understanding the mystery of China's unprecedented economic success for the past 30 plus years, as well as adeptly detecting which direction China & its working partners around the world would be heading towards the future. Below is the link for the above mentioned talk: <https://www.youtube.com/watch?v=TsAUcAWRxRI> (provided by The President's Office of The Open University of Hong Kong)

When President LAN wrote to seek Prof. Justin Yifu LIN's permission & consent to republish the talk in the coming edition of IIM's Management Journal (MJ) 2016, Prof LIN kindly advised that "his speech at the Hang Seng Bank drew on the David Finch Lecture published on Australian Economic Review in 2013." He further suggested to use this version for the MJ. This is now presented below and, together with the youtube (electronic link given above), we have in front of us an updated fascinated masterpiece of Prof LIN 's work.



Biography:

**Prof. Justin Yifu Lin**

The University of Melbourne

David Finch Lecture

## Abstract

China's economic development has been miraculous since the transition from a planned economy to a market economy in 1979. This lecture provides answers to six related questions: Why was it possible for China to achieve such extraordinary performance during its transition? Why was China unable to attain similar success before its transition started? Why did most other transition economies fail to achieve a similar performance? What costs does China pay for its extraordinary success? Can China maintain dynamic growth in the coming decades? And what should other developing countries do to achieve a similar success?

China's rise is the most intriguing economic phenomenon of our time. Before the transition from a planned to a market economy at the end of 1970's, China had been trapped in poverty for centuries. Its per capita income was US\$154 in 1978, less than one-third of the average in Sub-Saharan African countries.<sup>1</sup> China was an inward-looking country as well. Its trade dependence (trade-to-GDP) ratio was only 9.7 percent. China's growth since then has been miraculous. Annual GDP growth averaged 9.8 percent over the 33-year period, and annual growth in international trade, 16.6 percent. China is now an upper middle-income country, with a per capita GDP of US\$6,100 in 2012, and more than 600 million people have escaped poverty. Its trade dependence ratio has reached around 50 percent, the highest among the world's large economies. In 2009 China overtook Japan as the world's second largest economy and replaced Germany as the world's largest exporter of merchandise. The spectacular growth over the past three decades has made China not only a driver for the world development but also a stabilizing force in the world economy, as demonstrated by China's role during the East Asian financial crisis in late 1990's and recent global crisis. This extraordinary performance far exceeded the expectations of anyone at the outset of the transition, including Deng Xiaoping, the architect of China's reform and opening-up strategy.<sup>2</sup>

In this Lecture I will draw on my new book, *Demystifying the Chinese Economy*, to provide answers to six related questions: Why was it possible for China to achieve such extraordinary performance during its transition? Why was China unable to attain similar success before its transition started? Why did most other transition economies, both socialist and nonsocialist, fail to achieve a similar performance? What costs does China pay for its extraordinary success? Will China sustain a similar dynamic growth in the coming decades? Can other developing countries achieve similar economic performance?



## I. The Reason for China's Extraordinary Performance in Transition

Rapid, sustained increase in per capita income is a modern phenomenon. Studies by economic historians, such as Angus Maddison (2001), show that average annual per capita income growth in the West was only 0.05 percent before the 18th century, jumping to about 1 percent in the 19th century and reaching about 2 percent in the 20th century. That means that per capita income in Europe took 1,400 years to double before the 18th century, about 70 years in the 19th century, and 35 years thereafter.

A continuous stream of technological innovation is the basis for sustained growth in any economy. The dramatic surge in growth in modern times is a result of a paradigm shift in technological innovation. Before the industrial revolution in the 18th century, technological innovations were generated mostly by the experiences of craftsmen and farmers in their daily production. After the industrial revolution, experience-based innovation was increasingly replaced by field experimentation and, later, by science-based experiments conducted in scientific laboratories (Lin 1995; Landes 1998). This shift accelerated the rate of technological innovation, marking the coming of modern economic growth and contributing to the dramatic acceleration of income growth in the 19th and 20th centuries (Kuznets 1966).

The industrial revolution not only accelerated the rate of technological innovation but also transformed industrial, economic, and social structures. Before the 18th century every economy was agrarian; 85 percent or more of the labor force worked in agriculture, mostly in self-sufficient production for the family. The acceleration of growth was accompanied by a move of labor from agriculture to manufacturing and services. The manufacturing sector gradually moved from very labor-intensive industries at the beginning to more capital-intensive heavy and high-tech industries. Finally, the service sector came to dominate the economy. Accompanying the change in industrial structure was an increase in the scale of production, the required capital and skill, the market scope, and the risks. To exploit the potential unleashed by new technology and industry, and to reduce the transaction costs and share risks requires innovations as well as improvements in an economy's hard infrastructure, such as power and road networks, and its soft infrastructure. Soft infrastructure consists of such elements as belief, the legal framework, financial institutions, and the education system (Lewis 1954; Kuznets 1966; North 1981; Lin 2011, 2012b).

A developing country such as China, which started its modernization drive in 1949, potentially has the advantage of backwardness in its pursuit of technological innovation and structural transformation (Gerschenkron 1962). In advanced high-income countries technological innovation and industrial upgrading require costly and risky investments in research and development, because their technologies and industries are located on the global frontier. Moreover, the institutional innovation required for realizing the potential of new technology and industry often proceeds in a costly trial-and-error, path-dependent, evolutionary process (Fei and Ranis 1997). By contrast, a latecomer country in the catching up process can borrow technology, industry, and institutions from the advanced countries at low risk and costs. So if a developing country knows how to tap the advantage of backwardness in technology, industry, and social and economic institutions, it can grow at an annual rate several times that of high-income countries for decades before closing its income gap with those countries.

In the post-World War II period, thirteen of the world's economies achieved average annual growth of 7 percent or above for 25 years or more. The Commission on Growth and Development, headed by Nobel Laureate Michael Spence, finds that the first of five common features of these thirteen economies is their ability to tap the potential of the advantage of backwardness. In the Commission's language, the thirteen economies, "they imported what the rest of the world knew and exported what it wanted" (World Bank 2008, p. 22).<sup>3</sup>

After the transition was initiated by Deng Xiaoping in 1979, China adopted the opening-up strategy and started to tap the potential of importing what the rest of the world knows and exporting what the world wants. This is demonstrated by the rapid growth in its international trade, the dramatic increase in its trade dependence ratio, and the large inflows of foreign direct investment. While in 1979 primary and processed primary goods accounted for more than 75 percent of China's exports, by 2009 the share of manufactured goods had increased to more than 95 percent. Moreover, China's manufactured exports upgraded from simple toys, textiles, and other cheap products in the 1980s and 1990s to high-value and technologically sophisticated machinery and information and communication technology products in the 2000s. The exploitation of the advantage of backwardness has allowed China to emerge as the world's workshop and to achieve extraordinary economic growth by reducing the costs of innovation, industrial upgrading, and social and economic transformation.

## **II. Why Did China Fail to Achieve Rapid Growth before 1979?**

China possessed the advantage of backwardness long before the transition began in 1979. The socialist government won the revolution in 1949 and started modernizing in earnest in 1953. Why had China failed to tap the potential of the advantage of backwardness and achieve dynamic growth before 1979? This failure came about because China adopted a wrong development strategy at that time.

China was the largest economy and among the most advanced, powerful countries in the world before pre-modern times (Maddison 2007). Mao Zedong, Zhou Enlai, and other first-generation revolutionary leaders in China, like many other Chinese social and political elites, were inspired by the dream of achieving rapid modernization.

The lack of industrialization—especially the lack of large heavy industries that were the basis of military strength and economic power—was perceived as the root cause of the country's backwardness. Thus it was natural for the social and political elites in China to prioritize the development of large, heavy, advanced industries after the Revolution as they started building the nation.<sup>4</sup> In the 19th century the political leaders of France, Germany, the United States, and other Western countries pursued effectively the same strategy, motivated by the contrast between Britain's rising industrial power and the backwardness of their own industry (Gerschenkron 1962; Chang 2003).

Starting in 1953, China adopted a series of ambitious Five-Year Plans to accelerate the building of modern advanced industries with the goal of overtaking Britain in ten years and catching up to the United States in fifteen. But China was a lower-income agrarian economy at that time. In 1953, 83.5 percent of its labor force was employed in the primary sector, and its per capita income (measured in purchasing power parity terms) was only 4.8 percent of that of the United States (Maddison 2001). Given China's employment structure and income level, the country did not possess comparative advantage in modern advanced industries of high-income countries, whether latent or overt, and Chinese firms in those industries were not viable in an open competitive market.<sup>5</sup>

To achieve its strategic goal, the Chinese government needed to protect the priority industries by giving firms in those sectors a monopoly and by subsidizing them through various price distortions, including suppressed interest rates, an overvalued exchange rate, and lower prices for inputs. The price distortions created shortages, and the government was obliged to use administrative measures to mobilize and allocate resources directly to nonviable firms (Lin 2009; Lin and Li 2009).

These interventions enabled China to quickly establish modern advanced industries, test nuclear bombs in the 1960s, and launch satellites in the 1970s. But the resources were misallocated, the incentives were





distorted, and the labor-intensive sectors in which China held a comparative advantage were repressed. As a result, economic efficiency was low, and the growth before 1979 was driven mainly by an increase in inputs.<sup>6</sup> Despite a very respectable average annual GDP growth rate of 6.1 percent in 1952–78 and the establishment of large modern industries, China was almost a closed economy, with 71.3 percent of its labor force still in traditional agriculture. In 1952–78 household consumption grew by only 2.3 percent a year, in sharp contrast to the 7.1 percent average growth after 1979.

### III. Why Didn't Other Transition Economies Perform Equally Well?

All other socialist countries and many developing countries after World War II adopted a development strategy similar to that of China. Most colonies gained political independence after the 1950s. Compared with developed countries, these newly independent developing countries had extremely low per capita income, high birth and death rates, low average educational attainment, and very little infrastructure—and were heavily specialized in the production and export of primary commodities while importing most manufactured goods. The development of modern advanced industries was perceived as the only way to achieve rapid economic takeoff, avoid dependence on the Western industrial powers, and eliminate poverty (Prebisch 1950).

It became a fad after the 1950s for developing countries in both the socialist and the nonsocialist camps to adopt a development strategy oriented toward heavy industry and import substitution (Lal and Mynt 1996). But the capital-intensive modern industries on their priority lists defied the comparative advantages determined by the endowment structure of their low-income agrarian economies. To implement their development strategy, many socialist and non-socialist developing countries introduced distortions and government interventions like those in China.<sup>7</sup> This strategy made it possible to establish some modern industries and achieve investment-led growth for one or two decades in the 1950s to the 1970s. Nevertheless, the distortions led to pervasive soft budget constraints, rent-seeking, and misallocation of resources. Economic efficiency was unavoidably low. Stagnation and frequent social and economic crises began to beset most socialist and non-socialist developing countries by the 1970s and 1980s. Liberalization from excessive state intervention became a trend in the 1980s and 1990s.

The symptoms of poor economic performance and social and economic crises, and their root cause in distortions and government interventions, were common to China and other socialist transition economies as well as other developing countries. But the academic and policy communities in the 1980s did not realize that those distortions came from second-best institutional arrangements, endogenous to the needs of providing protections to firms in the priority sectors. Without such protection, those firms would not have been viable. As a result, policymakers and academics recommended that socialist and other developing countries immediately remove all distortions by implementing simultaneous programs of liberalization, privatization, and marketization with the aim of quickly achieving efficient, first-best outcomes.

But if those distortions were eliminated immediately, many nonviable firms in the priority sectors would collapse, causing a contraction of GDP, a surge in unemployment, and acute social disorders. To avoid those dreadful consequences, many governments continued to subsidize the nonviable firms through other, disguised, less efficient subsidies and protections (Lin and Tan 1999). Transition and developing countries thus had even poorer growth performance and stability in the 1980s and 1990s than in the 1960s and 1970s (Easterly 2001).

During the transition process China adopted a pragmatic, gradual, dual-track approach. The government first improved the incentives and productivity by allowing the workers in the collective farms and state-owned firms to be residual claimants and to set the prices for selling at the market after delivering the quota obligations to the state at fixed prices (Lin 1992). At the same time, the government continued to provide

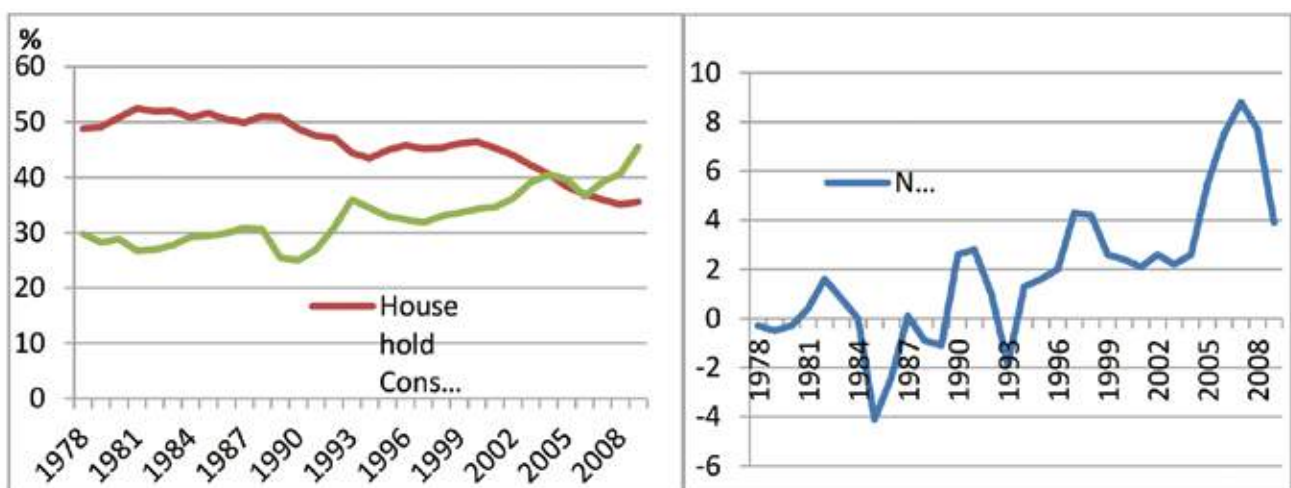
necessary protections to nonviable firms in the priority sectors and simultaneously, liberalized the entry of private enterprises, joint ventures, and foreign direct investment in labor-intensive sectors in which China had a comparative advantage but that were repressed before the transition. This transition strategy allowed China both to maintain stability by avoiding the collapse of old priority industries and to achieve dynamic growth by simultaneously pursuing its comparative advantage and tapping the advantage of backwardness in the industrial upgrading process. In addition, the dynamic growth in the newly liberalized sectors created the conditions for reforming the old priority sectors. Through this gradual, dual-track approach China achieved “reform without losers” (Lau, Qian, and Roland 2000; Lin, Cai, and Li 2003; Naughton 1995) and moved gradually but steadily to a well-functioning market economy.

A few other socialist economies—such as Poland<sup>8</sup>, Slovenia, and Vietnam, which achieved outstanding performance during their transitions—adopted a similar gradual, dual-track approach (Lin 2009). Mauritius adopted a similar approach in the 1970s to reforming distortions caused by the country’s import-substitution strategy and became Africa’s success story (Subramanian and Roy 2003).<sup>9</sup>

#### IV. What Costs Does China Pay for Its Success?

The gradual, dual-track approach to transition is a double-edge sword. While it enables China to achieve enviable stability and growth in the transition process, it also brings with it a number of structural problems, particularly the disparities in income distribution, consumption and savings, and external accounts.<sup>10</sup> When the transition started in 1979, China was a relatively egalitarian society. With rapid growth, income distribution has become increasingly unequal. The Gini coefficient, a measurement of income inequality, increased from .31 in 1981 to .47 in 2008 (Ravallion and Chen 2010). Meanwhile, household consumption as a percentage of GDP dropped from about 50 percent down to about 35 percent whereas the fixed asset investment increased from around 30 percent to more than 45 percent of GDP (see the right-panel of figure 1), and net exports increased from almost nothing to a high of 8.8 percentage of GDP in 2007 (see left-hand panel of figure 1). Such disparities are the by-products of the dual-track approach to transition.

Figure 1: Contributions of household consumption, fixed asset formation, and net exports to GDP.



Source: National Statistical Bureau, China Statistical Abstract, 2010, p.36.

During the transition process, the Chinese government retained some distortions as a way to provide continuous support to non-viable firms in the priority industries (see Section III). Major remaining distortions include the concentration of financial services in the four large state-owned banks, the

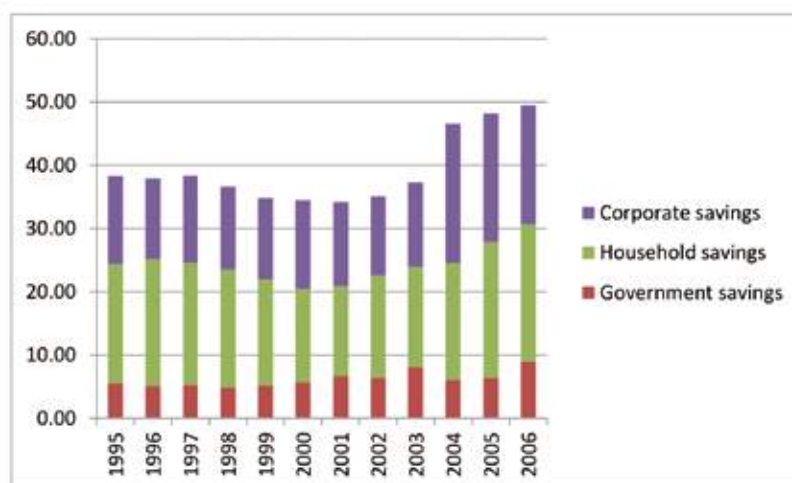


almost zero royalty on natural resources, and the monopoly of major service industries, including telecommunication, power, and banking.<sup>11</sup>

Those distortions contribute to the stability in China's transition process. They also contribute to the rising income disparity and other imbalances in the economy. This is because only big companies and rich people have access to credit services provided by the big banks and the interest rates are artificially repressed. As a result, big companies and rich people are receiving subsidies from the depositors who have no access to banks' credit services and are relatively poor. The concentration of profits and wealth in large companies and widening income disparities are unavoidable. The low royalty levies of natural resources and the monopoly in the service sector have similar effects.

In general the marginal propensity to consume decreases with income. Therefore, if wealth is disproportionately concentrated in the higher-income group, the nation's consumption-to-GDP ratio will be lower and the savings ratio will be higher. The concentration of wealth in the large firms has a similar effect. A consequence of such an income distribution pattern is relatively high household savings and extraordinarily high corporate savings in China, as shown in Figure 2.

Figure 2: China's Corporate, Household, and Government Savings as Percentage of GDP



Source: National Statistical Bureau, China Statistical Yearbook (1998-2009)

The high household and corporate savings in turn lead to a high rate of investment and quick building up of production capacity. A large trade surplus is a natural consequence of limited domestic absorption capacity due to a low consumption ratio. Therefore, it is imperative for China to address structural imbalances by removing remaining distortions in the finance, natural resources and service sectors so as to complete the transition to a well-functioning market economy. The necessary reforms include: 1.) Removing financial repression and allowing the development of small, and local financing institutions, including local banks, so as to increase financial services, especially access to credit, to household farms as well as small- and medium-size enterprises in manufacturing and service sectors; 2.) Reforming the pension system, removing the old retired worker's pension burden from the state-owned mining companies and levying an appropriate royalty taxes on natural resources; and 3.) Encouraging entry and competition in the telecommunications, power and financial sectors. It is also timely for China to remove remaining distortions to complete the transition to a well-functioning market economy. China has changed from a poor, capita-scarce country at the onset of the transition to an upper middle country. As a result, most firms in the old priority industries have become viable and competitive in domestic and global markets.

## **V. Will China Continue the Dynamic Growth in the Coming Decades?**

No country in the human history has ever grown so fast for so long as China did in the past three decades. However, looking forward, China still has the potential, based on the advantage of backwardness, to grow at around 8 percent annually for another 20 years because:

1. In 2008, China's per capita income was 21 percent of US per capita income measured in purchasing power parity.<sup>12</sup> The income gap between China and the U.S. indicates that there is still a large technological gap between China and the advanced industrialized countries. China can continue to enjoy the advantage of backwardness before closing up the gap.
2. Maddison's estimation shows that China's current relative status to the US is similar to Japan's in 1951, Singapore in 1967, Korea's in the 1977 and Taiwan, China's in 1975. The annual growth rate of GDP reached 9.2 percent in Japan between 1951-1971, 8.6 percent in Singapore between 1967-1987, 7.6 percent in Korea between 1977-1997, and 8.3 percent in Taiwan between 1975-1995. China's development strategy after the reform in 1979 is similar to that of Japan, Korea, Singapore and Taiwan, China. China has the potential to achieve another 20 years of 8 percent growth. After 20 years' dynamic growth, Japan's per capita income measured in purchasing power parity was 65.6 percent of that of U.S. in 1971, Singapore's was 53.9 percent in 1987, Korea's was 50.2 percent in 1997, and Taiwan's was 54.2 percent in 1995. If China maintains 8 percent growth in the coming two decades, by 2030 China's per capita income measured in purchasing power parity may reach about 50 percent of U.S.' per capita income. Measured by purchasing power parity, China's economic size may then be twice as large as the US; and measured by the current market exchange rates, China may be about the same size as the US.

The above potential from the advantage of backwardness, if realized, will enable China to achieve the 18th Congress of Chinese Communist Party's targets of doubling the per capita GDP and household income on the basis of 2010 by 2020 and becoming a high-income country by 2049.

That said, China also needs to increasingly become an innovator in its own right. As a middle-income country, in many sectors that China has comparative advantage, other higher income countries have graduated, or are close to graduating, from those sectors--for example, consumer electronics. If China wants to maintain leadership in those sectors, China will need to develop the technology/product innovation when it reaches the frontier. China can then become a global technological/industrial leader in those sectors. With foresight, China will be able to gradually shift from absorbing the existing technology to become an indigenous innovator of new technology for driving its growth.

## **VI. Lessons of China's Development for Other Developing Countries**

Are there useful lessons that can be drawn from China's experiences over the past three decades? The answer is clearly yes. Every developing country has the opportunity to accelerate its growth if it knows how to develop its industries according to its comparative advantage at each level of development and if it can tap the advantage of backwardness in its technological innovation and structural transformation. A well-functioning market is a precondition for developing an economy's industries according to its comparative advantages, because only with such a market can relative prices reflect the relative scarcities of factors of production in the economy. Such a well-functioning market naturally propels firms to enter industries consistent with the country's comparative advantages. If a developing country follows its comparative advantage in technological and industrial development, it will be competitive in domestic and international markets. In other words, it will grow fast, accumulate capital rapidly, and upgrade its endowment structure quickly. When the endowment structure is upgraded, the economy's comparative advantage changes and its industrial structure as well as



hard and soft infrastructure need to be upgraded accordingly. In the process it is desirable for the state to play a proactive, facilitating role. The state can do this by compensating for externalities created by pioneer firms in the process of industrial upgrading; the government can also coordinate the desirable investments and improvements in soft and hard infrastructure, for which individual firms cannot internalize in their decisions. Through the appropriate functions of competitive markets and a proactive, facilitating state, a developing country can tap the potential of the advantage of backwardness and achieve dynamic growth (Lin 2011, 2012b).

Many developing countries, as a result of their governments' previous development strategies, have various kinds of distortions and many existing firms are nonviable in an open competitive market. In this respect, China's experience in the past 33 years also provides useful lessons. In the reform process it is desirable for a developing country to remove various distortions of incentives to improve productivity and at the same time adopt a dual-track approach, providing some transitory protections to nonviable firms to maintain stability, but liberalizing entry into sectors in which the country has comparative advantages. Such an approach can improve the resource allocation and tap the advantage of backwardness. By adopting such an approach, other developing countries can also achieve stability and dynamic growth in their economic liberalization process.

Thirty years ago no one would have imagined that China would be among the thirteen economies that tapped the potential of the advantage of backwardness and realized average annual growth of 7 percent or above for 25 or more years. For developing countries now fighting to eradicate poverty and close the gap with high-income countries, I hope that lessons from China's transition and development will help them join the list of those realizing growth of 7 percent or more for 25 or more years in the coming decades.

## Notes

- 1 Unless indicated otherwise, the statistics on the Chinese economy reported in the paper are from the *China Statistical Abstract 2010*, *China Compendium of Statistics 1949-2008*, and various editions of the *China Statistical Yearbook*, published by China Statistics Press.
- 2 Deng's goal at that time was to quadruple the size of China's economy in 20 years, which would have meant an average annual growth of 7.2 percent. Most people in the 1980s, and even as late as the early 1990s, thought that achieving that goal was a mission impossible.
- 3 The remaining features are, respectively, macroeconomic stability, high rates of saving and investment, market system, and committed, credible, and capable governments. Lin and Monga (2012) show that the first three features are the result of following the economy's comparative advantages in developing industries at each stage of its development, and the last two features are the preconditions for the economy to follow its comparative advantages in developing industries.
- 4 The desire to develop heavy industries existed before the socialist elites obtained political power. Dr. Sun Yat-sen, the father of modern China, proposed the development of "key and basic industries" as a priority in his plan for China's industrialization in 1919 (Sun 1929).
- 5 While the policy goal of France, Germany, and the United States in the late 19th century was similar to that of China in the mid-1950s, the per capita incomes of the three countries were about 60-75 percent of Britain's at the time. The small gap in per capita incomes indicated that the industries on the governments' priority lists were the latent comparative advantages of the three countries (Lin and Monga 2011).
- 6 Estimates by Perkins and Rawski (2008) suggest that the average annual growth of total factor productivity was 0.5 percent in 1952-78 and 3.8 percent in 1978-2005.

- 7 There are different explanations for the pervasive distortions in developing countries. Acemoglu, Johnson, and Robinson (2005); Engerman and Sokoloff (1997); and Grossman and Helpman (1996) proposed that these distortions were caused by the capture of government by powerful vested interests. Lin (2009, 2003) and Lin and Li (2009) propose that the distortions were a result of conflicts between the comparative advantages of the economies and the priority industries that political elites, influenced by the dominant social thinking of the time, targeted for the modernization of their nations.
- 8 In spite of its attempt to implement a shock therapy at the beginning, Poland did not privatize its large state-owned enterprises until very late in the transition.
- 9 In the 1980s, the Former Soviet Union, Hungary, and Poland adopted a gradual reform approach. However, unlike the case in China, their state-owned firms were not allowed to set the prices for selling at markets after fulfilling their quota obligations and the private firms' entry to the repressed sectors were subject to severe restrictions, but the wages were liberalized (while in China the wage increase was subject to state regulation). These reforms led to wage inflations and exacerbated shortages. See the discussions about the differences in the gradual approach in China and the Former Soviet Union and Eastern Europe in Lin (2009, pp. 88-9).
- 10 Many of China's problems today including environment degradation and the lack of social protections are generic to developing countries. In this section, I will only focus on a few prominent issues that arose specifically from China's dual track approach to transition. The collective volume edited by Brandt and Rawski (2008) provides excellent discussions of other development and transition issues in China.
- 11 Before the transition, the state-owned enterprises (SOEs) obtained their investment and operation funds directly from the government's budgets at no cost. The government established four large state banks in the early 1980's, when the fiscal appropriation system was replaced by banking lending. The interest rates have been kept artificially low in order to subsidize the SOEs. Prices of natural resources were kept at an extremely low level so as to reduce the input costs of heavy industries. In return the mining firms' royalty payments were waived. After the transition, the natural resources' prices were liberalized in the early 1990s but royalties remained nominal to compensate for the transfer of pension provision for retired workers from the state to the state-owned mining companies. However, the private and joint-ventured mining companies, which did not enter until the 1980's and thereafter, did not have any pension burdens. The low royalty payment was equivalent to a direct transfer of natural resource rents from the state to these companies, which made them extraordinary profitable. The rationale for giving firms in telecommunication and power sector a monopoly position before the transition was because they provided public services and made payments on large capital investment. After transition, the rapid development and fast capital accumulation after the transition, capital is less of a constraint now but the Chinese government continues to allow the service sector to enjoy monopoly rents (Lin, Cai and Li 2003).
- 12 The national data used in this and next paragraphs are taken from Angus Maddison's **Historical Statistics** of the World Economy: 1-2008 AD. ([www.ggd.net/maddison/Historical\\_Statistics/horizontal-file\\_02-2010.xls](http://www.ggd.net/maddison/Historical_Statistics/horizontal-file_02-2010.xls)).

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## Article for the International Institute of Management

Prof. John Leong Chi-yan



Biography:

**Prof. John Leong Chi-yan**, SBS, JP

Chairman, Hospital Authority, HK

### Reflecting back on 25 years of HA

As Chairman of the Hospital Authority (HA) Chairman, I have witnessed HA's development over the past quarter of a century. I began my association with the Authority on its establishment in 1990 as a first-term HA Board Member. Subsequently I have maintained an active commitment in its evolution over the years outside of the Board. Recently, I have returned to the Board as HA Chairman since December 2013. As HA embarks on a year-long celebration of its 25th anniversary in 2016, I would like to share my feelings about watching HA growing and tackling future challenges in working to uphold the Authority's mission of 'Helping People Stay Healthy' in Hong Kong.

The demand for public healthcare services is continually increasing. To meet this ongoing challenge with limited resources, it is vital that all of us at HA keep an open mind in the search for effective solutions. Adopting new service models, enhancing the clinical skills of healthcare workers, leveraging new technology – these are just a few of the ways in which we may expand and strengthen our service capabilities.

There were only four new public hospitals (North District Hospital, Pamela Youde Nethersole Eastern Hospital, North Lantau Hospital and Tseung Kwan O Hospital) which came into service since HA's establishment in 1990, with two more (Tin Shui Wai Hospital and Hong Kong Children's Hospital) coming on stream in one or two years. The expansion in the number of patient beds cannot keep up with the increase in demand. If, for example, we can leverage technology to conduct more minimally invasive surgeries, we can reduce the length of inpatient stays for many procedures. In hospital constructions or redevelopment, building rehabilitation blocks next to acute inpatient wards would allow easy and prompt transfer of stable patients to rehabilitation facilities, which would help reduce the pressure on acute wards. Appropriate adjustments to certain service fees may also lead to positive changes in how the public use our services.

While the demand for public healthcare services is growing, HA still handles close to 90% of inpatient healthcare needs in Hong Kong with a budget that is equivalent to just 2.5% of the city's GDP. All HA colleagues should be "very proud of this achievement".

For HA to maintain its status as a leading public healthcare provider and continue to deliver world-class medical services, there is always room to improve and the Authority must never stand still. More immediate future plans include strengthening specialist training for young doctors and encouraging more experienced doctors to undertake professional training and obtain accreditation on the use of new medical technology. Efforts will also be focused on strengthening clinical research and innovation. The data collected through our excellent Clinical Management System, which was developed by our in-house IT team, is supporting our efforts to make advances through clinical research.

On a broader level, the implementation of the more than 100 actions in three years contained in the Action Plan drawn up in response to the Government's Report of the Steering Committee on Review of Hospital Authority is among the vital current missions for HA.

The establishment of HA was a major milestone in the provision of public healthcare services in Hong Kong. It is relatively rare to have one statutory body take over the management of all public hospitals and institutions from the Government and subvented organisations. While this has been a great responsibility, our size and relative autonomy have proved advantageous in developing our services. Combined with the dedication and professionalism of my colleagues, I am confident that HA will continue to successfully deal with new challenges and to provide outstanding healthcare services to the people of Hong Kong.



**Leadership profile**  
Frederick Ma



# STAYING ON TRACK

Frederick Ma, Chairman of the MTR Corporation, explains to [Jemelyn Yadao](#) how he faces up to the challenges of meeting public expectations amid project delays in the age of social media, and why he has high hopes for the Hong Kong rail operator's future

Photography by Juliet Shayne Lui

“Can you see what we’re doing from here? Come over,” says Frederick Ma as he springs from his seat towards the room’s floor-to-ceiling window, 33 floors above the ground. His eyes fixate in the direction of the distant West Kowloon District and a cluster of cranes, which will become the 11-hectare West Kowloon Terminus – the final stop of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, also known as XRL, and one of the high-profile projects keeping him busy as Chairman of the MTR Corporation.

“You can only see a cover structure but a lot of work goes on underneath it. In the future, you will go downstairs to the very bottom for your train, and this is why it is such a difficult project,” he says. “When it is finished, everybody will love it, I assure you. But right now, it is painful going through it all.”

Indeed, the pains of building the high-speed rail link, including the construction delay and cost overrun of the project denting public confidence in the railway giant, has weighed heavily on Ma’s shoulders since he assumed the role of Chairman in January. The 26-kilometre underground line is expected to be operating in Q3 2018

yet it had the initial completion date of 2015. MTR had said one of the reasons for the delay was the major flooding in March 2014 in the railway tunnels that were under construction, resulting in a tunnel boring machine being damaged.

A few days before Ma spoke to *A Plus* in early July, the Legislative Council’s Select Committee released the findings of its inquiry into the delays to the project, concluding that MTR “deliberately covered up” the project delay on the part of its former projects director Chew Tai-chong and former chief executive Jay Walder. Ma rejected the allegation to the press.

This is not Ma’s first stint at the rail corporation. The former secretary of financial services and the treasury was previously a non-executive director at the company between 2002 and 2007, prior to its merger with the Kowloon-Canton Railway Corporation. He then returned to the company in 2013, leading the six-member independent committee to look into the delays to the construction work. While the committee found there were numerous reasons for the delays affecting the XRL project, it concluded that the projects team handled the engineering aspects in a professional manner.

Frederick Ma previously chaired the independent committee mandated to review the background of and reasons for the delayed construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link



## Leadership profile

Frederick Ma

**“People often ask, have you swallowed too much, taking on several projects in one go? With the labour situation, yes. But a lot of it is hindsight.”**

“One of my main takeaways was that the company expanded so much between 2007 and 2013. I didn’t realize this because I was out of it. I was a user of MTR, but I never got a copy of the annual report and read it. And the company had undertaken some very ambitious projects, including XRL, as a project manager,” says Ma.

XRL ended up facing a number of unprecedented challenges. “People often ask, have you swallowed too much, taking on several projects in one go? With the labour situation, yes. But a lot of it is hindsight. In hindsight, who knew that the Hong Kong government would not approve imported labour? Who knew we would encounter a lot of geological issues? It’s very difficult to tell.

“Our line is all underground because land is precious in Hong Kong, but to construct the tunnel in this way costs three or four times more than constructing it above ground. That’s what the experts are telling us. And when you dig underground, there are a lot of uncertainties,” says Ma. “We didn’t discover, for example, utility issues in the Jordan area until we found out it was a huge problem.” The presence of major utilities (power cables, telecommunications cables, and water and gas pipes etc.) directly beneath Jordan Road means MTR had to carefully divert from them during construction of XRL. Another reason for the delay was the unforeseen ground condition. “To do tunneling is very tough, but we have overcome that now and have moved on to superstructure,” he adds, referring to the building works being carried out above ground.

### Tunnel vision

Ma admits that the company has been struggling with an image problem for the past two years. He cites the high expectations of Hong



Kong locals and the rise of social media as contributing factors.

“Even while maintaining 99.9 percent reliability, inevitably, machines are machines. They do breakdown. When there were breakdowns in the old days, people didn’t have social media or iPhones, so they didn’t know about it that much. Today, the minute they are at the station and they see a delay, they take a photo, send it to the media, the media reports it. It’s like a vicious cycle.”

MTR fare rises have also been a continuous source of discontent. Public protest against the company was triggered after it announced a fare rise of 2.65 percent, effective in June. “With this so-called fare adjustment mechanism, they just look at the



Apart from its railway network in Hong Kong of more than 220 km, the MTR runs a network of more than 800 km outside of Hong Kong. The company currently operates three lines in Beijing (Beijing Metro Line 4 and Line 14, and Daxing Line); the Shenzhen Metro Line 4 (Longhua Line); the Hangzhou Metro Line 1; the Melbourne Metro (it will also run the Sydney Metro Northwest by 2019); the Stockholm Metro; the London Crossrail; and the London Overground.



numbers and say: “You make HK\$13 billion in profit – That’s a lot.” To you and me it’s a lot of money but mind you, the return on equity is only 6.5 percent. Is that high or low? You judge. So as a result, we have become an easy target for the public to criticize us.”

Ma is well aware that there is much work to be done by him and his team to keep the MTR on track. To kick off the process, Ma says it was vital for the company to establish its vision. “In any company if you don’t have vision, you won’t be able to go forward in the best way. My vision is to deliver the projects on time and within the budget as we have told the public. That way we would build

confidence among our stakeholders on the company’s operations,” he says. “But having a vision is not good enough. You must have execution – that is the job of our executive team, to carry out the vision as set out by the board.”

Another thing that makes a company successful is communication, says Ma. “When I was chair of the independent committee, I realized there were certain areas of improvement. Because the company was getting bigger, it needed to improve its internal communication. We also needed to communicate more with the public. So we hired our corporate affairs director to improve on that,” he explains. This is particularly important

for a company like MTR, which carries 5.5 million passengers a day. “We need good communication with all our stakeholders, our passengers being the most important. Communication is the job of everyone at the company, from myself all the way to the platform station assistant.”

In response to feedback from the public about congestion at stations and signal breakdowns, two new lines – the Kwun Tong Line extension and the South Island Line – are scheduled to open within the next nine months, he says. “When we open the lines, some of the congestion issues will be eased somewhat. But the big one will come when we finish the Shatin to Central Link with two phases



## Leadership profile

Frederick Ma

### “You’re not just training people, you’re building your network and reputation.”

to be completed in 2019 and 2021 respectively,” Ma adds. “We just have to do better and strive to improve customers’ satisfaction over our services.”

#### Opening the doors

The sheer size of the company, and the essential role it plays in Hong Kong life, has made Ma an advocate for corporate social responsibility. “CSR has to be part of our corporate strategy, part of our vision,” he says. “We seriously put a lot of effort into energy saving, for example, in our operations. We have 17,000 employees, so CSR is very important. We also have to care about the population at large.”

The company has a particular focus on responding to the city’s aging population by making travelling smoother for the elderly. “The government has released statistics that show currently we have one million people above 65 years old, but by 2040 that number will be close to three million,” notes Ma. “As such, we pay a lot of attention to this issue. For example, the signage caters to older people like myself and features bigger characters. We install benches at stations or in shopping malls we operate, we have travelators to carry people who can’t walk for long, we cater to people in need, and we put lifts in stations so you don’t have to walk many steps.”

Nurturing future leaders in the company is also a priority for the chairman. The company is currently devising its MTR Academy initiative, which will be open to

not only locals, but people from countries along the Belt and Road. It will be rolled out later this year, says Ma, who first raised the idea to the board last year despite the company already providing internal training for existing staff. He sees the programme as a win-win. “My idea was to train external people. Why? These external people could one day work for MTR. Also I believe that as a leader in the area, we have this responsibility of training for other operators. You’re not just training people, you’re building your network and reputation.”

#### Continuous journey

Even after leaving the government in 2008, Ma continued working on a part-time basis. “I went to university to work as a professor and then I took on INED jobs at many companies and got involved in a lot of charities and school activities.” At one point, he sat on eight company boards across different industries, both local and international, later resigning from four of them after taking up his current role. At present he has three professorships at the University of Hong Kong, Hong Kong Polytechnic University and his alma mater Chinese University of Hong Kong.

A belief in continuous learning keeps him busy, he says. “I believe in connecting with people so that I can learn from them. With the school activities, I hope I can contribute to young people’s lives. I want to feel my life is productive and fulfilling.” He has also taken up an additional role recently as a grandfather. “Now that I have my



Ma, who also served as secretary for commerce and economic development in 2007, has extensive experience in the banking and financial sector

first grandson, and my granddaughter will be born in a few months’ time, I’m looking forward to spending time with them.”

However, Ma knows he won’t be slowing down anytime soon. While he considers MTR to be the pride of the city, there is work to be done to get others to agree. “I think by delivering the railway projects on time, by making sure



that we communicate well with the stakeholders, by improving our systems further, over time the people of Hong Kong will appreciate MTR," he says. "The majority do appreciate us. It is a very small group who are making noise but we appreciate that."

Ma recalls his days as a university student travelling to Jordan across the harbour, where he would

teach part-time to make extra cash. "I had to take a bus from HKU down to Central pier, passing through Western District, and at that time buses didn't have air-con. It took me an hour and 15 minutes. Then I switched to a ferry, got off at Jordan pier, and walked to the school I used to teach at. The total journey took two hours." Today, he highlights, the journey from HKU station to Jordan

takes half an hour. "That's what MTR does for Hong Kong."

"I mentioned in my chairman's statement that I wished that over my tenure I will make this company the pride of Hong Kong people. I really think Hong Kong people should be proud of MTR. Can you imagine Hong Kong today without MTR? I cannot. I just cannot."







## Economic Implications of Chinese Demographics in the 21st Century — An Excerpt<sup>1</sup>

Dr. Kevin C Cheng

**Preface By Prof Dr David H T Lan, GBS, ISO, JP,  
National Committee member (CPPCC) 10th & 11th sessions  
President of The International Institute of Management (IIM)**



Prof Dr David H T Lan

As of January 1, 2016, the Chinese authorities abolished the one-child policy, which was introduced between 1978 and 1980. Now, all families are allowed to have two children. The new law was passed in the standing committee of the National People's Congress on December 27, 2015 in order to "improve the balanced development of population", according to a statement by the government.

I support wholeheartedly the abolition of the one-child policy, which should serve China and the world positively moving forward. In fact, some seven years ago, during my term of service as National Committee Member, Chinese People's Political Consultative Conference 11th session, I did put in my formal submission for the Chinese Central Government's consideration in changing the one-child policy. My submission was supported by over a dozen fellow

CPPCC Members with their signatures added, though in draft form it was circulated to more. I have always believed that the strict one-child policy, if unchanged, would result in dramatic population shrinking and aging in China, which is expected to entail adverse economic implications, not only for China, but also for the whole world—given the importance of the Chinese economy.

Indeed, I am not alone. My conviction has been echoed by many policy-makers and scholars interested in China throughout the world. One excellent study in this area originates from my good friend, Dr. Kevin C Cheng, whose PhD dissertation from the University of Chicago focused on the economic implications of China's shifting demographic structures in the 21st century by means of a numerical general equilibrium simulation analysis. Dr. Cheng has graciously agreed to let IIM reprint in this Annual Report an excerpt of his dissertation, which he crafted during the bitter winter of 2001 at the University of Chicago's campus in Hyde Park, the south side of Chicago<sup>1</sup>.

According to the analysis, if fertility remains very low in China, toward the end of the 21st century, the domestic savings rate will decline as population ages. In that scenario, assuming high capital mobility, lower fertility rates could be accompanied by significant capital outflows, due to a marked reduction in capital productivity and a sharp fall in the return to capital toward the end of the 21st century, a severely adverse economic outcome.

Now, with the benefit of hindsight, Dr. Cheng's analysis some 15 years ago seems to have been vindicated by the authorities' abolition of the one-child policy. Indeed, 15-20 years ago, very few scholars paid attention to the population shrinking and aging problems associated with the one-child

policy in China. Back then, population aging associated with lower fertility rates was seen mostly an issue reserved for advanced economies such as Japan and Europe. Therefore, although there has been a plethora of analysis over the recent few years about China's population aging, in early 2000s, Dr. Cheng was one of the pioneers who began to undertake a study in this area.

Now, before we move on to read Dr. Cheng's masterpiece, allow me to first introduce Dr. Kevin C Cheng: Based in Washington DC, Dr. Kevin C Cheng currently works for the Strategy Unit of the IMF's Strategy Policy Review Department, which plays a central role in developing the Fund's strategic direction. Prior to his current role, he was the Mission Chief for Brunei Darussalam and worked on Asia's Regional Economic Outlook.



Dr. Kevin C Cheng

Outside his IMF career, he is the Global Founding President of the Chicago Economics Society (CES), a global network connecting Economics alumni from the University of Chicago. Under Dr. Cheng's leadership, the CES has established chapters in Washington DC, Hong Kong, Singapore, and Peru. The CES has organized featuring top-notch economic thinkers and policymakers and leaders around the world including Nobel Laureates Gary Becker, James Heckman, Lars Hansen, world-renowned scholars Arnold Harberger, Kevin Murphy, Steve Davis, as well as JP Morgan Chairman Jacob Frenkel, and Governor of Central Bank of Mexico Agustín Carstens.

Dr. Cheng obtained his PhD in Economics from the University of Chicago. He is also a CFA and FRM charter-holder.

## NOTES

- 1 For a more detailed and technical summary of his analysis, please refer to IMF Working Paper entitled "Economic Implications of Chinese Demographics in the 21st Century" (WP/03/29), which is based on his PhD dissertation from the University of Chicago.

## **Economic Implications of Chinese Demographics in the 21st Century—An Excerpt<sup>1</sup>**

Crafted in the Winter of 2001 by Dr. Kevin C Cheng and Originally published in February 2003

### **I. Introduction**

Owing to various social and economic factors, China's birth rate dramatically decreased from 33.43 per thousand in 1970 to 15.23 per thousand in 1999, with a corresponding large drop in the natural growth rate from 25.83 per thousand to 8.77 per thousand over the same period.<sup>2</sup> Such a change in fertility rates will alter the demographic structures and population size in China. If the current policy remains unchanged, China will have an aging and shrinking population, with a lot of retirees and a reduced percentage of working people in the future.



This note assesses the economic implications of these demographic changes by means of a numerical general equilibrium simulation analysis. Following Rius-Rull (2001), this study explicitly models how different fertility levels--namely the current fertility rate as well as ones that might be induced by alternative government policies--will affect future demographic structures. Then, within an Auerbach-Kotlikoff-style multi-period overlapping-generations framework, it assesses the impacts of different demographic structures on the Chinese economy in the 21st century. The focus of the analysis is on macroeconomic variables such as capital flows, the rate of saving, the return to capital, the return to labor, and growth in per capita income.

## II. Stylized Facts

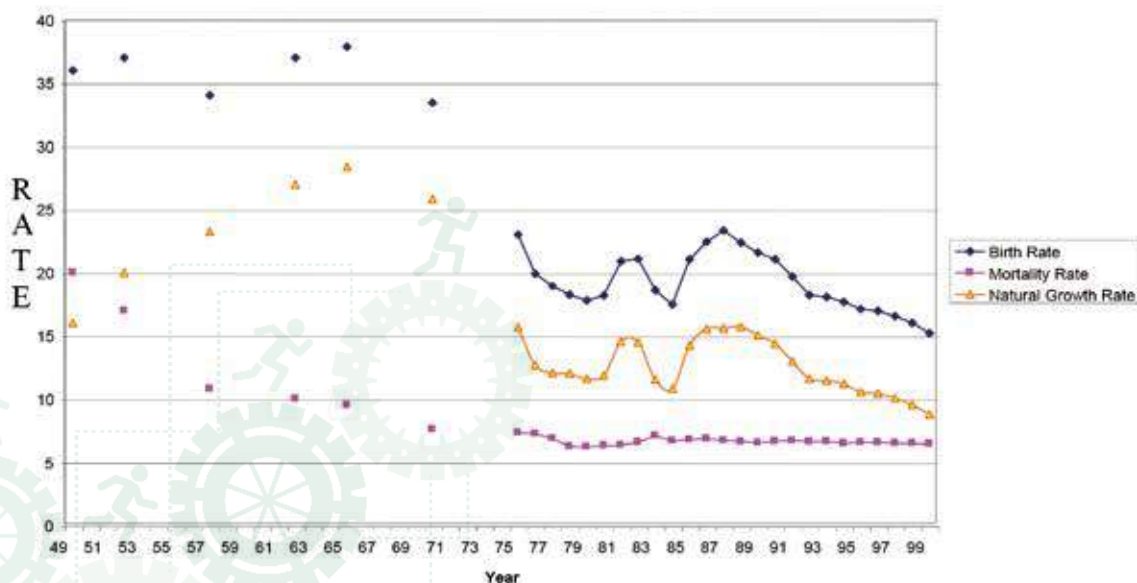
As a result of various government initiatives and other socioeconomic factors, China's fertility rates have changed dramatically. As a consequence, in general, the birth rate, the mortality rate, and the natural growth rate have been declining over the past five decades as shown in Table 1. The mortality rate has declined steadily until mid-1970. The birth rate and the natural rate surged in the 1960s (Figure 1).<sup>3</sup> But after 1970s, both rates have been mostly on a downward trend.

Table 1. Total Fertility Rates Trends of China

Periods	Total Fertility Rates
1950s	5.88
1960s	5.68
1970s	4.01
1980s	2.48
1990s	1.98

Note: These numbers are averages of annual data. Data between years 1950 and 1989 come from *China Historical Population Data and the Relevant Studies*, pp. 1594-95; those between years 1990 and 95 and 1997 and 1999 come from *CIA World Factbook*. No data exists for 1996.

Figure 1. Birth Rate, Mortality Rate, and Natural Growth Rate (Number per 1000 population)



Source: Data prior to 1985 come from China Statistical Yearbook 1985. The rest come from China Statistical Yearbook 2000.

### III. Analysis and Results

A simulation model—by means of a numerical dynamic overlapping general equilibrium—is used to estimate the impact on China’s economy during the 21st century under various fertility regimes. Specifically, economic outcomes corresponding to three fertility levels are simulated and analyzed: a low fertility rate of 1 child per woman, the benchmark fertility rate of 1.8 children per woman, and a high fertility rate of 2.6 children per woman.

#### A. Demographic Profiles for 21st Century China

The population in China under different fertility levels is shown in Figure 2 and the percentage of adult population in the labor force is shown in Figure 3. Lower fertility rates give a lower percentage of population in the labor force because lower fertility rates result in a higher percentage of old people who do not work.

Figure 2. Population Size in the 21st Century Under Different Fertility Levels

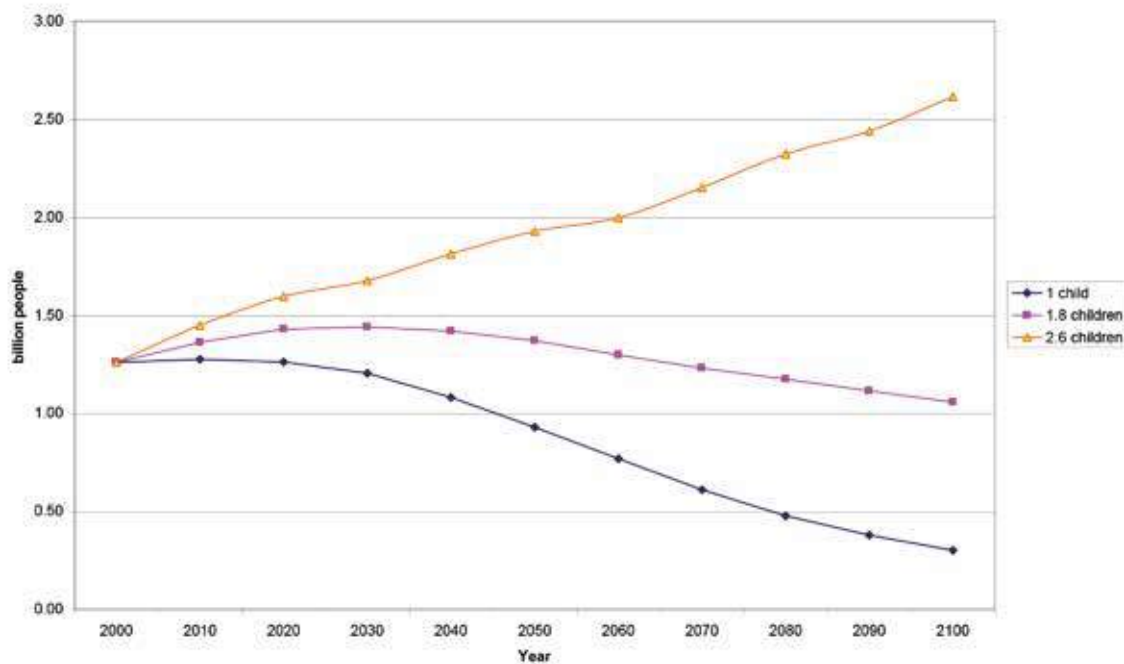
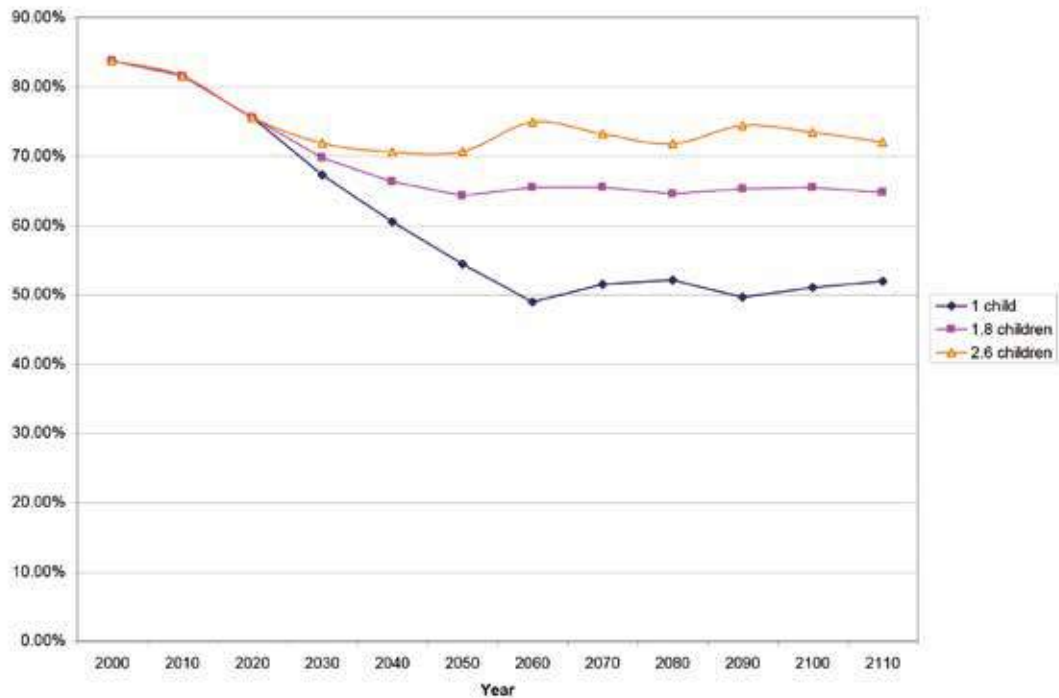




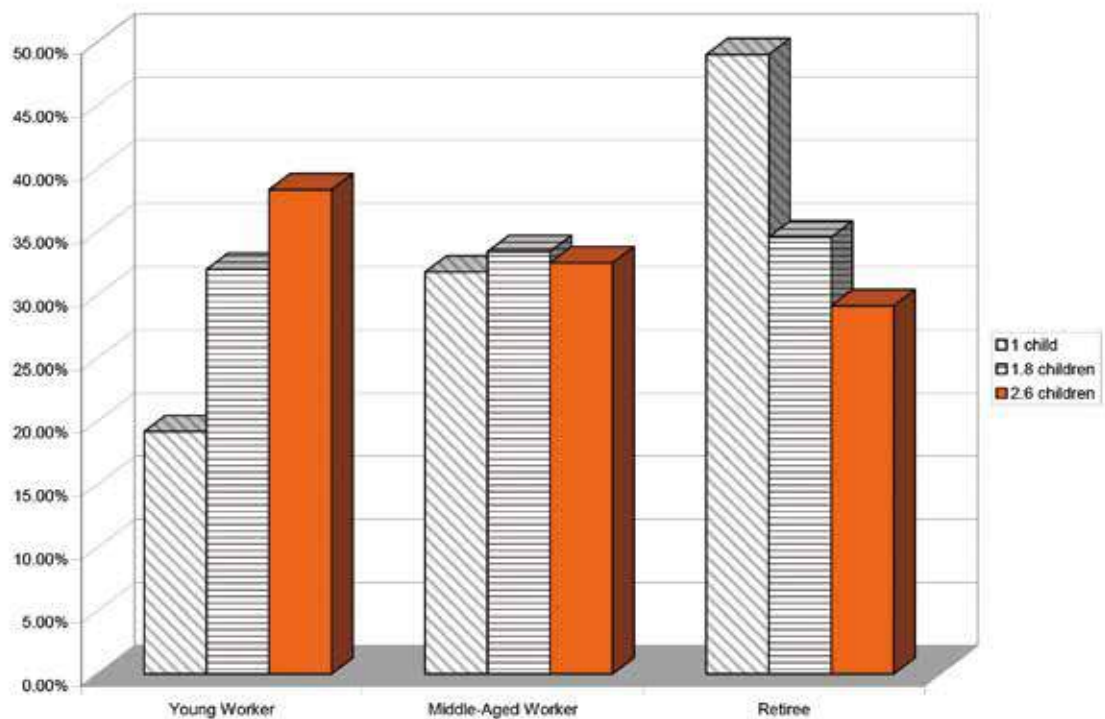
Figure 3. Percentage of Adult Population in the Labor Force



Note: Adult=people 21 over above=agents in model periods 3-10.

Figure 4 shows the adult age distribution in 2100, indicating that with a low fertility policy, the proportion of retirees in the adult population will be much higher towards the end of the 21st century.

Figure 4. Adult Composition in 2100



## B. Economic Implications with No Capital Mobility

Table 2 shows the estimated return to capital under the different fertility rates. The results indicate two patterns: first, over time, the return to capital in the three fertility regimes decreases. This is due to two mutually reinforcing factors: first, percentage of labor in population decreases in all of the fertility regimes, thereby lowering the marginal return to capital; and second, as capital accumulates over time, the law of diminishing return implies that the return to capital will also be lower over time. The second pattern is that the return to capital is higher with higher fertility rates because the relative abundance of labor in the future due to higher fertility rates today implies a higher return to capital.

Table 2. Return to Capital With No Capital Mobility

Year	Number of Children per Woman			Number of Children per Woman		
	1	1.8	2.6	1	1.8	2.6
	absolute scale			Relative scale (1.8 children=1)		
2000	1.53	1.53	1.53	1.00	1.00	1.00
2010	1.30	1.31	1.31	0.99	1.00	1.01
2020	1.13	1.14	1.16	0.99	1.00	1.01
2030	1.00	1.07	1.14	0.93	1.00	1.07
2040	0.93	1.06	1.18	0.87	1.00	1.11
2050	0.87	1.06	1.20	0.82	1.00	1.13
2060	0.84	1.09	1.26	0.77	1.00	1.15
2070	0.91	1.08	1.21	0.84	1.00	1.12
2080	0.89	1.06	1.19	0.83	1.00	1.12
2090	0.85	1.08	1.24	0.78	1.00	1.15
2100	0.89	1.08	1.21	0.82	1.00	1.13

Note: 2000 refers to 2000-2009, 2010 refers 2010-2019 and so on. The same reference system is used in all similar tables throughout the paper.

### Return to labor

As shown in Table 3, there are also two analogous patterns for the return to labor: first, over time, the return to labor rises regardless of the fertility regime. The reason is that the labor-to-population ratio decreases over time while at the same time, capital rises over time; the former makes labor more scarce while the latter makes labor more productive, with both mutually reinforcing factors boosting the return to labor. The second pattern is that the return to labor is higher under the lower fertility rate because labor is more scarce, therefore raising wages even more.



Table 3. Return to Labor (Net of Technological Productivity)

Year	Number of Children per Woman			Number of Children per Woman		
	1	1.8	2.6	1	1.8	2.6
	absolute scale			Relative scale (1.8 children=1)		
2000	0.25	0.25	0.25	1.00	1.00	1.00
2010	0.27	0.27	0.27	1.01	1.00	1.00
2020	0.30	0.30	0.30	1.01	1.00	0.99
2030	0.33	0.31	0.30	1.05	1.00	0.96
2040	0.34	0.31	0.29	1.10	1.00	0.93
2050	0.36	0.31	0.29	1.14	1.00	0.92
2060	0.37	0.31	0.28	1.19	1.00	0.91
2070	0.35	0.31	0.29	1.12	1.00	0.93
2080	0.35	0.31	0.29	1.13	1.00	0.93
2090	0.36	0.31	0.28	1.18	1.00	0.91
2100	0.35	0.31	0.29	1.14	1.00	0.92

### Capital per effective labor

Table 4 shows the capital per effective labor. Regardless of the fertility rate, capital per worker rises because of the accumulation of capital over time. Lower fertility results in higher per worker capital due to the scarcity of labor.

Table 4. Capital per Effective Labor (No Capital Mobility)

Year	Number of Children per Woman			Number of Children per Woman		
	1	1.8	2.6	1	1.8	2.6
	absolute scale			Relative scale (1.8 children=1)		
2000	0.11	0.11	0.11	1.00	1.00	1.00
2010	0.14	0.14	0.14	1.01	1.00	0.99
2020	0.18	0.17	0.17	1.02	1.00	0.98
2030	0.22	0.19	0.17	1.13	1.00	0.90
2040	0.25	0.20	0.17	1.26	1.00	0.84
2050	0.27	0.20	0.16	1.39	1.00	0.82
2060	0.29	0.19	0.15	1.54	1.00	0.79
2070	0.26	0.19	0.16	1.34	1.00	0.83
2080	0.27	0.20	0.16	1.36	1.00	0.83
2090	0.29	0.19	0.15	1.50	1.00	0.79
2100	0.26	0.19	0.16	1.38	1.00	0.82

Note: Capital per effective labor means capital per unit labor per (labor-augmenting) technology. See Chapter 1, Romer (1996)

Consistent with the life-cycle investment hypothesis, the simulations confirm that young people save relatively little, middle-aged agents save the most, and retirees dis-save. A saving-age profile for an agent born in 2030 is displayed in Figure 5. The result shows that a low fertility level results in lower saving rates throughout agents' lifetime because a higher fertility level implies a higher return to capital, thereby encouraging saving. Thus, lower fertility today results in lower aggregate saving rates in the future, as shown in Table 5.<sup>4</sup>

Figure 5. Age-Saving Profile For Agents Born in 2030

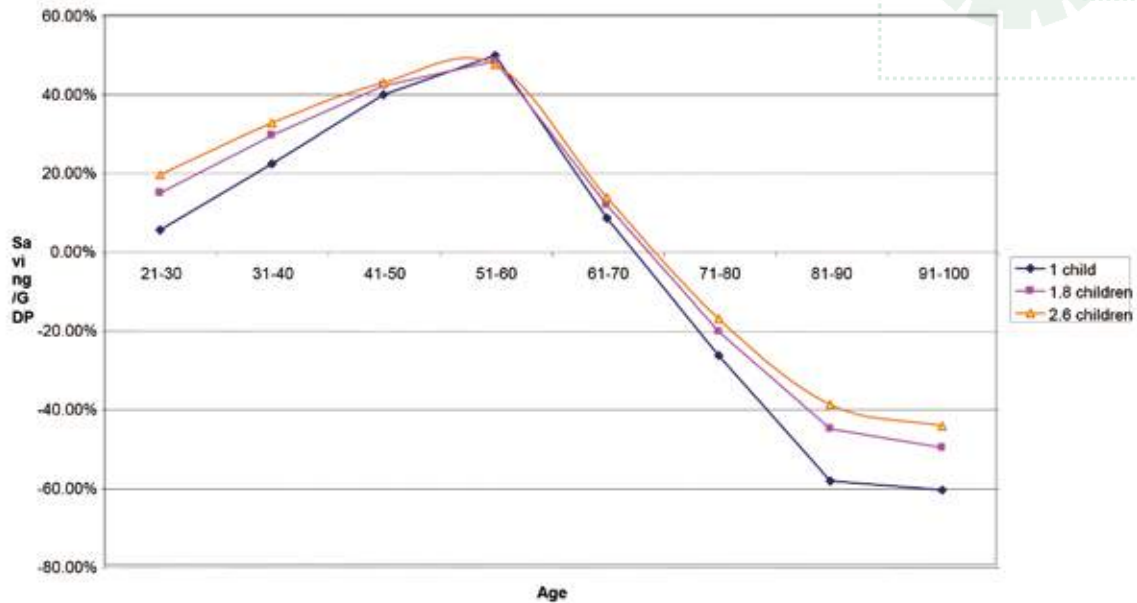


Table 5. Aggregate Saving Rate (Under no Capital Mobility)

Year	Number of Children per Woman			Number of Children per Woman		
	1	1.8	2.6	1	1.8	2.6
	absolute scale (In Percent)			Relative scale (1.8 children=1) (In Percent)		
2000	38.45	37.76	37.26	1.02	1.00	0.99
2010	35.54	34.68	34.10	1.02	1.00	0.98
2020	31.82	31.10	30.62	1.02	1.00	0.98
2030	28.98	28.19	28.04	1.03	1.00	0.99
2040	26.90	26.96	27.64	1.00	1.00	1.03
2050	24.14	26.81	28.82	0.90	1.00	1.07
2060	21.80	27.90	30.77	0.78	1.00	1.10
2070	24.88	27.66	29.20	0.90	1.00	1.06
2080	24.82	27.09	28.75	0.92	1.00	1.06
2090	22.62	27.65	30.23	0.82	1.00	1.09
2100	24.20	27.64	29.39	0.88	1.00	1.06
<b>Average</b>	<b>27.65</b>	<b>29.40</b>	<b>30.44</b>	<b>0.94</b>	<b>1.00</b>	<b>1.04</b>





Effects of demographic structures on per capita income are less clear. As shown in Table 6, in some years, growth associated with a low fertility is higher than that with a high fertility, but the reverse is true for other years. In any case, the difference in per capita GDP growth across different fertility regimes is not large.

Table 6. Annual Per Capita GDP Growth with No Capital Mobility

Year	Number of Children per Woman			Number of Children per Woman		
	1	1.8	2.6	1	1.8	2.6
	absolute scale (In Percent)			Relative scale (1.8 children=1) (In Percent)		
2001 to 10	5.33	4.58	3.90	1.16	1.00	0.85
2011 to 20	4.03	3.38	2.85	1.19	1.00	0.84
2021 to 30	2.90	2.90	2.99	1.00	1.00	1.03
2031 to 40	2.72	2.68	2.47	1.02	1.00	0.92
2041 to 50	2.45	2.65	2.59	0.92	1.00	0.98
2051 to 60	2.17	3.07	3.56	0.71	1.00	1.16
2061 to 70	3.07	3.09	2.97	0.99	1.00	0.96
2071 to 80	3.26	2.88	2.65	1.13	1.00	0.92
2081 to 90	2.76	3.04	3.32	0.91	1.00	1.09
2091 to 00	3.00	3.07	3.02	0.98	1.00	0.98

### C. Economic Implications with Perfect Capital Mobility

Under perfect capital mobility, the return to capital in China is exogenously determined by the international rate of return to capital, and all economic variables will be functions of this international rate. The international rate of return to capital is calculated such that the simulated capital inflow/GDP ratio in the first period matches actual recent data, and it is assumed to remain fixed at that rate. The case of perfect mobility is interesting for two reasons. First, it shows how sensitive our results are to the extreme assumption that the return to capital is exogenous rather than endogenous. Second, and more importantly, it shows how different fertility regimes affect capital flows. Since the actual direction and magnitude of capital flows depend on many other factors, we focus only on the relative direction and magnitude of capital flows among the different fertility regimes.

As shown in Table 7, a lower fertility level is associated with relatively low net capital inflows because the relative scarcity of labor implies a lower return to capital, thereby making investment in China less attractive.<sup>5</sup>

Table7. Net Capital Flows as a Percentage of GDP

Year	Number of Children per Woman		
	1	1.8	2.6
	Relative scale (1.8 children=1) (In Percent)		
2000	0.00	0.00	0.00
2010	0.00	0.00	0.00
2020	-3.95	0.00	3.95
2030	-7.33	0.00	6.13
2040	-10.26	0.00	6.84
2050	-13.23	0.00	8.88
2060	-5.97	0.00	5.46
2070	-7.18	0.00	6.04
2080	-11.53	0.00	8.34
2090	-7.42	0.00	5.95
2100	-7.03	0.00	5.97

Note: Negative numbers indicate to net capital outflows

For the saving rates, Table 8 indicates that a lower fertility rate has slightly lower savings rates.

Table8. Aggregate Savings Rates (Perfect Capital Mobility)

Year	Number of Children per Woman		
	1	1.8	2.6
	Relative scale (1.8 children=1) (In Percent)		
2000	1.00	1.00	1.00
2010	1.00	1.00	1.00
2020	1.00	1.00	1.00
2030	1.02	1.00	0.98
2040	1.01	1.00	0.99
2050	0.94	1.00	1.04
2060	0.82	1.00	1.07
2070	0.86	1.00	1.04
2080	0.90	1.00	1.05
2090	0.84	1.00	1.07
2100	0.85	1.00	1.05
<b>Average</b>	<b>0.93</b>	<b>1.00</b>	<b>1.03</b>

In terms of per-capita economic growth, the results are similar to the case with no capital mobility. As shown in Table 9, demographic structures do not have a significant impact on the per capita income growth.



Table 9. Per Capita Income Growth (Perfect Capital Mobility)

Year	Number of Children per Woman		
	1	1.8	2.6
	Relative scale (1.8 children=1) (In Percent)		
2001 to 10	1.17	1.00	0.84
2011 to 20	1.18	1.00	0.85
2021 to 30	1.01	1.00	1.03
2031 to 40	1.06	1.00	0.90
2041 to 50	1.01	1.00	0.94
2051 to 60	0.80	1.00	1.15
2061 to 70	0.99	1.00	0.95
2071 to 80	1.09	1.00	0.92
2081 to 90	0.94	1.00	1.10
2091 to 00	0.98	1.00	0.98

#### IV. Conclusion

This paper addresses in detail how China's population control will affect its future demographic structure. By means of a numerical general equilibrium simulation analysis, the paper considers how fertility levels today affect the economy in the future.

The study shows that savings are lower with low fertility rates. In addition, with low fertility rates, future returns to capital will fall while returns to labor will rise. In other words, the study finds that the fall in demand for capital due to labor shortage is greater than the fall in supply due to the dissaving of the elderly. Consequently, when capital mobility is high, the simulation predicts more capital outflows in the future with a low-fertility regime today. Finally, the study shows that demographic structures have very small impacts on per-capita income growth rates.

The economic intuitions behind the results are straightforward. According to the life-cycle investment theory, saving behaviors vary with age. As fertility rates today determine future age distributions, China's population policies will have an impact on aggregate savings. At the same time, since current fertility affects the future labor force, the marginal product of capital and the marginal product of labor will be affected. This implies that investment demand will be a function of demographic structure. The degree of international capital linkages also plays a role. If capital mobility is high, the demographic structure will affect the direction of capital flows through induced changes in saving supply and investment demand. All of the above factors affect economic growth.

#### Notes

- 1 This is an excerpt from this paper: <https://www.imf.org/external/pubs/ft/wp/.../wp0329.pdf>, which in turn is an excerpt based on Dr. Cheng's PhD dissertation from the University of Chicago, available from the University of Chicago Library.

- 2 For details, see *Beijing Review*(2000).
- 3 Banister (1987) attributes this to the outbreak of the Cultural Revolution.
- 4 Due to the “humped shape” of the age-saving profile, savings rates may actually rise in the initial years as population ages, but they will inevitably decline in the subsequent years.
- 5 Although the rate of saving is lower with a lower fertility rate, this effect is dominated by the fall in the investment demand due the relative scarcity of labor. For a theoretical reasoning behind this result, see Appendix II.



## 中港合作 開創雙贏



作者簡介：

**陳繁昌教授**

香港科技大學校長

過去幾年，我在專欄和不同場合都分享過香港發展創新科技絕對是刻不容緩，否則香港的競爭力、以往一貫的優勢及寶貴的人才資源，將會受到衝擊，所謂不進則退，香港應該認真檢視在發展科技產業的定位，制訂相應策略。隨著創新及科技局上馬，香港又如何能夠鼓勵年青人創新創業，幫助他們與國際精英一較高下？創科局的確任重道遠，除了為香港制訂長遠科技發展政策，還應多加促進產學研合作，推動技術轉移，營造濃厚的創新文化，扶植年輕人才。

科大創校以來都鼓勵同學把嶄新技術轉化到應用層面，在轉化過程中造就了不少企業，也不乏成功例子。香港房租不斷上揚、人工高、地方少，當然不在話下，高昂的經營成本對比珠三角，可說是天壤之別。我有次從電視訪問中見科大畢業生受惠於東莞市政府的科技人才優惠政策，可以在月租僅數百元的一房一廳單位內專心研究，在香港實是無法想像。他與幾位同是科大畢業的合夥人在人工湖試行自己研製的環保電動船，滿懷熱誠，加上各種配套設施支持他們創業，我在想為甚麼此情此景不能在香港發生？另一位科大博士畢業生專門研究機器人和自動化機器，要設廠生產須有大面積廠房、大量技術工人和優秀的研發團隊，珠三角地區營運成本較香港低，直接推動年輕創業者放膽一試。

我與兩位為人熟悉的科大校友—民用無人機龍頭大疆科技的創辦人汪滔及 LED 集成芯片先驅晶科電子的總裁肖國偉，一直都有保持聯繫，他們不約而同告訴我，低廉的創業成本固然重要，但他們仍不斷鑽研及優化技術，瞄準市場的優勢和潛力，善用珠三角完善的供應鏈、科研人才資源、相關的優惠政策及當地推動產業轉移的決心，成功造就今天獨當一面的品牌。珠三角地區對推動創新科技的重視和決心帶動社會文化的蛻變，加上政府的政策、設施與財政配合，深圳對科研每年投入約 93 億美元，是香港的五倍，而且大型科技企業如華為和騰訊都選擇紮根深圳，吸引大批高科技人才，為創新創業打開新局面。今時今日，深圳已由「山寨之都」搖身變為「創新之都」，而這個趨勢蔓延至其他城市，東莞松山湖科學園是好例子。

然而，當我細聽這些在珠三角發展的科大畢業生之心聲，大家並不是一面倒傾向內地優勢，香港的教育著實為本地挽回一仗。他們一致認為在香港讀大學能夠培養自由開放的國際視野，甚至認為自己的創意和果斷態度都是在科大學習的時候培養出來，而他們對香港的生活和學習環境亦讚不絕口，流露出一捨之情。事實上，香港作為一級國際城市，這些優勢不容置疑，問題是我們有否盡量利用這些優勢，創造機會。

同時，我亦留意到許多國際級大型中國科技企業選擇到香港成立研發基地，我曾與幾間公司的主管傾談，大家都認為最重要是香港擁有國際人才庫，這正是企業成功的關鍵之一。作為國際城市，普遍以英語作溝通語言，社會發展與國

際大都會無異，加上完善的體制、資訊自由、低稅政策及對知識產權的保護等，這對於招攬國際人才，甚至本地專才和俗稱「港漂」在港畢業的內地人有一定的吸引力。人才是隨着機會走的。本地大學所培養的優才，絕對可媲美歐美頂尖學府的畢業生，而且本地大學的國際網絡深厚強大，很多教授都與全球研究精英建立緊密的夥伴合作關係，促進香港的科研生態系統。

然而，創新文化始終未於香港風行，究竟怎樣才能啟動全城效應，增強社會對科技的投入？在考試主導的制度下，往往只著重培訓單一方面的才能，而非鼓勵學生勇於嘗試不同事物、創新創業。在香港，家長與尖子普遍首選如醫科、法律專業課程，這好像已成為指定動作。很多人的重點主要放在個人前途及「錢途」上，加上怕輸、怕失威的心態，會認為捧著鐵飯碗遠比冒險創新去改變世界來得穩陣，這也難怪，社會始終對發展創科及創業存有一種根深柢固誤解——「Low Tech，撈嘢；High Tech，搵嘢」，就是沒有信心香港可以搞起創科。我不禁要問，這樣有利社會長遠發展嗎？一個成熟蓬勃的社會必須多元化，鼓勵不同人各展所長，才可迸發出嶄新視野和思維。無人能夠保證創業百分百成功，雖然只有小部分人成功，但努力過程中所賺到的經驗，卻是終生受用，時間和心血沒有白費。當然，我明白在這個多元化的社會，每人都各有所長，我亦並非鼓吹人人都應走創科路，只希望大家都能跟隨自己的志趣，勇敢走出自己的路向，沒有特定的起步點及終點，但應趁著年輕，嘗試走不同的路。

其實香港擁有極大優勢，本地數間優秀的大學和科研機構，也吸引到像麻省理工學院這樣的國際一流學府到香港設立創新中心。加上我們鄰近珠三角，所謂近水樓台，香港既可憑藉中國加大力度發展的經濟、科技、教育等機遇，對發展創新產業無往不利。香港要成為創新樞紐，就應從推廣創新文化做起，讓社會大眾明白科技的巨大影響力。

其實，珠三角與香港在科技發展並不是零和遊戲，與其走向此消彼長，何不努力一起開創雙贏？



## 英國脫歐公投與美國總統選舉



作者簡介：

### 曾淵滄博士

曾淵滄博士畢業於新加坡南洋大學數學系，之後他考取了英國蘭卡士特大學之運籌學碩士學位和曼徹斯特大學管理科學博士學位。

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- 香港城市大學工商管理碩士課程主任及管理科學系副教授
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曾博士曾任多家企業、機構之顧問。

曾博士於 2001 年榮獲香港城市大學之最佳商業應用研究獎。他先後出版了 50 部專書和發表了 10,000 多篇論文和文章，是多家報刊雜誌的專欄作者。他也多次受邀在中國、美國、香港和新加坡電視、電臺、報章和研討會發表意見和主講有關經濟與管理方面的課題。

英國脫歐公投結果的確使全球金融界精英大跌眼鏡，這是很值得我們反省的一件事，說全球金融界精英皆猜錯英國公投的結果，理由是公投的前夕，全球股市皆創出高水平，美國道瓊斯指數已經升破 18000 點，離開歷史高點不足 2%。

為什麼金融精英會猜錯？當然，你也可以說不是錯的太厲害，因為脫歐派也只得 52% 票，比留歐派多 4% 的票，有些人也許還不願意承認自己猜錯，說有不少英國人是抱着玩玩的態度投票，投了脫歐票後才發現原來問題這麼嚴重，是的，玩玩的人有，但是，估計認真的人肯定更多。現在，是應該分析脫歐派的心態，他們真的不知道脫歐所可能帶來的災難？我相信投票支持脫歐的人是明白脫歐可能帶來的後果，他們是衡量了脫歐留歐的後果後做出了決定，當然，每個人所做的決定都是以自己的切身利益為第一項考慮的條件。

不少民意調查皆顯示年輕人支持留歐，年長的人支持脫歐，中產支持留歐，基層支持脫歐，留歐脫歐的確因年齡不同，階層不同而立場不同。

這種心態恰好與香港立法會的投票心態不一樣，儘管投票是秘密的，不過民意調查清楚顯示同一個家庭裡兩代人在投票時的傾向是有很大的差異，可以很清楚的感覺得年輕人比較傾向於支持反對派，認為立法會應該有多一些反對派的声音才是真正的社會，這種心態左右了過去許多年的選舉。

投票支持脫歐的英國老年人仍然生活在過去大英帝國的光輝年代，他們認脫歐後的英國會更好，英國會像過去那樣的強大，脫歐後英國不必接收大量來自歐盟的窮人及北非、中東的難民，他們的確是那麼想，所以才會投票支持脫歐。香港的年輕人也是一樣，不少年輕人都相信回歸前的香港比今日好。香港回歸 19 年，回歸前這批目前的年輕人仍然是小孩子，甚至仍未出世，他們在成長的過程中，受到學校中支持反對派的教師影響，同學們的互相影響，再加上部分

傳媒的影響，使到他們真的以為每天來香港的 150 名內地居民（實際上已經少過 150 名）都是來香港領綜援的，他們也相信內地水客搶走了香港所有嬰孩的奶粉（實際上香港人當水客的也不少），香港年輕人走入香港名牌店，售貨員對自己講普通話更引起自己莫名的憤怒，認為自尊心受損，投機的政客也因此打出港獨的旗幟以招攬年輕人。

英國老年人與香港年輕人的本土意識都是基於認識不深，對國際形勢認識不清。英國老人認識不深之處是錯誤地高估了今日英國的國力，香港年輕人也同樣高估了今日香港的競爭力，也低估了過去中國內地對香港的重要性。

今日英國的兩大政黨保守黨與工黨內部皆有留歐派及脫歐派，什麼時候保守黨與工黨內的留歐派與脫歐派會再度分裂，各自分裂成兩個政黨則不得而知，我們只能拭目以待，不過，今日香港的反對派則幾乎全部是反中的政黨、反中國、反中共，分別只是激進與溫和。

反對派中年紀比較大的比較溫和，年紀輕的比較激進，原因就是年輕人沒有經歷過港英時期英國人高高在上，毫不民主絕對獨裁的時代。現在，香港反對派也已經公開決裂，今年的七·一遊行，人數少了很多，少了大量激進的年輕人，激進的年輕人認為這批年紀較大的反對派在吃老本，把七·一遊行當成例行公事，毫無成果的行動，他們正在尋求有成果的激進行動，真希望他們不會變成伊斯蘭國那類的恐怖激進分子。

今日溫和反對派與激進反對派最大的分別就是一個支持回歸，一個反回歸。支持回歸的是溫和反對派，他們雖然是反對派，但是基本上是支持回歸的民主回歸派，而所有支持建制的香港人，則全部支持回歸，因此，反回歸的總人數依然只是一小部分，只是反對派中的激進分子，我們應該清楚地分別兩者的不同。英國脫歐公投也曾經使到香港激進反對派感到興奮，他們把英國人留歐與脫歐的公投當成英國脫歐獨立運動，只是，脫歐派成了全球政治領袖一致反對後，香港的激進反對派才停止借英國公投來鼓吹香港的自決公投。

英國公投前，那些高喊英國應該脫歐的政客非常高調，他們想藉公投撈取政治本錢，但是公投結果公佈後，儘管脫歐派以 52% 對 48% 的選票勝利，但是，社會輿論一面倒指責脫歐派，這使到脫歐派都靜了下來，不敢再高調地喊脫歐，即刻脫歐，靠喊口號來撈取政治資本的英國政客明白，真的脫歐可不是好事，同樣的，今日香港也有人搞分離主義也一樣靠喊香港自決公投來撈取政治資本，但是他們心裡也應該清楚的知道，香港獨立是死路一條，政客希望流血，但不是流自己的血。

美國共和黨總統候選人特朗普於共和黨初選開始時，被輿論形容為瘋子，結果，這名瘋子勝利了，擊敗共和黨的其他參選人，成為正式代表共和黨的總統候選人，與民主黨的希拉莉競選入主白宮。

同樣的，在共和黨與民主黨各自確定總統候選人之後，希拉莉的民調支持度遠遠拋離特朗普，但是，在總統選舉投票日只剩 50 多天時，兩人的民調支持度已經大大接近，大約只有 3% 的差距，美國的政治評論界已經開始談論特朗普的確有機會入主白宮，爆個大冷門，情況有如英國的退歐公投，也爆出大冷門。

特朗普為什麼被認為是瘋子，而「瘋子」為什麼會得到支持？

這涉及西方世界的普世價值的偽善已面臨挑戰，而挑戰的動力來自經濟利益，長久以來，西方世界的政治圈有一套自己認為必需遵守的政治正確行為，這套行為標準即西方世界在全世界推行的普世價值，這套普世價值包括民主、包括反歧視、包括自由、包括法治、為了這套價值觀，美國在中東發動政變，推翻專制政權，但是，專制政權的垮台並沒有帶來民主，而是宗教戰爭，是恐怖主義抬頭，結果，中東廣泛地帶變成戰場，民不聊生，大量難民湧向歐洲，單是





2014 年至 2015 年，聯合國的統計就顯示出世界各地有 1.25 億人口流離失所，成為難民，這也難怪聯合國要召開高層次的難民大會。

難民、非法移民大量到英國，導致英國人終於選擇要脫離歐盟，而被視為瘋子的特朗普，他的主要競選口號就是反歧視，他清楚地說要驅逐數以千萬計的墨西哥非法移民離境，要在墨西哥邊境建萬里長城，阻止墨西哥人非法進入美國，特朗普也反對自由貿易，他認為自由貿易使到美國的工廠消失，他說一上任就會向中國入口的商品徵入口稅，要求人民幣大幅升值……他甚至要求亞洲太平洋那些正在享受美國軍事保護的國家要付美國軍費開支……

輿論認為他是瘋子，但是，他的競選口號的的確確打動了美國基層民眾，這種情況與英國脫歐公投一樣，支持者是英國的基層，不希望外來的移民、難民來分享英國的福利。

八年前奧巴馬以「改變」為口號；今日，特朗普也以「改變」為口號，換言之，如果希拉莉獲勝，華爾街會視之為奧巴馬的繼承者，股市的變動應該不大；但如果特朗普當選，很可能有翻天覆地的改變，特別是國際貿易，特朗普似乎相當傾向保護主義。

特朗普的支持度正在上升，如果他真的當選，全世界的經濟秩序將出現重大的改變，世界貿易機構是否還會存在已成疑，世界各地重新回到貿易保護主義，打貿易戰，損失最大的是中國，不過，今日中國的經濟力量已經強大到不必完全依賴出口，而可以靠努力開發內部消費要支持經濟發展。



# A Critical Review of Hong Kong's Independence

(August 1984)

Dr. Henry Au



Biography:

**Dr. Henry T. K. Au**, Ph.D., M.B.A., M.A.

Dr. Henry Au, Director of Development of The International Institute of Management, is a veteran international political/business risk analyst and strategist, covering a wide variety of industries including media, government, health care and property development. He is an Adjunct Professor in Management and Political Science, a global Market Watcher, and Vice Chairman of Invotech, a do tank in Hong Kong. Having held senior positions at blue chip companies, Henry is former Executive Director of Hawaii Government Office in Hong Kong, promoting Hawaii economic development in Southeast Asia. He is also former President of the United States States & Ports Association in Greater China, assisting members to market US trade & reverse investment. Henry, currently interested in corporate genetic re-engineering, is an Executive Director of Pro Niche Ltd., a CPD provider in Hong Kong.

## Abstract

This article is a chapter of the author's 1984 dissertation on "Possible Political Futures of Hong Kong". As the 1898 Lease of the New Territories of Hong Kong to Britain was due to expire in 1997, the dissertation employed forecasting methods such as computer simulation, survey research, elite interview and historical analysis to examine possible futures of Hong Kong, and adopted three ideal types - namely Sinification, Status-quo and Independence -- to assess and illustrate its findings. The article evaluates the factors pushing for, and against, independence of Hong Kong. The research revealed no existing or emerging evidence / game-changers strong enough to cause disruptions ending in the independence of Hong Kong. Though the data used are not current, the evaluating criteria and rationale cited provide a useful blueprint for follow-up study to identify new and emerging game-changers amid unexpected political disruptions in the current political context of Hong Kong.

## Definition

By "the independence of Hong Kong" this author means an independent state of Hong Kong. An independent Hong Kong includes:

1. A population of Hong Kong citizens,
2. A territory which covers a definite area with internationally recognized borders on the surface of the earth,
3. A government, which has its own bureaucratic machinery to handle all governmental affairs, and
4. The sovereignty over Hong Kong. It means the Hong Kong Government (HKG) would be supreme in its actions within the territory of Hong Kong.<sup>1</sup>



## Requirements

Having twice the size<sup>2</sup> and population<sup>3</sup> of Singapore, together with a well-run government bureaucracy, Hong Kong presumably has met most of the conditions for becoming an independent state. In a world that has seen the number of independent countries in the UN from 45 in 1945 to 134 in 1970 (E. C. Paul, 1974), Hong Kong has every potential to be a contributing member in the world of nations. For example, economically speaking, Hong Kong has a sound economy of US\$27.2 billion in 1981,<sup>4</sup> which surpasses in size the economy of Pakistan, Ghana, Egypt, Peru, Syria, Malaysia, Portugal, Israel, Singapore, Ireland, and even Kuwait.<sup>5</sup> Hong Kong has a GDP per capita of US\$5,100.<sup>6</sup>, which ranks higher than that of China (\$300.), Nigeria (\$870.), South Korea (\$1,700.), Brazil (\$2,220.), Mexico (\$2,250) and Greece (\$4,420.), to name a few.<sup>7</sup> Politically speaking, the people's lack of belief in independence as a viable alternative and China's claim to Hong Kong's sovereignty remain the major stumbling blocks towards independence. Otherwise, it would seem that the HKG could quickly and easily assume sovereignty (from Britain) and declare the independence of Hong Kong. Therefore, the requirements for drawing the independence of Hong Kong as a conclusion for the political future of Hong Kong would be:

1. The existence of Chinese governmental consent to Hong Kong's independence,
2. The existence of Hong Kong elite opinion for independence.

## Factors That May Push For Independence

In conceding the difficulty of granting independence to Hong Kong as an alternative future for Hong Kong, Prime Minister Thatcher acknowledged in London that

*but for the peculiar situation of Hong Kong and the leases, but for that, had it been an ordinary British colony, she would have been independent years ago. She would have been another Singapore.<sup>8</sup>*

The above seems to have explained why Britain has granted extremely few, if any, self-rule measures over the years in Hong Kong. With the traditional British policy of making Hong Kong as apolitical as possible (A. King, 1975; Lau, 1982) and with the perception of China as a decisive decision-maker in Hong Kong's future (see Table 1), and with China's recently professed intention to resume sovereignty over Hong Kong, it seems that Hong Kong could not achieve independence (even if its people should desire) by anything short of a revolution.

Table 1

Who Has the Decisive Voice in the Political Future of HK?

(%)	China	China & Other	UK	HK	Taiwan	Majority Answer
Elite	87	7	7	0	0	China
Student	41	12	3	37	0	China*

\* Precisely, it is the modal answer.

Although there has been no known call for revolution and almost virtually no call for independence by Hong Kong's people, the independence of Hong Kong nevertheless remains a possibility. A brief examination of potential causes of revolution in (and possibly independence for) Hong Kong are useful here.

Any American college student who passes a course on the history of world civilization is likely able to name the five major factors for a successful revolution. They are:

1. The presence of an intolerable economic condition,
2. Strong governmental insensitivity to its people's plights and needs,
3. Indigenous political leadership to lead the revolting masses,
4. The availability of sufficient funds to finance the revolution, and
5. The pressure of a strong local group identity.

Let's take a look at how the degree of presence or absence of these five factors in Hong Kong affects the likelihood of revolt as an effort for independence.

### **A. Intolerable Economic Conditions**

The KMT lost the Chinese Civil War to the Chinese Communists not only because it had a corrupt government, but also because the masses in KMT-controlled areas suffered from intolerable economic conditions. After the death of Yuan Shih-Kai in 1916, production was disrupted due to the war (Mills, 1942: 459). Taxes were heavy (Ibid). Inflation was sky high. KMT-issued currencies were almost of no value. To the over-taxed masses, the communists signified the prospect of food and land reform. Indeed, owing to the gradual implementation of land reforms, economic conditions in the communist soviets were always more egalitarian, if not much improved, than those areas under the KMT. Therefore it should be no surprise that almost everywhere the communists went, there were large scale KMT defections of troops (R. Thornton, 1982: 220) and peasant folks to the communists. These defections were especially rampant during the last two years of the Civil War.

If intolerable economic conditions were partly responsible for the final defeat of the KMT at the hands of the communists, such conditions presumably might cause the Hong Kong people to rise against the British, climaxing in the demand for independence.

With its standards of living second only to Japan and closely at par with that of Singapore in all of Asia, Hong Kong would not seem to suffer from intolerable economic conditions. If anything, Hong Kong's economy is still going strong even in the face of its uncertain and possibly pessimistic future. According to the May 14, 1984, issue of *The Week in Hong Kong* (published by the Hong Kong Government Information Services), total merchandise trade of HK\$94.62 billion for the first quarter of 1984 were up by 48% over the same period last year. "Domestic exports rose by 51% to HK\$28.115 billion, imports by 43% to HK\$ 48.784 billion and re-exports by 5% to HK\$17.722 billion. Domestic exports and re-exports together increased by 54%" (*The Week in Hong Kong*, May 14, 1984). There were also first quarter increase in re-exports to China (by HK\$2.9 billion or 163%), to the US (by HK\$1.13 billion or 77%), to Taiwan (by HK\$573 million or 96%) and to Japan (by HK\$520 million or 92%). Of course, these increasing figures may just be a reflection of a "recovery" from the not so spectacular showing of the first quarter of 1983 soon after the talks on Hong Kong's future commenced in September 1982. It may also be a manifestation of people's intentions to make the best use of Hong Kong in the remaining years before 1997. In addition, it may be a reflection of, perhaps premature, business confidence in Hong Kong's future. Regardless of whatever interpretations one draws from these figures, these figures underscore the fact that Hong Kong is not suffering from sluggishness of trade that might result in intolerable economic conditions. It is not unreasonable to say that the chances for Hong Kong to suffer from intolerable economic conditions on a revolt-causing scale is quite slim. However, no one should be over-confident that Hong Kong's present economic conditions will be maintained if and when Hong Kong is reabsorbed by China.



If China, after the re-absorption of Hong Kong and even amidst conditions of a possible moderate reduction of living standards in Hong Kong, can prevent the onslaught of intolerable economic conditions, Hong Kong will probably remain orderly. On the other hand, failure to maintain the absence of intolerable economic conditions might make the Hong Kong people less reluctant to revolt and seek independence.

## **B. Governmental Insensitivity**

As mentioned in the previous paragraphs, the people in the KMT controlled areas were heavily taxed. The determination of the KMT government to tax every sector of the population heavily (Parks Coble, 1980), regardless of the economic conditions at the time, in order to maintain and build KMT's military strength demonstrated the KMT government's total insensitivity to its people's plights.<sup>9</sup> This insensitivity must be considered to have been critical, if not fatal, to the KMT's efforts in the Civil War.

Presumably a strong insensitive Hong Kong government might drive the Hong Kong people to revolt and possibly seek independence. To be sure, there is no fully genuine political representation in Hong Kong. For whatever limited political representation that the Hong Kong people might have, there are political inequities evident in the overwhelming over-representation of the business and wealthy sectors in major decision-making bodies.<sup>10</sup> However, the Hong Kong Government is considered always to have governed Hong Kong "by discussion" or "by consultation" and not arbitration (Endacott, 1964: 229; Lau, 1982; Miners, 1976; H. K. Fung, 1983: 18). Like Singapore, the HKG has many (about 323 at present) advisory bodies to consult on public reactions to proposed governmental policy before any decision is reached (*HKAR* 1984). There are also City District Offices established to act as an intermediary between the government and the public in order to smooth the governing process (King, 1975: 433-34). In fact, 70% of the student and virtually all the elite sampled (61.5% said "quite a bit" & 38.5% said "a lot") thought the HKG was responsive to public opinion. It seems that at least at present, the HKG cannot be considered as being insensitive to its people.

Although the HKG under the tutelage of Great Britain does not seem to be insensitive to the plights of Hong Kong, a HKG, under China may not necessarily be sensitive to the conditions of the people. A China-influenced HKG which is sensitive to the Hong Kong people's plights is not likely to be a cause for a Hong Kong independent movement. On the other hand, an oppressive, China-influenced HKG which is strongly insensitive to the Hong Kong People's opinions may leave the people no choice but to opt for independence.

## **C. Indigenous Political Leadership**

Leadership, without which no political movement is likely to survive, is very crucial to the success of any political movement. Take as an example the case of Singapore (a country often compared to Hong Kong) domestic party politics. In the early years after Singapore's independence, the Barisan Sosialis Party, an offshoot of the People's Action Party, "was able to pose a constant threat to the People's Action Party leadership but it quickly lost its efficacy after its more competent leaders and organizers were detained."<sup>11</sup>

There were other political parties such as the Singapore Malay National Organization, the Workers' Party, the United National Front and the People's Front in Singapore. But "they either lack able leadership and strong organization or stand aloof from the masses. Their participation in the political process is insignificant" (Li, 1982 p.47). This lack of effective political leadership in other political parties in no small way explains the dominance of the People's Action Party in Singapore politics.

Before discussing whether or not there is an able political leadership to lead an independence movement in Hong Kong, it is imperative to review the so-called apathetic political nature of Hong Kong, its possible causes and its probable impact on the likelihood of Hong Kong having an effective political leadership capable of leading a Hong Kong independent movement.

Writing in 1975 (in *Asian Survey*) and reiterating the same theme in 1981 (King et al. (eds.)), A. King lamented the widespread political apathy in Hong Kong. He stated:

*Despite the fact that the Urban Council elections are the only occasions for the general public to participate in the formal political process, they have never interested the average person. The striking thing is that even since the Urban Council elections were reinstated in 1952, the rate of registration for election has never exceeded 1% of the total population and, although up to 30-40% of those who register eventually turn up at the polls, only 0.5% or less of the total population turn out to vote. The poor turnout in voting is often deplored as a lack of civic spirit and as an exhibition of political apathy (King et al. (eds.), 1981: 132-33).*

What causes this political apathy? Did Hong Kong inherit this political apathy from the Mainland Chinese immigrants who have always made up half of the Hong Kong population? The answer seems to point to the negative. A 1954 survey shows that a considerable percentage of heads of household, arriving in Hong Kong held memberships in various political organizations. For example, Table 2 shows that 39%, 39% and 31% of the heads of household arriving in 1949, 1950 and 1954 respectively, belonged to one kind of political organization or another (Hambro, 1955: 158-59). Such data suggest that there was no lack of potentially politically active personnel among the Chinese immigrants in Hong Kong.

Table 2  
Former Membership Of Organizations In China By HK Immigrants

(% Head of Household)	Post World War II Immigrants Arrived in									
	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Nature of Org.										
Political	4.7	6.4	5.6	10.8	39.0	38.5	24.8	17.1	18.2	31.3
Professional	0.7	1.7	1.1	4.2	2.8	1.8	5.4	5.7	--	2.5
Other	--	0.4	--	--	0.6	0.3	--	--	--	0.4
None	94.6	91.4	93.3	84.9	57.6	59.4	69.8	77.2	81.8	65.8

If present day political apathy in Hong Kong cannot be attributed to the political orientation or nature of the Chinese immigrants, could it be due to the lack of political leadership in Hong Kong? Judging from the widespread apathy, the most obvious answer, though not necessarily the correct one, seems to be affirmative. But if that is the case, how could one explain the presence of economic leadership (leadership that is intertwined with, if not closely identical to, political leadership) that has guided Hong Kong to becoming an economic "miracle" today? The difficulty in answering the above question would seem to suggest the deficiency of the obvious answer -- political apathy in Hong Kong is due to a lack of political leadership. Rather, an alternative answer to the possible cause of widespread political apathy in Hong Kong may lie in the "political" or more precisely the "apolitical" policy of the HKG.



It is not that Hong Kong lacks potential grass-root political leadership. Rather whatever potential grass-root political leadership Hong Kong might have must either be hidden or “misdirected” by the HKG. For the already established Chinese leaders in Hong Kong,

*the British governing elites co-opt or assimilate the non-British socio-economic elites into the political-administrative decision-making bodies, thus attaining an elite integration on the one hand and a legitimacy of political authority on the other (King, 1975: 437).*

The British have achieved this by wisely and successfully absorbing

*Chinese leaders into the official political circle by either giving them formal membership in the Councils and in the bureaucracy or bestowing on them honors (e.g., Justice of the Peace) and involving them in more than 130 consultative and advisory committees at various Governmental levels (King, 1975: 429).*

Since almost all seats (except a few in the Urban Council) in these governmental bodies are appointed, the integration of British and non-British elites created inadvertently or otherwise, the so-called “elite-mass” gap in Hong Kong (King, 1975; Lau 1982). This process of “administrative absorption of politics” (King, 1975: 424), with elite sitting on appointive bodies and the masses’ perception of the non-representativeness of the elite, may in part explain the apathetic political nature of the Hong Kong population.

For the younger upstarts who may have the potential to develop into an independent political force, the HKG seems to consider them new blood for the consolidation of the present colonial structure. Perhaps hoping to make potential leadership unavailable to any possible opposition, “the British have made it a policy to recruit locals into the higher bureaucratic ranks as early as 1946” (Lau, 1982: 52). The HKG is widely considered to have an unspoken preference for hiring Hong Kong University (HKU) graduates first, Chinese University of Hong Kong and other commonwealth university graduates second, and American and other countries’ university graduates last. “That the (Hong Kong) University has continued to provide future officers to the Government since its establishment in 1911” (Lau, 1982: 52-3) is a well-established tradition. Yet the top echelon of governmental power still rests in the hands of a handful of expatriates reflects the continuing colonialist outlook of the HKG. A look at the breakdown of the local officers versus the overseas officers in the elite administrative grades (Table 3) shows that local officers constitute less than half of the officials in administrative grades (Lau, 1982: 1953). A closer scrutiny into the highest grades of the administrative class (Table 4) shows the dominance of expatriates (Lau, 1982: 53). In spite of the HKG’s inclination to hire HKU graduates over others, in 1978 no HKU graduates served in Secretary or Staff Grade A capacity while only two served in Staff Grade B capacity.

This dominance of expatriates in the highest grades of the elite government service corps has not only been criticized by Hong Kong Chinese (Lau, 1982), but also by expatriate intellectuals such as Miron Mushkat (1982) and former expatriate administrative officers themselves such as Brian Hook (1982 & in personal conversation). This colonialist practice may soon have to be replaced by a program of localization of top government servants should the British decide to leave Hong Kong after 1997.

Table 3  
% Of Local Officers To Total In Administrative Grades

Year	Local Officers	Overseas Officers	% Of Local to Total
1950	1	42	2.3
1956	3	54	5.3
1960	7	36	16.3
1962	12	66	15.4
1964	13	67	16.3
1966	18	74	19.6
1968	23	75	23.5
1970	40	71	36.0
1972	50	67	42.7
1974	66	86	43.4
1976	78	101	43.6
1978	91	114	44.4

Source: Hong Kong, Colonial Secretariat, Establishment Branch, *Report on the Public Service*, various issues (as appeared in Lau, 1982: 53).

Table 4  
HKU Graduates Serving In Senior Administrative Grades  
(Master Pay Scale Point 46 Or Above) As Of June 1, 1978

Grade (Administrative)	HKU Graduates	Established and Supernumerary Posts
Secretaries	0	11
A.O. Staff Grade A	0	4
A.O. Staff Grade B	2	25
A.O. Staff Grade C	16	58
Senior Administrative Officers	8	23

Source: Hong Kong University, *Convocation Newsletter* (December 1979: 2) as appeared in Lau, 1982: 53.

This tradition of putting the young university graduates under the paternalistic employment of the Hong Kong Government converts potential opposition movement leaders into government stakeholders who have an interest in the maintenance of the status-quo -- a politically stable Hong Kong, perhaps best achieved by the existence of an apathetic crowd.





Another possible explanation for the political apathy in Hong Kong is what Bachrach and Baratz (1970) called the other side of power -- the power of ruling certain political issues out of the political arena as "non-issues."<sup>12</sup> As King pointed out

*A more basic reason for the low participation, however, could be found in the political system of Hong Kong itself; that is, the Urban Council is an organ without teeth. It is perceived as involved in a "politics without power," "completely divorced from the dynamism of Hong Kong's economy" (1975: 427).*

The Urban Council, until very recently the only governmental policy-making body with elected members, is only empowered to govern sanitary-related and street vendor matters in the urban areas of Hong Kong. With such a limited scope of "political" agenda, no wonder voter turnouts have been very low.

In sum, the political apathy in Hong Kong seems to be more of the result of the policy of the HKG, namely the administrative absorption of politics, the absorption of young local potential political leaders into government service and the "frivolous" nature of the elected body, the Urban Council, than of the result of a lack of political leadership in Hong Kong.

If anything, there seems to be a lot of political leadership in Hong Kong that must continuously appease the Chinese Government, the British Government and the Hong Kong people in order to make possible the past and continuing success of the Hong Kong economy. But, given the pre-occupation of making a living, the political apathy of the people as a result of aforementioned governmental policy, the temporary life-boat mentality of Hong Kong and the fear of China's adverse reactions, the chance for a locally grown and led independent movement under the British-run Hong Kong is low. However, the potential for an active political leadership that can build a grass-roots following is there. Organizations such as the Hong Kong Observers (October 1, 1980 *South China Morning Post*) and the Meeting Point have already spoken to China on their desire to make Hong Kong a genuine self-governing city. The increasing educational level and political consciousness of the Hong Kong people at what should and can be done on Hong Kong's future highlight Hong Kong's political leadership potentials. Any attempt by Beijing or London to play hard ball on the future of Hong Kong might provide the igniting opportunity for the Hong Kong people's political consciousness and leadership to mature, which might develop into an independent force that must be reckoned with. In fact, despite chilly British reception and China's anger, the Unofficial Members of the Executive and Legislative Council (Umelco) are emerging as independent force by insisting on a voice in future Hong Kong's arrangements under China.<sup>13</sup> Though both the British and Chinese Governments do not wish to see the emergence of a third party in the negotiations on Hong Kong's future and though some of the members of Parliament questioned the representativeness of the Umelco, the Umelco members were given a kind of hero's welcome at the Kaitak Airport by over 1,000 community organization representatives upon their return from a trip to London to air the Hong Kong People's view on the future.<sup>14</sup> Perhaps, the Umelco, disgruntled at the British and Chinese reactions to their cause and yet encouraged by the strong show of support at the airport by the community leaders, may turn out to provide the political leadership it takes for an independent movement in Hong Kong.

#### **D. The Availability of Funds**

Although in the 1960s Mao was known to have dismissed the atomic weapons of the US as paper tigers which could do nothing without the fighting will of the people, he was perhaps more well known for his dictum that says "power comes from the barrel of the gun." It was probably Mao's understanding of and adherence to that dictum that in large part helped win the communist's civil war victory, and that might also have helped win Mao's power struggle within the communist party highest leadership.

There is a Chinese proverb, "a proud army will invariably face defeat."<sup>15</sup> It is commonly used to allude to the tools which one needs in order to perform a job successfully. In this case, the literal interpretation means that the army must have humility before it can win a battle. Interestingly, there is a more modern, perhaps more practical, version of the above proverb. It goes, "a hungry army will invariably face defeat."<sup>16</sup> Based on this writer's experience, the latter version is used much more often than the older version of the proverb. The moral of the proverb, which is the reason for incorporating it in this discussion, is that wealth is a necessary condition for victory -- be it that of a revolution or an independence movement. The major question in this section is whether or not Hong Kong people have enough money to successfully finance a revolution. If they have, are they willing to make the necessary financial contributions?

Judging from the size of the gross domestic products alone (see Table 5), one would say Hong Kong must have a lot of wealthy people. Ten years ago, rumors had it that Hong Kong had a millionaire in every 70 people. Hong Kong had about four million people then. If the rumor were true, Hong Kong would have 57,142 millionaires. Only God knew how many multi-millionaires there were among the 50,000+ strong.

Table 5  
Hong Kong Gross Domestic Products In US \$ Billion

1977: 12.4	1978: 13.5	1979: 11.3
1980: ----	1981: 13.6	1982: 25.9

Sources: *Asia Yearbook*, Various issues.

In addition to wealth derived from business in Hong Kong, there are also returns on investments abroad for Hong Kong businessmen who invested in foreign lands. The amount of profits for such investments is very difficult, if not impossible, to determine. But one may get an idea of how much money the Hong Kong businessmen have by looking at the amount of investment that Hong Kong businessmen have made in foreign lands. For instance, in the year 1979-80, there were about US \$68 million invested in Australia.<sup>17</sup> From June 1983 to April 1984, owing to the uncertainty of Hong Kong's future, Hong Kong businessmen were particularly interested in oil stocks and the amount of investment in Australia jumped to US\$800 million.<sup>18</sup>

Elsewhere, north of Equator in Canada, there has also been an increase of investment made by Hong Kong businessmen. In 1981, a group of Hong Kong businessmen spent C\$45 million on a Toronto hotel. In 1982, another group bought up a Holiday Inn hotel for an undisclosed amount. From December 1983 to April 1984, even a medium-sized accounting firm had reportedly handled C\$10 million of Hong Kong capital for investing in Canada. In March 1984, C\$85 million of Hong Kong capital was spent on purchasing the largest shopping center in British Columbia. It seems no exaggeration when an unidentified Canadian administrator estimated investments in Canada backed by Hong Kong capital to amount to at least Canadian \$100 million this year so far.

Here in Hawaii, this writer personally knows of a Hong Kong student who spent US\$400,000 in cash in acquiring a house in Kahala. That student has also been in the process of shopping for downtown commercial buildings to acquire or invest in as a way to move their family wealth "off island." There are many other equally wealthy Hong Kong students and acquaintances of this writer performing similar activities in Hawaii and elsewhere for their relatives.

The above are just a few selected cases. The full extent of the amount of Hong Kong money invested abroad is almost unimaginable. In short, there are financial resources in Hong Kong. Whether or not owners of those resources are willing to use the money on revolution or for an independence movement is another story.



Since the University of Hawaii at Manoa Hong Kong students come mainly from families of the middle class and above, the data from this researcher's student sample may shed some light on the willingness of the Hong Kong rich to spend their money on revolution. The result (see Table 6), which is statistically significant, shows that the higher the economic class the student comes from, the more capitalistic the economic system ( $r = 0.26$ ;  $P \leq 0.01$ ) and the future ( $r = 0.24$ ;  $p \leq 0.003$ ) he/she prefers. Consistent with the above results but with no statistical significance, the higher the student's economic class, the more fearful he/she is of non-capitalist future ( $r = -0.074$ ;  $p \leq 0.216$ ). Likewise, the higher the student's economic class, the more likely he/she will leave Hong Kong if the communists take over Hong Kong ( $r = 0.11$ ;  $P \leq 0.126$ ). Although the above results show the wealthier students had a preference for capitalism and a fear of communism, this preference or fear was not strong as indicated by the weak correlations between economic class and the above variables. Besides the relationship between economic class and fear of communism is statistically insignificant. The mildness of the fear of the wealthier students may perhaps be due to the fact that the wealthier students are more optimistic about the likely future of Hong Kong. The results, which have strong statistical significance, indicated that wealthier students predicted the likely future of Hong Kong as more capitalistic ( $r = 0.24$ ;  $p \leq 0.003$ ). Such results seem logical since the wealthier students have the means to leave Hong Kong should their optimism turn out to be unfound.

If the results from the student sample are indicative of what wealthy persons in Hong Kong would do, then it does not seem likely that they feel so strongly about the Hong Kong's future as to spend their money on an independence movement.

For an even better indicator than the student survey data of whether or not the Hong Kong rich will finance a revolution, let's examine the data from the elite sample (see Table 6). Like the student, the elite who comes from a higher economic class tends to prefer a more capitalistic economic system ( $r = 0.515$ ;  $p \leq 0.046$ ). In line with the above result, the higher the elite's economic class, the more fearful the elite is of non-capitalist future ( $r = -0.505$ ;  $p \leq 0.035$ ). Although the elite who comes from a higher economic class thinks a less capitalistic Hong Kong is likely ( $r = -0.2584$ ) and will tend to leave Hong Kong if the Chinese communists do take over Hong Kong ( $r = 0.3282$ ), the results are not statistically significant.

Summing up, there is no lack of money to finance an independence movement, if the businessmen in Hong Kong really want to invest in such a political maneuver. But Judging from the long lines of people who want to emigrate from Hong Kong and judging from the opportunities for and the tendency of Hong Kong businessmen to diversify their investments to foreign lands, there does not seem to exist business support in a Hong Kong independence movement, if such a movement should exist.

Table 6  
Correlations Between Economic Class And Various  
Forecasted Futures

**Student Results**

	Prefecon	LeaveHK	FearFutr	PrefFutr	LklyFutr
Econ Class	0.26	0.11	-0.074	0.24	0.24
No. of Cases	80	101	113	122	130
Significance	$p \leq 0.01$	$P \leq 0.127$	$P \leq 0.215$	$p \leq 0.003$	$p \leq 0.003$

Table 6 (Continues)

**Elite Results**

Econ Class	0.516	0.3282	-0.505	-0.1755	-0.2584
No. of Cases	12	11	14	14	12
Significance	$p \leq 0.046$	$P \leq 0.168$	$P \leq 0.035$	$p \leq 0.278$	$p \leq 0.214$

**E. A Strong Local Group Identity**

Of the four components mentioned earlier which combine to make a state, the most important component is people. It is the people's efforts and will together that make forging a new state possible. These common efforts and common political will may broadly be called political identity. And it is this political identity that gives rise to what is called national sentiment characterized by common language, customs, character, belief and will that is crucial not only to the rise of a new independent state but also to the maintenance of old ones as well.

This section discusses whether or not Hong Kong has a political identity of its own. If it has a political identity, we will ask whether or not that identity has enough potential to ignite a revolution for independence in Hong Kong. The political apathy of Hong Kong will be briefly noted, followed by recent indications of stronger political consciousness in Hong Kong. There will be a concluding discussion of budding Hong Kong identity, not necessarily a political one, and its potentials.

In the formal sense of the term "political identity," Hong Kong can be considered to have almost no political identity since it has no formal institutionalized mechanism for the populace to collectively express or feed from anything that can be loosely called political identity. This lack of a democratic representative governmental developments in Hong Kong is so because "China has made it pretty clear that she would not be happy with a Hong Kong moving towards a representative system and internal government."<sup>19</sup> On the other hand, an England-based Hong Kong research team countered that there is nothing to support such an argument, by pointing out that "A democratic colony would be a contradiction in terms. The authoritarian nature of the regime is an essential factor in the colony's existence as a colony."<sup>20</sup>

No matter which of the above arguments readers subscribe to, the fact remains that Hong Kong has little, if any, formalized framework of political identity.

In introducing A. King's paper on Hong Kong people's political participation, C.Y. Yang said,

*These (King's) data evince no signal of patriotism or loyalty and pride toward an alien colonial ruler, nor a political system which encourages or promotes the development of a government by the people...common people remain deprived of political power...a populace with widespread political apathy (King et al., 81: xix).*

With the factors (mentioned in Chapter 5) contributing to Hong Kong's stability as background and keeping aforementioned widespread political apathy in mind, one would not hesitate to jump to the conclusion that there may not even be an informal form of political identity in Hong Kong. Such a conclusion might have been true twenty years ago. But things, including taboo subjects such as politics, are changing in Hong Kong due to the uncertainty it faces. The political consciousness of the Hong Kong people was raised as a result.



In May 10 to June 11, 1982, 29% of the respondents surveyed by the Hong Kong Observers did not know what “the future of Hong Kong” meant, not to mention their lack of knowledge concerning what an ideal future of Hong Kong should be. In August 1982, in this author’s own poll, 15% of the college students did not give a response on the question which asked for their views on the ideal future of Hong Kong. Whether their refusal to answer the question was possibly based on a fear of reprisal or was simply a result of ignorance is difficult to access. In any event, with 85% of the respondents giving their views on the ideal future of Hong Kong, the data indicate that many more people in this author’s sample thought they knew what the future of Hong Kong should be than in the Hong Kong Observers’ sample. However, it must be noted that the sample from this writer’s poll is much more educated than the sample from the general public. It would be logical to infer that the more educated sample is less ignorant of and thereby more conscious of politics around them. This inference seems to bear out by the survey results of this author’s elite sample. In interviews conducted in December to January 1983, only one (6.7%) elite respondent declined to give her view on the ideal political future of Hong Kong for reasons of privacy. All elite were presumably conscious of what the ideal future of Hong Kong should be for them. With the system of compulsory education of up to Form Three (9th Grade) implemented and strictly enforced, the Hong Kong population will become more educated and thereby more likely to be politically conscious.

Going to a different sample of the general public that was drawn in April 18-22, 1983, the data show that only 4.4% of the respondents indicated the “don’t know” choice when asked what the ideal political future of Hong Kong is (Higher Education Social Research Team’s Poll in Chinese). The decline (see Table 7) in the percentage of earlier respondents (29%) who said they did not know what Hong Kong future meant compared to only 4.4% of respondents who said they did not know what the ideal future of Hong Kong is suggests an increase in the political consciousness, at least in terms of Hong Kong’s future, of the Hong Kong public in just one year. The extensive media coverage on the development of Sino-British talks on Hong Kong’s future must have played no small part in this impressive widening of political consciousness in Hong Kong.

Table 7

Increase In HK’s Political Consciousness

Date	Pollster	Sample	Question	Response Type	Freq
May to June 1982	Hong Kong Observers	General Public	What the future of HK mean.	Don't Know	29%
August 1982	This Author	UHM Student	What is your preferred HK future?	No Response	15%
Dec. 1982 to Jan. 1983	This Author	HK Elite	What is your preferred HK future?	No Response	6.7%
April 18-22, 1983	HK Edu. Res. Team	General Public	What is the ideal future of HK?	Don't Know	4.4%

Sources: This researcher’s own polls; the poll sponsored by the HK Observer’s; the Poll by the HK Higher Education Social Research Team.

Some may think the growth in political consciousness in Hong Kong is not just a recent phenomenon. I. C. Jarvis considered the riots in May 1966 “the first political demonstration in connection with domestic issues in Hong Kong since World War II as indicative of...(the) growth of political consciousness” (Jarvis, 1968: 364).

Since then, there has been increasing number of protests indicative not only of a political consciousness, but also of something more, further and fuller -- a Hong Kong identity. For only those who regard Hong Kong as home and want to improve it are likely to participate in protest. Those who regard Hong Kong as a temporary lifeboat are not likely to consider anything as worth their while protesting.

Indeed, Hong Kong seems to have its own unique identity. Hong Kong people do not identify with China politically (Wang Gung-wu in Cushman, 1980: 651-52). Nor do Hong Kong people identify with Britain politically, as evidenced by the very mild Hong Kong reactions (*Pai Shing* October 1982) to the British Nationality Act which bars Hong Kong British Passport holders from residing in Britain. In short, Hong Kong people are not English. Hong Kong people are Chinese in the cultural realm only (Wang in Cushman et al., 1980: 651-52). But they are not Chinese in the political and legal realm (Ibid). While noting doubts on Hong Kong's ability to even aspire to any kind of national identity, Wang acknowledged that there were ingredients for a distinct cultural identity because of the size of the Hong Kong population, its educational standards and technology (Ibid: 652). These ingredients, together with the possible resentment of a British sellout, whether real or perceived, and the fear of possible China's dominance in Hong Kong future affairs may constitute what this author calls an 'uncertain future conflict factor'. This uncertain future conflict factor, if uncontrolled, can reinforce whatever amount of existing Hong Kong identity with high amount of cohesiveness. A cohesive Hong Kong identity may very well have sufficient potential to sustain a revolution and even an independence movement.

In order to gain some insights into what this Hong Kong identity is all about, let's see what some Western educated Hong Kong Chinese have to say about matters related to Hong Kong identity.

Fanny Cheung, 31, a psychology lecturer at the Chinese University, after spending nine years studying and working in California and Minnesota where she received her Ph.D., acknowledged that "there are signs of budding public consciousness," but lamented that the signs "are still too few" (M. Lee, 3/12/82: 73 *FEER*).

William Fung, who spent 10 years in the US, is a Princeton University and Harvard Business School graduate. Mr. Fung, a care-taker of his family business that is one of the oldest Chinese trading firms in Hong Kong, supported a Hong Kong identity by saying,

*Hong Kong people have sense of identity which is underplayed a lot. It can involve things as trivial as the style of mah-jong or the food, or it can be emotional like "Hong Kong is my homeland." But it's there -- even among people who left during the (1966-67) riots and who've transplanted themselves in an alien society. It's a parochial, not a very noble feeling, but as a community, it's just as the saying: "I love New York or Beverly Hills - I come from there." There's nothing wrong with it" (FEER 3/12/82).*

He went further, expressing his pride in Hong Kong by stating that "I think our (Hong Kong) system is superior to the Singapore, US or Chinese systems on balance" (M. Lee, 3/12/82: 74 *FEER*).

In interviews with four middle-class Hong Kong Chinese who are educated in the West, which includes Fanny Cheung, William Fung, Leung Shu Ki (a town planner who spent 10 years abroad, mostly in Britain) and Tong Ng (a practising medical doctor in Hong Kong who studied in Canada and the US, and worked in New Zealand and Britain), three out of the four with the exception of Leung Shu Ki expressed the desire to see Hong Kong represented in the Sino-British talks on Hong Kong's future. But none knew who should represent Hong Kong. They would not be happy about being represented by the Hong Kong governor unless the governor has decided to stay (M. Lee, 3/12/82: 73-75). All four realized the virtue of having a popularly elected government,



but warned that an elected government may not necessarily be a good government. A more important criterion for good government is who is in the government and whether or not the government servants are really working for the public's interests (Ibid). As F. Cheung pointed out, "The right to vote per se is less important than having the right people willing to serve in the government. It's important to educate people to appreciate and best use our (Hong Kong) form of government" (M. Lee, 3/12/82: 73). Cheung's opinion suggests that even though Cheung is not happy with the level of political consciousness in Hong Kong, she is not about to suggest fundamental changes, such as revolution, to help improve the situation.

As did this writer in his dissertation proposal, half of the interviewees expressed a desire for some kind of an identity by complaining that politically "I am neither British nor Chinese." In fact, finding a personal identity is part of the reasons of writing this dissertation. All interviewees expressed a fear of the potential restriction or elimination of freedom of speech, freedom of association and the like if Hong Kong is re-absorbed back to China. Yet no one expressed the independence of Hong Kong as an alternative.

In a sense, all seem to hope that somehow China would grant Hong Kong special treatment. But there have been positive steps taken by the Hong Kong people on their own governance. Since November 1982, there have been at least 11 delegations from Hong Kong that visited China to air their concerns and views on Hong Kong's future (see Table 8). Businessmen, cultural organizations, journalists, Urban Councilors, Kaifong Associations and Han Yee Kuk were among the groups represented by the delegations. Recently, a consortium of Hong Kong college student unions sent a delegation of six members to London, urging the British to accelerate the democratization of the political systems in Hong Kong. They conceded that

Table 8  
List Of Hong Kong Delegations To China  
赴北京團簡表

日期	團體	會晤官員
八二年 十一月	黃鑑 (香港廠商聯合會)	廖承志
十一月	胡應湘及商家	趙紫陽
八三年 一月	鄉議局	廖承志
四月	學術團	廖承志
五月	李鵬飛	各部門官員
	新聞從業員	各部門官員
七月	專上學生	廖承志
九月	黃夢花	姬鵬飛
十一月	新界區議會議員	姬鵬飛
	胡應湘及商家	姬鵬飛
十二月	華人革新協會	各部門官員
	香港觀察社	姬鵬飛

Table 8 (Continues)

日期	團體	會晤官員
八四年 一月	中大教授閔建蜀	姬鵬飛
二月	新聞從業員	鄧利羣
	浸會校長謝志偉	姬鵬飛
四月	二十四名市政局及區議會議員	姬鵬飛
	李汝大成人教育協會	姬鵬飛
	學術團	姬鵬飛
五月	街坊會	李后
	鄉議局	姬鵬飛
	匯點	魯平

Source: *Sing Tao Jih Pao*. (San Francisco Edition in Chinese) May 21, 1984

Hong Kong sovereignty belongs to China, but requested elected members in the Executive, Legislative and Urban Councils and in the district boards (*Sing Tao Jih Pao* S.F. Edit. May 9, 1984: 5). There is further evidence of the emergence of a Hong Kong identity as seen by the fact that Unofficial Executive and Legislative Councilors insisted on a voice in Hong Kong future despite a chilly reception in Britain and anger in China. This development made two Hong Kong-watchers declare that “the unofficial (non-civil servant) members of Hong Kong’s Executive and Legislative Councils -- known collectively as Umelco -- are shaping a political identity for the territory quite independent of either London or Peking” (T. Ma and D. Davies, 5/24/84: 44). The Umelco asked about the exact “status of British passport-holders with the right of abode only in the dependent territory of Hong Kong (which will cease to exist in 1997)” (Ibid: 44). They also warned of potential interference by Beijing in Hong Kong’s administration between now and 1997. Specifically, they claimed that the loyalty of the police force and the civil service would be hindered.

Although both, Britain and Beijing dismissed the Umelco as unrepresentative of Hong Kong and although Hong Kong has yet to have a very strong and vigorous identity, the Umelco (or anyone else for that matter), given full Hong Kong public backing, can conceivably turn into a bona fide independent force that neither Britain nor China could afford to ignore.<sup>21</sup>

## Independence Qualifications

Before the feasibility of the independence of Hong Kong is discussed, it is useful to see if Hong Kong possesses the basic qualifications to become an independent state. Many people have compared Hong Kong with Singapore. Richard Hughes puts the comparison this way,

*...the physical resemblances between Singapore and Hong Kong lend the half-sisterly relationship a strong family likeness: the same deep-water port, the same strategic location, the same experience and hard-working independence, the same lack of resources, the same vulnerability, the same industrial drive, the same teenage Chinese population, the same rising living standards (Hughes, 1968: 138)*





Perhaps owing to the similarities between Hong Kong and Singapore, some people such as Hong Kong Urban Councilor Dr. Denny Huang (*AsiaWeek* 9/24/82), political scientist Andrew Wong (*Ibid*) and several British Labor Party members of Parliament (W. Heaton, 1970: 845) have suggested that Hong Kong to become self-governing like Singapore. Therefore, it would be appropriate to discuss the qualifications of Hong Kong with reference to Singapore to see if Hong Kong has as many factors supporting an independent state as Singapore.

Reviewing the most basic four qualifications to become an independent state, Hong Kong possesses all but one of them. Hong Kong has a population of 5.5 million, about twice the size of that of Singapore (see Table 9). Hong Kong has a territory of 400 square miles, about twice the size of that of Singapore. Hong Kong has just as efficient a government as Singapore has. But Hong Kong does not possess any sovereignty in the international legal sense of the word. Under the British colonial system, Hong Kong does possess sovereignty only in the municipal sense of the world. This lack of sovereignty in the international sense should only be viewed without prejudice against Hong Kong's ability to become independent. For after all, no political entity is expected to possess sovereignty in the international sense before gaining independence and possibly diplomatic recognition from the community of nations. Hong Kong thus far is not yet an independent state.

Table 9  
Highlights of Similarity Between HK & Singapore

Dimensions	Hong Kong	Singapore
Size	400 sq. mi.	200 sq mi
Population	5.5 million	2.2 mil
Government Administration	Efficient	Efficient
Majority Race	Chinese	Chinese
Manufacturing Export Economy	Yes	Yes
Dependency on Foreign Trade	Extreme	Extreme
US as Major Trade Partner	Yes	Yes
Japan as Major Trade Partner	Yes	Yes
Dependency on Imported Food	Extreme	Extreme
Dependency on Imported Energy	Total	Total

Note: The table is constructed based on figures from the *Asia Yearbook* 1984.

In addition to the above most fundamental qualifications, there are at least three more components that indicate the viability of a state. Writing on the viability of Singapore as a state in his Ph.D. dissertation, Erik Charles Paul discusses 1) the economic strength, 2) the unity and coherence of the population and, 3) the economic and political relations of Singapore with other states.

First, regarding economic strength, both Hong Kong and Singapore shifted from an entrepot economy to a manufacturing-export economy. At present both islands are doing well (see Table 10). Both are located in a region of increasing economic importance. There should be no need to repeat the strengths of Hong Kong economy here since they have been discussed earlier. In order to highlight the viability potential of Hong Kong, there may be a need to point out the economic adaptability of Hong Kong exhibited even before the independence of Singapore. For instance, Hong Kong was so well attuned to its economic environment that when

*From 1955 to 1959, the volume of Singapore's entrepot trade became stagnant and its value per capital declined as the population of the island increased. During this period unemployment on the island increased from 4.9% to 13.2 % of the total labor force (Buchanan, 1972: 149). In contrast, Hong Kong was able to survive changes in world trade patterns by developing an important manufacturing sector and by expanding its construction activities. The result in the small British Colony (Hong Kong) has been a substantial improvement in employment opportunities and rising living standards (Paul, 1974: 6).*

Table 10  
Recent Performance of Hong Kong & Singapore As  
Shown By Vital Statistics

	Hong Kong	Singapore
<b>Area</b> (1,000 sq. km)	1.1	0.6
% Cultivated	7.5	0.6
% Forested	11.9	5.2
% Pasture	58	N/A
<b>Population</b> (in million)	5.2	2.5
% Ave. annual growth '76-'82	1.2	1.2
Project year 2,000	6.6	3.0
Years till pop. doubles	58.0	58.0
Death rate/1,000	5.0	5.0
Birth rate/1,000	17.0	17.0
Infant Mortality/1,000	9.8	11.7
% Under 15 years old	24.3	25.6
Life expectancy	76.0	71.0



Table 10 (Continues)  
Recent Performance of HK & Singapore

	Hong Kong	Singapore
<b>Students</b>		
Primary	547,512	292,000
Secondary	518,721	170,000
Tertiary	52,074	24,000
<b>Workforce</b>		
Total (million)	2.38	1.0
% Commerce, services	35.8	40.0
% Manufacturing	35.8	29.5
% Agricultural & fishing	1.2	1.4
% Construction	8.5	6.3
% Government & public	19.2	22.8
<b>Social</b>		
Hospital bed / 1,000	4.3	3.7
Doctors / 1,000	0.8	0.9
TV receivers	N/A	397,000
Radio	N/A	459,000
Telephones	1.7 mil	852,000
Cars	227,605	146,000
Trucks & commercial	77,805	123,742
Motor cycles	27,434	136,899
Length of railways (Km)	34	38
Locomotives	59	N/A

Table 10 (Continues)  
Recent Performance of HK & Singapore

	Hong Kong	Singapore
<b>Production &amp; Prices</b>		
GNP in '82 (US \$)	25.9	14.2
GNP/CAP 182 (US \$)	4,801	5,302
GNP billion in US \$ 1981	24.6	13
GNP real growth in '82 (est)	2.4	6.3
% ave. real growth GNP '78-'82	9.4	N/A
Agricultural as % GNP	1	1.1
Industry as % GNP	33.5	50
Gross capital formation as % GNP	29.0	49.9
Capital output ratio	N/A	N/A
Consumer prices % change '82	10.6	3.9
GNP deflator 1982	11.8	3.8
Money growth (M2) '82	77	25.2
<b>Public Expenditure</b>		
Defence as % GNP	0.9	5.9
Defence as % Public Expenditure	3.7	20.3
Education as % Public Expenditure	14.0	13.4
Total Expenditure (US \$M) '82	5,554.0	5,888.1
Total Revenues (US \$M) '82	4,935.0	4,439.8
% Personal tax	38.9*	8.75
% Co. tax	*	26.3
% Customs & excise	3.9	8.7
<b>FOREIGN TRADE</b>		
Total for. trade as % GNP	171.8	344.7
% (net imported) Energy consumption	100.0	100.0
% (net imported) Food consumption	85.0	78.0
% Trade with Pacific Region	N/A	36.62
% Trade with Japan	14.0	14.9



Table 10 (Continues)  
Recent Performance of HK & Singapore

% Trade with the USA	18.0	12.8
'82 Merchandise exports (US \$M)	13,674.0	20,782.0
% Manufactured	77.0	41.0
% Food & agricultural products	1.6	13.4
% minerals	0.1	33.0
'82 Merchandise imports (US \$M)	23,533.0	28,151.0
% Plant a capital equipment	22.0	28.5
% Manufactured consumer	17.0	N/A
% Raw materials & food	48.0	10.9
% Petroleum	7.0	34.0
Term of trade index	102.0	113.1
Number of visitors (Million)	2.6	2.95

NOTES:

N/A: Not available

\* Figure includes personal and company taxes.

Source: *Asia Yearbook* 1984

Second, in regard to the unity and coherence of the people, Hong Kong people's unity and coherence can at best be described as lukewarm. Hong Kong's political identity is not as well defined as that of pre-independent Singapore; its political leadership is less established than that of pre-independent Singapore for Singapore had attained full internal self-government in 1959, six years before it proclaimed itself a republic. Hughes observed in 1968 that "Singapore leads Hong Kong in dedicated concentration on the new generation which must grow up with a feeling of pride and personal identification as Singapore citizens if the island-state is to survive. Hong Kong has not yet properly begun to work at this" (1968: 142). This observation of the lack of identification among the Hong Kong populace, especially the youth, is to a certain extent valid. But the potential resentment of perceived or real British betrayal and the fear of China's interference in Hong Kong constitute an external threat that is likely to make the Hong Kong people more unified.

Third, regarding economic and political relations with other countries, Hong Kong is seen as a major economic competitor, if not a threat, by Taiwan, Singapore, S. Korea and even Britain. In political relations, Hong Kong at present is represented well by the UK, with 58 diplomatic representatives conducting business in Hong Kong.<sup>22</sup> Hong Kong's relations with China are on the whole very cordial (see Chapter Three). However, these cordial relations might not last should Hong Kong elect to strike for independence.

This author would like to add another factor to this discussion of viability of state -- a potentially independent state's proximity to its hinterland state. Both Hong Kong and Singapore are very close to their respective hinterland states -- China and Malaysia (formerly known as Malaya). This proximity to a hinterland state can either be a blessing or a curse or a mixture of both. It is a blessing because it allows the potentially independent state's economy to develop. It is a curse because the hinterland state might exert overwhelming control on the political fate of the potentially independent state. For instance, Hong Kong is unlikely to

become independent without China's consent because Hong Kong is considered indefensible should an attack come from the direction of China, the hinterland state. Singapore was "fortunate" in its independence because Malaysia almost practically wanted to sever Singapore from the Federation of Malaysia in 1965.

With the exception of the attitudes of the hinterland state towards independence, Hong Kong compares favorably with Singapore in terms of viability. No wonder Wing On Li wrote "They (Hong Kong and Singapore) have all the necessary social, political and economic structure to make them function like a country... both of them have overwhelming similarities in their economic system, policy, development and some other socio-cultural variables..." (1982: 9).

In addition to having Chinese as the majority race of the population, there are other similarities between Hong Kong and Singapore. Both are heavily dependent on manufacturing exports to pay for their imported energy and food (see Table 8). Both have the US and Japan as their major trade partners. In short, Table 9 features the similarities between Hong Kong and Singapore along geographical, economic, social and political dimensions in 1983.

So far, the similarities between Hong Kong and Singapore show that Hong Kong possesses certain qualifications for independence. Foremost among these qualifications for independence is Hong Kong's economic strength, with a GDP ranking third in Asia after Japan and Singapore. In addition, Hong Kong has a large cadre of efficient Chinese administrators, "the heirs of a tradition of civilized government far older than that of their temporary colonial overlords" (Miners, 1982: 3). Moreover, Hong Kong has one added advantage over Singapore -- its population homogeneity (98%+ Chinese). This population homogeneity means less opportunities for inter-racial tension such as exist in some pluralist African societies and even in Singapore and Malaysia.

However, Hong Kong does have one major weakness in its qualifications for independence -- its geographical closeness to China. There seemed to be a hidden message when former Hong Kong Governor Sir David Trench said, "If Hong Kong could be towed 100 miles out to sea it would be quite a different, and not necessarily a better, place" (Trench, 1971: 3). Quite a different place: The distance from China would certainly make Hong Kong more defensible and the independence of Hong Kong more attainable should China object to Hong Kong's independence. If Taiwan, barely 100 miles off the East China Coast, under the protection of the US, can exist virtually as an independent state for the past 35 years, Hong Kong could presumably do the same thing under the protection of Britain.

Although proximity to China may prove to be an insurmountable obstacle to independence, yet such proximity to an ideologically-different state might create and reinforce the separate identity of Hong Kong and increase its resistance to China's political assimilation. For example, "The factionalism and political instability of post independent Cyprus have largely resulted from the island's proximity to both Greece and Turkey. A similar situation exists in Ceylon, where the cause of the Tamils has found strength in their closeness to the Tamil-dominated southern region of India" (Paul, 1974: 34). Under similar conditions, Hong Kong may conceivably have a more unified population, more suited to become participants in an independence movement.

## **Present Feasibility of Independence**

According to political scientist Andrew Wong, Hong Kong has the capabilities to become another Singapore (*AsiaWeek* 9/24/82). Several British Labor Party members of Parliament have in the past "suggested that Hong Kong become self-governing like Singapore" (W. Heaton, 1970). In line with this, Wong proposed the



independence of Hong Kong as possible solution to Hong Kong's future. Urban Councilor Dr. Denny Huang seconded the idea (*Asiaweek* 9/24/82). Wong and Huang proposed that all members of the Executive, Legislative and Urban Councils should, in stages, become popularly elected, and that a Hong Kong Chinese should be appointed governor before the independence of Hong Kong takes place in 1997. They seem to reason that since China lacks the wherewithal to de-program 5.5 million capitalists in Hong Kong (Wong), granting Hong Kong independence would remove such a "malignant tumor" for China.

But even the most optimistic Hong Kong-watchers have probably not considered independence as a viability possibility. The evidence seems to support the popular notion that China would never allow an independent Hong Kong. This popular notion is perhaps best reflected in J. Cheng's statement that "The possibility of Hong Kong's gaining independence is next to zero since this is contrary to the Chinese Government's basic stand" (1982: 481). He went on to acknowledge that "In fact, a large part of the (Hong Kong) population has never thought of independence, let alone of organizing an independence movement" (1982: 482). Similar views on China's disapproval on Hong Kong's independence were expressed by Harris (1981: 98), D. Bray (1978), and D. Wilson (*Anatomy of China*, 1966: 197). Hong Kong's autonomy within the embrace of China may be acceptable, but never an independent Hong Kong. Consider:

Although almost half of the elite surveyed (46%) thought Hong Kong residents will likely rule Hong Kong, only a quarter of them (29%) desires independence and all of them thought Hong Kong is likely to remain capitalistic, none of them thought independence is likely.

Although 13% of students preferred independence, only a small percentage of students (4%) thought independence likely. Indeed, only one student predicted the ideal type independence. That student thought an independent state with an elected government and a capitalistic economy is likely for Hong Kong. No student predicted an elected, independent Hong Kong with a socialist economy. The students' ideas on who should rule and their preferences on different types of government and economic systems do not explain their choices of independence as the likely future of Hong Kong. For example, a quarter of the student sample said Hong Kong will have an elected form of government. But only 4% of them said Hong Kong is likely to have an elected form of government in an independent Hong Kong. Among the student sample (59%) who predicted a capitalistic Hong Kong, only 4% predicted an independent Hong Kong as likely. Only those students who thought Hong Kong residents will rule are more optimistic about Hong Kong's independence; 19% of them thought independence is likely.

Half of the students sampled desired Hong Kong resident's rule, but only 15% of them preferred independence. Of the many students (73%) who preferred an elected type of government, only 9% of them desire independence. Of the students who preferred an appointed-elected type of government, none preferred independence. Of the majority of students (79%) who preferred capitalism, only 11% of them preferred independence. The above shows that student's preferences on who should rule Hong Kong, what type of government Hong Kong should have and what type of economic system Hong Kong should have, do not explain their preferences on independence. Overall speaking, the evidence for independence from the student and the elite samples is very, very weak, almost non-existent.

However, there is another result that slightly supports a direction towards independence. The simulation result from the Spring 1982 student data indicates that the major tendency for China on Hong Kong's future is to give Hong Kong more freedom (EIP = 2.28, n = 5), but not independence. A hypothesis test shows that this major tendency is statistically significant away from the present status-quo. In other words, the 2.28 EIP suggests that if future conditions resemble the political situation in spring 1982, Hong Kong will be rewarded with more freedom than it is enjoying now.

All this evidence for independence may be considered virtually void since China itself has ruled out independence as an alternative by laying claim of sovereignty over Hong Kong. It is understandable that after suffering from over 100 years of foreign humiliation (e.g. extraterritoriality) that China has insisted that its sovereignty over Hong Kong is non-negotiable. A statement appearing in the official *Beijing Review* noted that

*Xianggang (Hong Kong) does not fall into the category of commonly defined colonies. The question is only for China to resume the exercise of its sovereignty there; there is absolutely no question of "independence"...Mrs. Thatcher knows only too well that the independence of Xianggang is impossible, and that the Chinese government and people will never agree to this.*<sup>23</sup>

China seems very determined not to allow Hong Kong to be independent, even if China does not intend to reabsorb Hong Kong "completely." In addition, with the question of Taiwan looming on the horizon, there is all the more reason for China to insist on sovereignty over Hong Kong in order not to set a bad precedence for Taiwan and other Chinese minorities inside China who may ask for independence (*AsiaWeek* 9/24/82).

In summary, the evidence fails requirement number 1 since the Chinese leadership is opposed to the independence for Hong Kong. The evidence also fails requirement number 2 since there was an extremely weak, almost non-existent, elite support for independence (both in the elite sample and in the "future-elite" student sample). Consequently, independence cannot be the conclusion for the political future of Hong Kong.

Like the previous two ideal types of Hong Kong, ideal type independence may not seem to be a likely possibility now. But there are variations of ideal type independence that might become likely possibilities for Hong Kong's future and thereby merit consideration here. These variations are discussed in the next section.

## Variations of Independence

### Variation A

**Name:** Commonwealth of China (CC).

**Proponent:** Chung See (*Cheng Ming* September 1, 1982).

**Background Rationale:** Under the present China proposed "One nation, two systems" principle, one of the following scenarios may unfold and China's image may suffer as a result.

**Scenario 1:** If after "re-unification," Hong Kong, Taiwan and Macau prosper under capitalism, the folks in China will, especially when China itself is not doing too well, question the wisdom of practising socialism in China. Besides, China's image in the Third World may always remain tainted if it allows Hong Kong, Taiwan and Macau to remain capitalist after "reunification."

**Scenario 2:** If after "re-unification," the Hong Kong economy falters, overseas Chinese and others are likely to blame China for making the economic situation of Hong Kong worse than what it is under British colonialism.

If either scenario materializes, China loses face. In view of the consequence of the above scenario and in view of the pragmatism Peng Chen (p. 47) exhibited when he said China would respect history and reality in resolving the Hong Kong issue, Chung See proposed a solution: to form a Permanent Commonwealth of China, similar to the spirit of the British Commonwealth. Concretely, China should amend article 31 of the 1982 Constitution to read, "Formerly Chinese land that is not under the present, direct control of China can become





special administrative regions of China or members of a China-centered Commonwealth. The commonwealth relationship cannot be altered once an agreement for commonwealth membership is made” (Author’s translation, p.48).

## **Essentials**

Sovereignty: Hong Kong but under the tutelary head of China.

Economic System: Capitalist or any form that the Hong Kong people choose.

General Administration: Hong Kong will be run much like an independent country by the Hong Kong people with a few restrictions.

- \* Hong Kong will become a member of the Commonwealth of China.
- \* That members of the Commonwealth of China such as Hong Kong must pledge mutual non-interference of one another’s internal affairs.
- \* That each member of the Commonwealth, once it becomes a member, can never withdraw from the Commonwealth.
- \* That there should and will be no large scale anti-China activities in member countries such as Hong Kong.
- \* But small-scale anti-China activities in member countries such as Hong Kong should be and are permitted as China itself can criticize member countries’ activities.

## **Evaluation of the Desirability and Feasibility of the C.C. Model as a Possible Future.**

### **For the Chinese**

- 1) This option should not only solve the uncertainty facing the future of Hong Kong, but it should also end all two-China or one-China-one-Taiwan policies because it calls for a China-centered commonwealth (Chung See). No face is lost for China.
- 2) This option would also eliminate the KMT’s thought of “liberating” or “recovering” mainland China (Chung See).
- 3) As to the concern that China would never really able to reabsorb the land controlled by members of the Commonwealth, one should take a look at the land China once conceded to Burma and the USSR, which is far greater than Taiwan, Macau and Hong Kong together. If China can “give” away this amount of land to foreigners, it should be less objectable for China to grant commonwealth membership that concerns far lesser amount of land to compatriots. Besides, if England can let Australia, Canada and New Zealand, occupied by former Britons, become independent, there is no reason why China cannot do likewise for its compatriots living in territories claimed by China (Chung See).
- 4) The likelihood of this option is heavily dependent upon the degree of imagination, creativity, generosity and willingness of China to adopt innovative solution to China reunification plans in general and to Hong Kong’s future in particular.

### **For the British**

- 1) This option, if adopted by all parties, would perhaps allow Hong Kong the most freedom short of complete independence without antagonizing the Chinese.
- 2) Securing an option that gives Hong Kong much freedom, and perhaps in the long run more freedom than Hong Kong has now would enable the British to bow out of Hong Kong gracefully.

### **For the HK People**

- 1) This option means freedom from Britain and China. It is neither a variation under British nor Chinese rule. It allows Hong Kong independence; yet it maintains at least a minimum, although symbolic, political ties with China. It also allows Hong Kong to choose the extent of association it desires with Britain and other countries.
- 2) Chung See contends that this option would enroll Hong Kong into the international community and thereby makes Hong Kong eligible for UN protection. Consequently, there would be no need to worry about the possible amending of the Chinese Constitution for the fifth time that may end up affecting Hong Kong's future status.
- 3) This certainly seems to be an acceptable option to the Hong Kong people.

From a third party's standpoint, this seems to be an innovative yet quite practical option. Certain questions, however, remain to be answered.

First, this option was devised based on the possible negative consequences of the two aforementioned scenarios. But the two scenarios neglect the possibility that China may prosper along with Taiwan and Hong Kong under the one-nation, two-system principle. If China believes in such a possibility, would this option still be logical and desirable for China?

Second, granted this option is agreed to in general, can a no-withdrawal clause be practically implemented and observed?

Third, it would be difficult to limit anti-China activities, regardless of all the best intentions and efforts of member countries. Besides, who is to decide what constitutes small- and what is large-scaled anti-China activities.

Fourth, even with Hong Kong being a member of the UN, which is entitled to UN protection, there is still no full guarantee that Hong Kong would be "safe" from China.

Despite the above questions, this option, with its apparent ability to save Chinese and British face, its opportunity to allow the Hong Kong people to continue the freedom of economic pursuit and its potential for Chinese reunification, looks like an innovative and desirable one. Of course, the final decision is probably dependent upon China's willingness to be flexible, creative and accommodating.



## Variation B

**Name:** Purchase of Island Somewhere to make it an independent Hong Kong (PI)

**Proponents:** Alfred Sherman. Man Shu seconded. M. Wong also seconded (*FEER* July 26, 1984: 5). Identical or similar options were mentioned in *The Seventies* (Chinese) 9/82, *Sing Tao Jih Pao* (Chinese) San Francisco Edition, May 23, 1984, and K. Yeung's article on building a new Hong Kong in *Sing Tao Jih Pao* San Francisco Edition July 20, 1984, p. 9. See also J. Woronoff, 1980: 251.

**Background Rationale:** Hong Kong is Chinese soil. It must be reabsorbed into China sooner or later. The major differences between Hong Kong and China are in 1) the standard of living and, 2) the social system and lifestyle. By 1997, the proponent's generation may be dead. But their children and grandchildren are likely to be alive. Therefore, it is necessary to find a *thorough* solution for the future of Hong Kong.

The present success of Hong Kong is dependent upon many factors such as Hong Kong's location and economic system. But above all, the success of Hong Kong comes from Hong Kong people's industry and talent. If the Hong Kong people can make it in a natural resource-absence, barren Hong Kong, it is likely that the Hong Kong people will make it in a new island.

### Essentials:

Sovereignty: Hong Kong.

Economic System: Capitalist.

General Administration: Man Shu proposed to use the Hong Kong surplus and foreign reserves over the years to buy an island to

- 1) Solve the problem of population density and,
- 2) To give a choice to the Hong Kong people to see if they will stay in Hong Kong or move to the "new Hong Kong."

Although there might be all sorts of problems associated with buying an island in order to become a sovereign country, these are only technical problems. The crucial point is to first agree on the principle of buying an island. Man Shu recommends buying an island as close to Hong Kong as possible. Even a thousand miles away from the present location might be feasible as long as it has ice-free port all year round. There are not many years remaining before 1997 is up. The Hong Kong people, therefore, should urge the Hong Kong Government to form a committee charged with studying the feasibility of buying an island and perhaps actively pursue such an option. A new Hong Kong, if such an option is adopted, will then presumably be run according to the wishes of the new Hong Kong citizens there.

## Evaluation of the Desirability and Feasibility of the PI model as a Possible Future

### For the Chinese

- 1) This option of buying an island somewhere and proclaiming it as an independent Hong Kong is not a politically face-saving option for China at all. Such an option, if adopted, would indicate to the world how unpopular China is in the eyes of the Hong Kong people.

2) Such an option may possibly be considered heresy since the Chinese in Hong Kong, in the eyes of the mainland Chinese, are considered blood brothers of the Chinese in the mainland.

3) In view of all these adverse effects of such an option, China may attempt to dissuade the Hong Kong people from adopting the option. If China fails to do that, the Chinese would probably discredit the supporters of this option as traitors and renegades.

### **For the British**

1) On the one hand, adopting this option may reflect Britain's inability to strike an acceptable deal with China for Hong Kong so much so that the Hong Kong people must leave for elsewhere to find a "haven."

2) On the other hand, the British would look good before the world if it approves using Hong Kong reserves to purchase an island for the Hong Kong people who want to leave the present Hong Kong.

Besides, such a move of allowing a sort of self-determination for the Hong Kong people is consistent with post-1945 British policy on its colonies.

3) British approval or acquiescing to such an option is likely to damage British relations with China.

### **For the HK people**

1) Such an option represents a choice for the Hong Kong people to either stay in the present Hong Kong or leave for the new Hong Kong. Generally speaking, it is always better to have a choice than to have none at all. This case is no exception.

2) However, such an option risks breaking relations with China for a long time to come, if not forever. Hong Kong Chinese are culturally Chinese and would probably like to retain some ties with China as much as possible.

3) Besides, a break with relations with China may deprive Hong Kong of its major traditional source of cheap foodstuffs and other consumer items. If really angered, China might even punish the relatives of the Hong Kong people who advocate the PI as an option.

4) The Hong Kong people are presented with a genuine dilemma by this option. On the one hand, this option provides the Hong Kong people to be free from the potential domination of China. On the other hand, adopting this option may risk angering China, carrying negative consequences which are potentially as undesirable as domination by China.

From a third party's point of view, this option may sound far-fetched, cavalier and even irresponsible. But this author thinks this option offers a very real possibility for certain segments, if not the whole, of Hong Kong population. If Singapore, Thailand, the Philippines and Taiwan can offer the Hong Kong people permanent residency and a future opportunity to become citizens of the respective countries, and if the Hong Kong people so interested meet certain monetary investment requirements, there is no reason why the Hong Kong people cannot offer money to some political entities to buy land to be used for an independent Hong Kong. Already 500 Hong Kong businessmen, through a firm called Onouris International, have offered the Northern Marianas Government a total of US\$125 million (\$250,000 each) in exchange for Northern Marianas's permanent residency for their families, a total of 1,500 to 2,000 people. \$40million of the \$125 million are stipulated to be earmarked "for the construction of a condominium complex to house the families and to



pay other expenses” (Ka Leo, May 9, 1984: 12). The remaining \$85 million could be spent by the Marianas Government as it sees fit. The House of Representatives there is reportedly interested in such a deal and is in the process of studying the offer. Such proposal does not seem too far off from actually proposing to buy a chunk of land to be used in building an independent state. Northern Marianas Senate President Ponciano Rasa went beyond this author’s contention in proclaiming that an acceptance of the offer would be similar to “bartering away part of our (Northern Marianas) sovereignty” (Ka Leo, May 9, 1984: 12). Whether or not such should be the claim is debatable. The point to be made here is that buying a piece of land to build an independent state of Hong Kong might not seem too unrealistic given what has been done by the Hong Kong people for the future of Hong Kong.

## Notes

- 1 These are the essential elements of a state discussed in Carlton Rodee, Totton Anderson, Carl Christol and Thomas Greene, *Introduction to Political Science*. New York: McGraw-Hill Sook Company, 1976. p. 20-28.
- 2 The total area of Hong Kong is about 400 square miles while that of Singapore is about 200 square miles.
- 3 The total population of Hong Kong is about 5.5 million while that of Singapore is about 2.2 millions.
- 4 *World Development Report 1983 Table 3: Structure of Production* p.152-53.
- 5 Economic figures used to make up the list of countries that have a smaller economies than Hong Kong are based on each country’s 1981 GDP in US\$ published in *World Development Report 1983, Table 3* p.152-52.
- 6 *Ibid, Table 1*, p.148-149.
- 7 *Ibid, Table 1*.
- 8 “Commentaries on Xianggang Issue,” *Beijing Review (BR)*. Oct. 17, 1983.
- 9 Tanzer calls this “KMT’s...ignominious record of misrule on the (Chinese) mainland” (1984: 20).
- 10 H. Ingrams, HK (1952); King, 1975: 426. For details, see also the backgrounds of Execo, Legco & Urban Councilors in any recent issues of *Hong Kong Annual Report (HKAR)*.
- 11 Wing On Li, *Planning Public Campaign in Hong Kong and Singapore*. Unpublished Master’s Thesis, University of Hawaii, 1982.
- 12 See especially Chapter One on “Two Faces of Power” and Chapter Two on “Decisions and Non-decisions” in Peter Bachrach and Morton S. Baratz, *Power and Poverty, Theory and Practice*. New York: Oxford University Press, 1970. See also Peter Bachrach and Elihu Bergman, *Power and Choice: The Formulation of American Population*. Lexington, Mass: Lexington Books, 1973; and Peter Bachrach, *The Theory of Democratic Elitism: A Critique*. Boston: Little Brown, 1967.
- 13 *Far Eastern Economic Review (FEER)*. May 24, 1984.
- 14 *Sing Tao Jih Pao* 5/24/84. See also *FEER* 5/24/84
- 15 Author’s translation from Chinese 驕兵必敗 .
- 16 Author’s translation from Chinese 餓兵必敗 .
- 17 *Sing Tao Jih Pao*. 4/30/84: 9. See also *FEER*. August 25, 1983 p.11 that reported that investment in Australia from Hong Kong were up in the first quarter of 1983 to A\$ 417 million.
- 18 *Sing Tao Jih Pao*. 4/30/84: 9.
- 19 Trench, 1971: 5. See also Minister of State Lord Shepherd’s comment cited by Miners in D. Lethbridge, 1980. See also D. Wilson, *Anatomy of China*. p.197.

- 20 *Hong Kong: A Case to Answer*. 1974: 15.
- 21 East-West Center Fellow Dr. Galen Fox, who served at the US Consulate in Hong Kong in the early 1970s, expressed a similar view that anyone who has the genuine support of the Hong Kong public may rally for support and develop a political movement in Hong Kong to advocate Hong Kong's interests in the settlement of Hong Kong's future and, may even possibly lead to an independent Hong Kong.
- 22 For details of the exact diplomatic offices in Hong Kong, please see Part I of Appendix 2 in *HKAR* 1983.
- 23 "Commentaries on Xianggang Issue," BR October 17, 1983.

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## Introductory Remarks of Henry Au's "A Critical Review of Hong Kong's Independence"



Biography:

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The "Independence of Hong Kong (HK)" has become a hot topic of debate and discussion with the HK public and especially its youth. The topic gains currency in part due to:

1. The Occupy Central Movement in September-December 2014,
2. The Mongkok Civil Unrest in February 2016,
3. The recent election into HK's Legislative Council of candidates that advocate "self-determination" and even "independence" of HK,
4. The discontent of the HK public and particularly its youth with Chief Executive C. Y. Leung's administration, and
5. Other pertinent factors.

Regardless of the reasons for the popularity of HK's independence as a topic, its discussion and other related issues deserve our serious consideration as the debate over what kind of future HK is headed towards becomes increasingly heated among the different factions of the HK political spectrum.

Not only will the political future of HK in general, and its independence in particular, affect the business / management operating environment of the territory but it will also affect who gets what, when and how - the outcomes of everyone in HK.

Because of its significance, The International Institute of Management has chosen to reprint a 1984 article on the feasibility of independence of HK by Henry Au. Though the data and the examples cited may not be current, the criteria used and the evaluation rationale can still be applicable to the current political context of HK.

The article is a chapter of Au's dissertation on "Possible Political Futures of Hong Kong". As the 1898 Lease of the New Territories of HK to Britain was due to expire in 1997, the dissertation in part examines possible political futures of HK using various forecasting methods such as computer simulation, survey research, interviews with elite and historical analysis.

It also in part evaluates the strengths and weaknesses of the methods used in the forecast which was anchored on China, not on the UK, HK or other countries, as it was the supreme player in resolving HK's political future at the time. Au used the mega concept of "freedom granted to HK by China" as a general underlying theme of gauging possible political futures of HK.

Specifically, he has employed three ideal types - namely Sinification, status-quo and independence - to illustrate his findings and make the necessary assessment. By definition, Sinification means the complete reabsorption of HK in 1997 back to China. Status-quo means leaving HK as-is, a British Colony after June 30, 1997 while independence means an existing independent states of HK starting July 1, 1997. For detailed definitions of the

ideal types, please refer to Henry Au's *Possible Political Futures of Hong Kong* (United States: US Library of Congress Microfilm, 1984).

In the article, Au first delineated the definitions of and requirements for an independent Hong Kong. Then he examined the relevant factors at the time that could be pushing for independence of HK, namely

1. Presence of Intolerable Economic Condition
2. Strong Government Insensitivity to its People's Plights and Needs
3. Indigenous Political Leadership to Lead Revolting Masses
4. Availability of Sufficient Funds to Finance Revolution, and
5. Pressure of a Strong Local Group Identity.

Though I have no intention to go through the factors in detail here, there are material, if not substantial, changes in all five factors examined. For example, under factor 1 "Presence of intolerable economic condition, in 1984, Au wrote, "With its standards of living second only to Japan and closely at par with that of Singapore in all of Asia, Hong Kong would not seem to suffer from intolerable economic conditions. It is not unreasonable to say that the chances for Hong Kong to suffer from intolerable economic conditions leading to a revolt-causing scale is quite slim." But in 2016 or since 1997 to a certain extent, the economic prospects of HK have suffered drastically from the 1997 Asia Financial Crises, the 1999-2000 Dot Com Bubble, the 2003 SARS Outbreak and Economic Slowdown, the 2008 Lehman Brothers Bankruptcy and Financial Tsunami, among others.

Under factor 2 "Strong Government Insensitivity to its People's Plights and Needs", in 1984, Au wrote, "the Hong Kong Government is considered always to have governed Hong Kong "by discussion" or "by consultation" and not arbitration (Endacott, 1964: 229; Lau, 1982; Miners, 1976; H. K. Fung, 1983: 18) ....It seems that at least at present, the HKG (Hong Kong Government) cannot be considered as being insensitive to its people." But to a certain extent since 1997, there has been growing discontent in HK as all its three Chief Executives were perceived by some, especially among the youth, as either incompetent, uninterested or corrupt. This discontent was reflected in the July 1, 2003 March by 500,000 demonstrators, the 79-day Occupy Central Movement in 2014 and the violent Mongkok Civil Unrest in 2016.

Regarding factors 3 and 5, leaders of "localist" groups such as HK Indigenous, Democracy Groundwork and Youngspiration that promote "self-determination" or even "independence of HK" were unexpectedly elected to the Legislative Council in September 2016, over some very senior pro-establishment and pan-democratic incumbents. It is not difficult to infer that funds for such a revolution (Factor 4), if necessary, must be available given the long duration of the Occupy Central Movement and the successful election campaigns run by anti-establishment candidates.

Given the above-mentioned material changes of factors pushing for HK's independence, it would be interesting to know of Au's assessment of HK's current situation. It would even be more interesting to know of Au's view given his 32 years of diverse experience as a college educator, senior executive in government, media, health care and property development.

I look forward to having the opportunity in the near future of reading Au's latest assessment on the feasibility of HK's independence.

For now, enjoy your reading on Au's original article!



## 介紹區大鈞的「港獨思潮的研判」一文的引言 \*



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「香港獨立」近來已經成為香港公眾，特別是香港的年輕人，辯論與討論的熱門話題。這個主題得到廣大關注主要是因為：

1. 2014年9月到12月的佔領中環運動；
2. 2016年2月的旺角公民騷亂；
3. 最近香港立法會選舉，有候選人提倡「自決」，甚至是香港「獨立」；
4. 香港公眾，尤其是年輕人，對於特首梁振英領導政府班子的不滿；以及
5. 其他相關因素

不管令致香港獨立變得熱門的原因是什麼，這個主題本身以及相關的議題都值得我們嚴肅的考慮。對於香港會邁向一個甚麼未來的辯論，在香港政治光譜的不同派系之間正越來越升溫。

香港的政治未來以及其獨立不單只會影響香港的商業和管理操作環境，亦會影響每個港人現時及將來的利益分配。

因此，這是一個香港居民非常重要的議題。這就是為什麼國際專業管理學會選擇重新刊出區大鈞博士在1984年所寫關於香港獨立可行性的文章。雖然其中所引述的資料與案例已是年前的，惟其所引用的標準與評估邏輯在當前香港的政治脈絡仍舊適用。

這篇文章是區博士的論文《香港可能的政治未來》的一個章節。就在1898年簽署的《中英展拓香港界址專條》即將在1997年到期之際，這篇論文其中採用了多樣的預測方法，諸如電腦模擬、調查研究、菁英訪談、及歷史分析等方式，檢視香港可能的政治未來。它同時也評估了上述預估方法的強項與弱點。這個預測是建基於中國的立場，而非英國、香港，或其他國家，因為中國在當時是解決香港政治未來問題的最大勢力。區博士以「中國給予香港的自由」的大概念作為普遍衡量香港可能的政治未來的基礎主題，使用了三種理想型態——也就是中國化、維持現狀與獨立——來闡述他的研究結果，並作出評估。定義上來說，中國化指的是中國在1997年完全再吸收香港，併入國內。維持現狀表示讓香港在1997年6月30日以後維持其作為英國殖民地的現狀。而獨立則指從1997年7月1日開始香港成為一個獨立國家。關於詳細的定義，

請參考他的論文：《Henry Au: Possible Political Futures of Hong Kong, (香港可能的政治未來)，United States: US Library of Congress Microfilm, 1984》。

在這篇文章中，區博士首先勾劃了一個獨立的香港的定義及必要條件。然後，他檢視了當時可以推動香港獨立的相關因素，也就是：

1. 無可容忍的經濟狀況的出現；
2. 政府對於人民的苦難與需要強烈地無動於衷；
3. 本地政治領袖帶領群眾反抗；
4. 充足的支援革命資金；與及
5. 來自一個強大的本土羣體身分的壓力。

雖然我無意仔細探討這些因素，但上述五個被檢視的要素都已經出現了實質上，若非相當程度上，的變遷。舉例來說，在討論第一個要素「無可容忍的經濟狀況的出現」時，區博士寫道：「以其在亞洲僅次於日本，且跟新加坡接近持平的生活水平，香港似乎不會陷於無可容忍的經濟狀況……若說香港因遭遇無法容忍的經濟狀況以致產生革命的機會是很微的，應不會不合理。」但在 2016 年，或是自從 1997 年以來，在某個程度上，香港的經濟願景已經因 1997 年亞洲金融風暴、1999-2000 互聯網泡沫、2003 SARS 事件、2008 雷曼兄弟破產事件及金融海嘯等而大受打擊。

第二個因素：「政府對於人民的苦難與需要強烈地無動於衷」，區博士在 1984 年有這樣評述：「香港政府被認為總是藉由「討論」或「諮詢」來治理香港，而不是倚靠仲裁公斷……似乎至少在當前，香港政府不能被認為是對其人民訴求麻木的。」但自從 1997 年以來，香港一直有著不滿情緒的存在。對於某些人，尤其是年輕人，視三位香港行政長官為無能、對港人訴求不感興趣、甚至腐敗。這些不滿，在 2003 年 7 月 1 日的 50 萬人遊行、2014 年的 79 天佔領中環運動、與及 2016 年暴力充斥的旺角公民騷亂中都反映出來。

關於第三和第五個因素，推廣「自決」或甚至是「香港獨立」的「本土派」如「本土民主前線」、「小麗民主教室」、與「青年新政」領導等，能在 2016 年 9 月出乎意料地當選進入立法會，取代一些很資深的建制派與泛民在任議員，是為佐証。有鑑於能夠長時間佔領中環及由反建制候選人主導而成功的競選活動，推斷有一定革命資金（第四要素）可供使用並不困難。

區博士從事教育、政務、媒體、醫療健保、地產等行業多達 32 年，具豐富行政經驗。有鑑於目前香港獨立因素存在本質改變，如果我們能從他的廣泛歷鍊及務實觀點去分析及解讀當前香港政局發展，相信會更有見地和趣味。

我期待在不久的將來有機會閱讀區博士對於香港獨立可能性的最新評估。

現在，就請享受閱讀區博士的文本吧！

\* 總編特此鳴謝何世柏教授及李治安先生的寶貴翻譯意見。



## Review of Henry Au's "A Critical Review of Hong Kong's Independence" and Recommendation to Undertake a Follow-up Study of the Situation Today



Biography:

**Prof. Kirill O. Thompson**, Ph.D.

Associate Dean, Institute for Advanced Studies in Humanities and Social Sciences, National Taiwan University.

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As a long-time observer of Hong Kong, China, and Taiwan, I feel deeply impressed and intrigued by the author's authoritative, well-researched, and well-argued examination of the conditions and prospects for Hong Kong independence after the British lease on Hong was to expire in 1997, written in the mid-1980s.

What adds significance to the study is that the author is a son of Hong Kong who cares deeply about the economic viability of Hong Kong, the well-being of every resident of Hong Kong, and, on a more personal level, his own identity as a "citizen" of Hong Kong in terms of politics, culture and psychology. I had the pleasure of knowing the author throughout his years of study at the University of Hawaii (UH). I always found him to be brilliant, positive, and precocious. Even as an undergraduate, he was a deep thinker and naturally gravitated toward graduate and doctoral students to talk and make friends. Moreover, he engaged students of all ethnic and national backgrounds in conversation to share ideas, compare ideas, and just to learn from them. I was surprised to find that people seemed to know him all over the UH campus within a short time after his arrival in Hawaii. At the same time, he felt driven to study hard. He wanted to learn everything he could, as well as cultivate significant skill sets. He has always dreamed of being a scholar but also to always make an impact for the better.

Regarding the study itself, since it is a well-conceived survey of the conditions and prospects for Hong Kong independence in the context of the 1980s looking ahead to 1997, it would be absolutely fascinating for the same author to examine how these conditions and prospects look today under the new conditions of 2016-17.

In the following, I roughly follow the author's line of presentation, and offer my thoughts and suggestions. First of all, as the author notes that, for a variety of reasons, Hong Kong's people tended to be apolitical under British rule. I would like to add that since they had a very wide scope of freedom to conduct their affairs in a relatively safe living and working environment, the people did not feel driven to take up political ideas and causes. They could focus directly on their personal and economic lives. After the handover, while China has been careful not to interfere overtly in daily Hong Kong affairs, China still continuously tries to wedge its way into the upper levels and to enforce decisions made in Beijing without much concern for local opinion in Hong Kong. Chinese rulers are used to issuing edicts and orders and having them followed without question in China proper, but the public in Hong Kong envision a more responsive leadership that is sensitive and in touch at the grassroots level. To make a long story short, this impression of Chinese meddling and highhandedness at the top level has provoked many younger generation Hong Kong residents to become more politically minded and even start to think more deeply about their special identity as citizens or residents of Hong Kong. (Hong Kong college students were inspired in part by the recent 2014 Sunflower Student Movement in Taiwan.)

As to economic conditions for seeking independence, back in the 1980s there was a fear that the Chinese authority would mismanage and bungle Hong Kong's economy through excess regulation, corruption, and

inappropriate Socialist thought. As a matter of fact, China has been careful to sustain Hong Kong's economy and has been highly supportive. In fact, China sought to learn from Hong Kong, and Hong Kong provided much financial and technical support and knowhow to speed up economic development in southern China, especially Guangzhou. Consequently, China's own economy has been developing and growing steadily, so that for the foreseeable future, there will be no intolerable economic conditions to drive an independence movement in Hong Kong.

As to the following discussion of governmental insensitivity, it is my belief that nowadays basic level government services in Hong Kong are responsive and substantial. At the same time, China continues to try to meddle and impose its will in certain ways at the upper levels of the Hong Kong government, making people worry that the Hong Kong government will gradually become more and more responsive to Beijing's demands than to the real life needs of the local people. And, this sort of concern in turn has led to the formation of social movements and increased political and cultural consciousness and identity.

The study then takes up the issue of local leadership. Under the above-mentioned new conditions, more and more leaders are arising from the grass roots level to the level of local government and the few elected representatives. I am not well aware of the numbers, depth, qualifications, or effectiveness of these leaders, but I would be very curious to learn more about this.

An excellent feature of the earlier study is the author's admission of the geographic reality that Hong Kong abuts China and occupies land that China considers to be its own. Moreover, the author admits that China made British-controlled Hong Kong into a symbol of the old imperialism and of China's concessions made under unequal treaties, signed under the barrels of guns. More pragmatically, the Chinese have realized that Hong Kong is not only essential for Chinese international trade but also as a place for people, who could not easily adapt to life in China proper, to go.

At this point by 2016-17, Hong Kong is deeply implicated in Chinese law and trade, and thus countless factors make outright independence unfeasible. Still, the people are more and more independent in their thinking. They have increased local political as well as cultural consciousness and identity. So, how can their new aspirations be satisfied, at least in part?

Back in the mid-1980s, the author mentioned the possibility of setting up a sort of Chinese Commonwealth including China, Hong Kong, Macau and perhaps eventually Taiwan. Modeled on the British Commonwealth, the members would have common rules and foreign policy as well as free trade and basic mutual right of entry. At the same time, they would have fundamentally local rule to be determined by their respective citizens. (I personally had thought of the Nordic Council as a possible model. But, that is a grouping of more or less equal sovereign nations, rather than a mother ship with several small boats.)

While some such arrangement might be unacceptable to China for the foreseeable future, if the "localist" social movements and umbrella protests continue to go on in Hong Kong, China might actually want to grant Hong Kong more rights to develop its own democratic institutions, as long as Chinese sovereignty is never in question. China might be moved to do this because these Hong Kong problems are a headache and take much time, manpower, and money to deal with. Also, China would not want people around China to read about the movements and protests in Hong Kong and get inspired to rise up and launch protests within China proper—since there are many things to protest about inside of China! Moreover, given Hong Kong's advanced media, if China were to try anything high-handed or violent, it would immediately be reported around the world and cause China to be criticized and lose face. Additionally, it would make the Taiwanese ever more reluctant to join hands with China.

Since my own reflections are rather speculative and in fact most people are unfamiliar with the real conditions in Hong Kong or the deeper aspirations of the people of Hong Kong, I strongly recommend that the author of the earlier study be encouraged and supported to conduct a follow up study of the conditions and prospects for Hong Kong independence in 2016-17.

Respectfully submitted on October 14, 2016



## 對區大鈞的「港獨思潮的研判」之審查及推薦 其進行當今情況的後續研究 \*



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作為一個中港臺的長期觀察者，我對作者寫於 1980 年代中期，對於英國在香港的租約 1997 年期滿後，香港可能發展情況與獨立的展望、研究，和論辯都令人感到佩服萬分。

這個研究更具重要性的是作者身為地道香港人，是個深深關切香港經濟發展及每個港人福祉問題的「香港之子」。我很高興可以在作者在夏威夷大學讀書的那些年間認識他。我總是覺得他很有才華、正直，聰慧。就算作為一個大學生，他也早已是個深刻的思想家，更常和研究生與博士生談話與交朋友。而且，他又與不同族裔與不同背景的學生接觸，藉此分享、彼此的想法，並且向他們學習。我很驚訝地發現在他抵達夏威夷不久之後，在夏威夷大學校園很多人似乎都認識他。同時，他感到自己被催促著去努力學習。他努力學習事物，和重要的技能。他的夢想是成為一個學者，並希望對社會有所貢獻。

關於這個研究本身，這是一個在 1980 年代向前看 1997，並且對香港獨立的機會做一個評估。如果作者若能在今日 2016 到 2017 年的新的情況下重新作出評估將會是十分吸引人的。

以下，我會大略地跟着作者呈現的脈絡，並提供我的想法與建議。首先，如同作者所註明，因為諸多原因，香港人在英國統治下傾向沒有政治意識。我想補充，既然他們能夠在相對安全的生活與工作環境擁有廣泛的自由來處理他們的事務，人們就並不感到對政治有興趣。他們可以把目光直接集中在他們的私人事務與經濟生活。在香港回歸以後，雖然中國一直都很小心不要過度干涉香港的日常事務，但中國政府仍舊持續嘗試打入高層，並且不顧香港本地人的意見，希望香港政府能執行在北京所做的決定。中國領導人習慣在中國境內發佈法令與命令，並且要人們沒有疑問地遵從。但香港公眾期望的是有一個對草根的階層有所接觸的領導，並能回應他們的訴求。對於中國在最高層次上的干涉，已刺激香港年輕一代的居民變得敏感和政治化，而且開始對他們作為市民或香港居民的特殊身分有所思考。（香港大學生部分地被最近在台灣的 2014 太陽花學運所啟發）

至於追求獨立和不受干預的經濟發展，在 1980 年代社會已有種恐懼是害怕中國政府透過管制、貪污，及不合適的社會主義思想會搞砸香港經濟。事實上，中國一直很小心維持香港的經濟獨立，並且高度支持香港。中國試圖向香港學習，而香港提供許多經濟與技術支援來加速中國南方的經濟發展，尤其是廣州。因此，

中國自身的經濟一直擴張與穩定成長，乃至於在可見的未來，不會有無可忍受的經濟政策刺激香港人攬獨立運動。

至於對香港政府是麻木的評批，我認為當今香港政府對基層服務是有實務性的。可是，中國政府被認為是持續試圖透過一些方式干涉香港事務與強加其意志到香港政府高層組織，讓人擔心香港政府會越來越應北京的要求而忽視本地人民的真實生活需要。而這類的擔憂是引起一些本地人組織起來發動群眾運動，並且開始在文化與政治的層面有一種本土化的覺醒，提出了香港人的身份問題。

這個研究接著展開了對地方領導的問題。在新的環境下，越來越多領導人從草根階層脫穎而起，在地方議會與立法會競選席位並取得一定的成功。我並不清楚這些領導人的數字、深度與資格或成效，但我會對他們極有興趣。

這個早期研究的一個優越特色是作者承認香港比鄰中國，並且佔據了中國認為是中國的領土。而且，作者認知到中國把英國控制的香港視作舊帝國主義侵略中國的象徵。香港是在砲艦威脅下中國被迫簽訂不平等條約所做出的讓步。更實際的是，中國領袖理解到香港不只對於中國對外貿易，也是個居住很多無法輕易適應在中國的生活的人的地方。

在 2016 到 2017 的時間，香港已深深的與中國法律與貿易相連，因此無數的因素使得香港要獨立是不可行的。但是，有一些人在其思想上仍舊越來越想獨立。他們亦已經提昇了很多本地人的政治意識和本土派的身份認同。但這願望怎樣才能實現呢？。

遠在 1980 年代中期，作者提出設立一個包括中國、香港、澳門，甚至最終可能包括台灣的中國聯邦。根據英國聯邦各個成員合共訂立規則與外交政策，以及自由貿易和基本的相互入境權。同時，他們會有基本的權利，而每一成員地區的居民有決定自己的管治方法與制度。（我個人有想過以北歐理事會作為可能的模型。但，那是個或多或少平等的主權國家的組合，而不是一艘母艦與幾艘小船。）

雖然這樣的安排可能對於中國在可見的未來是不可接受的，如果「本土派」社會運動與雨傘抗議持續在香港發生，中國可能會想要給予香港更多權利來發展自己的民主機構，只要中國主權不存在爭議。中國可能會這麼做，因為這些香港問題讓人頭痛，而且要花費很多時間、人力，與金錢來處理。中國更不想讓中國人讀到香港群眾運動與抗議，然後使中國境內的國民發動革命——尤其中國境內有這麼多事情可供抗議！再者，有鑑於香港有進步媒體，如果中國企圖發動任何暴力或武斷行動，馬上會被全世界報導，並且使中國被批判且丟臉。另外，這也會讓台灣人更抗拒與中國牽手。

既然我自己的評論是比較屬於臆測性質，且事實上多數人對於香港真正情況或者部份香港人更深層次的目的是不熟悉的，我建議這個早期研究的作者繼續進行關於香港在 2016 到 2017 年的部份人提出「港獨」的運動作出深入的研究了解，並發表報告。

謙卑地於 2016 年 10 月 14 日提交。

\* 總編特此鳴謝陳昌立校長、何世柏教授及李治安先生的寶貴翻譯意見。





## Marketing in Developing Economies: A New Value Equation

Tom Doctoroff



Biography:

### Tom Doctoroff

Tom is a renowned business leader and global brand builder. He is also one of the world's foremost experts on Chinese consumer behavior and the Asian commercial landscape. Tom rose to become the CEO of J. Walter Thompson, one of the world's largest global marketing and communications companies. He is also the author of *Billions*, *What Chinese Want* and *Twitter is Not a Strategy* as well as a frequent commentator on CNBC, NBC, Bloomberg, and National Public Radio, as well as in the *Financial Times*, *Bloomberg BusinessWeek*, *The Wall Street Journal*, and *The New York Times*.

Generally speaking, the psychology of consumers in emerging markets is distinct from their counterparts in developed nations. This does not discount the importance of cultural factors in shaping buying behavior – Confucian values will always be less individualistic than Western values, no matter the per capita value of a country's gross domestic product. But a country's level of economic development is an important factor, and marketers should adjust their strategy accordingly.

Institutions designed to protect the political and economic and interests of consumers – for example, independent judiciaries and reliable social welfare schemes – are relatively immature in emerging markets. People are less vested in having a civil society, and they seldom take safety – physical, emotional, and societal – for granted. Consumers in these markets focus more on the scale and reassurance of big brands; projection of status and adherence to tradition that characterize hierarchical societies; and benefits that “do good” rather than “feel good.” In the developing world, the watchwords are *protection and pragmatism*. That is why Safeguard, Procter & Gamble's germ – killing soap, is especially popular in places like China and the Philippines; in economically developed countries consumers are drawn to hedonistic benefits. These consumer commonalities lead to a number of crucial strategic imperatives. Marketers should:

1. Introduce megabrands (brands with offerings across several related categories) rather than stand – alone brands
2. Adjust their products to maximize perceived value
3. Capitalize on trends driven by the country's stage of economic development
4. Compete across, not within, categories
5. Develop communications that are rational and linked to social context.

**Megabrands.** Well – known brands are reassuring. According to the 2013 edition of Roper Reports, 79 percent of consumers in developing Asian markets and 61 percent of Latin American consumers “only buy products and services from a trusted brand.” In Western Europe 46 percent of consumers agree with that statement, while in developed Asia – that is, Japan and South Korea – the level slips to 42 percent. In developing countries 53 percent believe “it's better buy well – known brands because you can rely on their quality” compared to only 28 percent in developed countries. Familiarity also tends to reassure consumers in emerging markets. A survey by McKinsey & Company, the management consulting firm, found that 28 percent of Chinese

consumers prefer to “stick to brands I have used in the past rather than try new ones” versus only 16 percent in the United Kingdom and an exceptionally low 4 percent in Japan.

Lack of confidence in the integrity of the manufacturing process, as well as the weak link between category and brand common across emerging markets, explains the reassurance consumers derive from mass - marketed products. In the Philippines one brand, Magnolia, sells a broad array of categories - from water to cheddar cheese to chicken cutlets. This does not happen in the United States, where Kraft equals cheese and Aquafina equals water. In China, Chunlan, a state - owned enterprise, produces everything from motorcycles to water heaters, while Yunnan Baiyao, originally known for an ointment that stanches bleeding, now has a portfolio that spans medicated bandages and toothpaste.

“Conglomerate brands” are comforting. South Korean chaebols are corporate behemoths that arose during a period of postwar economic deprivation. Today they control, directly or indirectly, approximately 70 percent of economic activity. Samsung Corporation, the largest of these companies, still wields its eponymous brand to promote an extensive array of categories, including mobile phones, consumer electronics, insurance, and medical equipment. In the West, Procter & Gamble is a corporation, not a brand. Consumers know Pringles potato chips and Downy fabric softener; P&G is only a corporate stamp of reassurance.

Manufacturers in developing countries also benefit from the inherent efficiency of corporate brands. Media costs are rising faster than per capita spending in any category, so forging brand awareness is an expensive proposition. In Australia and the United States, where annual per - child spending on toys is approximately \$500, Mattel has been able to establish discrete consumer franchises under the Thomas & Friends, Barbie, Hot Wheels, and Monster High brands. In developing countries establishing four stand - alone brands is less feasible.

Multinational brands operating in developing markets are learning quickly. Many have either expanded their footprints into contiguous categories or rebalanced their focus in favor of the master brand. Nestlé’s Maggi is a brand of bouillon cube in developed markets, but in India it is used to sell instant noodles, milk, sauces, and soup. L’Oréal began as primarily a skin care and cosmetics brand in Europe and North America, yet in China it entered the market fully diversified into shampoo, hair coloring, and styling products. In China, Southeast Asia, Mexico, and Southeast Asia, Kellogg is evolving from corporate to master brand with advertising and activation events that reinforce a campaign for the entire cereal portfolio that promises “breakfast for better days.”

**Value justification.** Consumers in emerging markets are nervously optimistic. A kaleidoscope of change heralds new, albeit uncertain, opportunity. In this context manufacturers often deploy international brands as weapons on the battlefield of life. They are expensive compared to local competitors but achieve success because new consumers are more sensitive to value for money than low price. Lack of confidence in local products and services can result in what could be called a “penalty of poverty” - that is, higher prices than in developed markets. This phenomenon occurs in categories in which contamination fears are rife, such as infant formula or bottled water, as well as in highly regulated sectors like financial services, where interest rates for microfinancing are higher than those charged by mainstream banks.

Marketers should concentrate on increasing customers’ perceptions of value as much as lowering their out - of - pocket expense. Ways to achieve this include value engineering, introducing composite products, and adding purpose to pleasure.



*Value engineering.* The Nokia 1100 mobile phone, introduced in 2003, created a new value equation in developing markets by redefining standards of durability, an area of concern among lower - income consumers. The model, now discontinued, became the world's best - selling mobile phone. Improving sensory satisfaction can enhance perceived value. Nestlé originally tailored its RMB1 wafer for the China market, where chocolate still suffers from being perceived as too yang - causing excessive heat that requires yin, or cooling, foods to maintain the internal balance. By increasing the wafer - to - cocoa ratio while lowering the cost of goods, Nestlé was able to sell a chocolate bar for the first time as an everyday snack, not an occasional indulgence. Nestlé's three - in - one coffee has been a hit because the product is designed with sweetness to balance bitterness. Minute Maid enhanced the value perceptions of its Pulpy by ensuring that it imitates the mouthfeel of pure juice, and in the process it became a power brand.

*Composite products.* "Frugal innovation" is the creation of mass - market products that offer more for less. These items often take the form of composite products that boast multipurpose, multibenefit design. Procter & Gamble's Olay Total Effects is an affordable moisturizer with a "seven - in - one" antiaging formulation. Pfizer's Centrum, a multivitamin supplement, has achieved success in China and India, driven by its "complete from A to Zinc" composition.

Preference for composite products in emerging markets has shaped the strategic vision of leading electronics manufacturers. Western consumers prefer special devices for specialty applications - Microsoft's Xbox is specifically for games, while Apple's iPad largely helps consumers access digital media and provides entertainment. Consumers in emerging markets, on the other hand, expect a single device to cover a wide range of functions. Nokia's lack of success in eroding the dominance of high - end smartphone manufacturers in Western markets masks impressive gains in feature phone sales throughout developing Asian, African, and Latin American markets. It designed the Nokia 105, for example, to appeal to first - time phone buyers and build value perceptions with a variety of preloaded functions such as an FM radio, multiple alarm clocks, a "speaking" clock, dust and water resistance, and a flashlight. The phone also has a color screen and an impressive 35 - day battery life.

*Purpose over pleasure.* Brands should focus on external payoffs rather than internal satisfaction or release. In an insecure and competitive environment, celebrating indulgence is risky. Starbucks has established its stores as gathering sites for the professional elite eager to display new - generation cool rather than the "third space" between work and home that Howard Schultz, CEO of Starbucks, intended. Premium yogurt should focus on "digestion that gets you going" rather than taste satisfaction, while Wrigley's Extra chewing gum fuses great taste with oral care. Danone established its premium Evian brand, popular in the West, on a platform of purity. The company's Mizone, distributed largely in Asia and South America, is a nutrient - enhanced "energy water." Mattel is repositioning its toy brands to align fun with learning or discovery.

**Trend Arbitrage.** Other factors being equal, economies - and consumer motivations - evolve in predictable ways. As markets progress from emerging to developed, marketers can retain the initiative by introducing products in niche categories destined to achieve broad scale. In food, for example,

- Emerging markets are at a basic stage in which protective benefits dominate. Products are often unbranded or locally produced, and familiarity establishes trust - "a brand I grew up with." Natural ingredients with traditional "do good" properties do well, as do those that reinforce claims of purity or being free of chemicals. Health benefits are rooted in immunity or "more is better" nutritional propositions. For example, claiming "4 times [the essential fatty acid] DHA" helped Mead Johnson's Enfagrow, an infant formula, build a leadership position in several markets. In China, Kellogg introduced breakfast cereal by claiming it provides "well - rounded and complete nutrition."

- Middle - income countries are at a modernist stage. As taste indulgence comes to the fore, chocolate and salty snacks appear on store shelves, and high - calorie products proliferate. Increasingly stressful lifestyles also give rise to convenience products. Nutritional benefits flip from protective to transformative - that is, taller, bigger, smarter. Nontraditional foods, from fast food to red wine, become more popular, especially if consumed outside the home as a signal of middle - class modernity. "Detox" food and beverages offset unhealthy diets. Suntory introduced its black oolong tea in Southeast Asia as a postmeal drink - an antidote to greasy foods - with ingredients that slow fat absorption.
- Postmodernist marketing is a reaction against overindulgence and can be summed up as less is more. Developed economies, including those of Japan, America, and Western Europe, are at this stage, where nutritional benefits, such as balanced or light, are more nuanced. "Back to nature," illustrated by Evian's "live young" purity claim or the proliferation of the Body Shop's green cosmetic counters, emerges as a powerful motivator. Consumer awareness of the goodness of organic food, grows, with "feels good" trumping "tastes good." Kellogg's Special K, a low - calorie grain - based cereal and snack that also promotes female confidence, is poised to become a more diversified brand that plays a broader role in women's lives.

Companies can exploit the knowledge of how markets evolve. In China the Tingyi Holding Corporation and Uni - President Corporation, Taiwanese snack food manufacturers, anticipated the emergence of convenience benefits and introduced instant noodles and then cups of noodles, to establish vanguard positions in the competitive mainland market. Shaklee Corporation, an American manufacturer and distributor of natural nutritional supplements, was equally prescient. The company's weight - loss protein powder already generates annual sales of more than \$100 million in mainland China.

Food categories are not the only ones that evolve in predictable ways. In emerging markets newcomers to luxury products are drawn to such goods as conspicuous badges of status. The shiny "double G" Gucci belt buckle or diamond - studded gold Rolex are marks of sophistication. As their incomes rise, luxury buyers want to demonstrate their connoisseurship and refinement, so branding cues become more understated. Louis Vuitton's highest - priced bags, for example, do not carry the famous "LV" logo. Of course economic development does not eliminate cultural differences. In Western countries private luxury - products or services only a few know about - is coming of age. But in China and other Asian markets the most advanced buyers demand personalized luxury - noticeable product flourishes tailored to the specifications of individual buyers. Andrew Wu, who heads the China division of the luxury group LVMH, says, "The Chinese believe there's no point in paying a lot of money for a brand if no one knows what you own."

**Cross - category competition.** Consumers in emerging markets are, by definition, new consumers. Advertising should work hard to convey a compelling reason for them to switch from one category to another. The competitive landscape is primordial and the frame of reference - the range of categories that compete with one another to fulfill a specific need - is in flux. In markets with low coffee consumption, for example, Nescafé competes with tea and other beverages. In markets with high coffee consumption, it competes with other instant coffees. Advertising in developed markets targets category users who are already familiar with existing brand alternatives so enhancing the salience of yours is key. Elsewhere, advertising should trigger more fundamental changes in behavior.

What constitutes an effective reason to change one's behavior depends on the nature of the category. Across Southeast Asia, for example, Mattel's Fisher - Price Play IQ is a winning proposition because the brand resolves the tension between childhood advancement and fun. In other categories, from cake mix to frozen dinners, convenience needs become more acute as daily life becomes more hectic. B&Q, a UK home



improvement retailer, provides free decorating advice at an on – premises design center, a service traditional mom – and – pop shops are unable to offer. For goods consumed in public, status sells. Chinese first – time car buyers purchase the majority of automobiles, many of which cost more than 100 percent of the buyer’s annual income. Auto brands must therefore announce entry into the middle class, with benefits externalized to facilitate progress up the social or professional hierarchy.

**Contextual rationalism.** Consumers in emerging non – Western, nonindividualistic markets have not yet attained confidence in their material stability and are disoriented by a surfeit of new brand alternatives. Advertising can point them toward the rational benefits of the product and demonstrate product value within a social context.

The importance of developing market rationalism is apparent in many ways: effectiveness of in – store activation in providing information that can changing buying decisions near the point of purchase; reliance on authoritative online opinion leaders and information portals in shaping preference; acute price sensitivity, especially for goods consumed in private; the importance of “reasons to believe” in increasing persuasion. Consumers in emerging markets are not robots, but they can differentiate products emotionally only after their left brain – that is, logic – based – imperatives have been satisfied.

Once marketers have addressed the pragmatism of consumers in emerging markets, they can emphasize the emotional relevance of their products by highlighting how they enhance buyers’ social standing. The context of external acknowledgment broadens as incomes rise. Men of modest means want the admiration of friends and immediate family. New – generation Yuppies aim higher, for accolades from the business community and beyond. A related note: most advertising in emerging markets benefits from the use of celebrities or authority figures because they reduce the risk of buyers’ losing face.

## Conclusion

The starting point for powerful communications is insight into the fundamental motivations for consumers’ behavior and their preferences. In my experience the best insights spring from tension between or within human and cultural truths. If a brand resolves a conflict of the heart, that brand’s role in life is greater. Prices can therefore be adjusted accordingly. Insight remains the font of robust profit margins, and it is rooted in an appreciation of sociocultural forces that drive consumers’ behavior – whether common the world over or geographically nuanced – in different markets. In a commercial universe pulsating with high – tech possibility, it behooves brand owners not to ignore this timeless marketing truth.



## 10 Thought Leaders On What Luxury Brands Must Do To Stay Relevant

31 Oct 2016

Victoria Gomelsky



Biography:

**Victoria Gomelsky**

Editor-in-Chief, JCK

Victoria Gomelsky is editor in chief of JCK, a jewelry trade publication based in New York City. Her freelance work has appeared in The New York Times, WSJ Magazine, Robb Report and The Hollywood Reporter. She divides her time between New York City and Los Angeles.

**Let's not sugarcoat things. The luxury industry is struggling. Take your pick of issues: terrorism in Europe, anti-corruption measures in China, currency fluctuations the world over. Wherever you choose to lay blame, the global slowdown in luxury sales cannot be denied.**

"Everybody agrees that the easiness, the boom, is gone and that brands will either become smaller or have to find some really thoughtful growth alternatives," says Fabrice Paget, founder of the London-based Luxury Brand Agency. "In terms of geography, I don't see where that will be because there's no other country coming up to replace China in terms of growth. First you have to brace yourself to become smaller. Even at the very high-end, the mindset has changed. People are not necessarily arguing about price but they are looking to see they're getting value for what they pay."

Luxury Society asked Paget and nine other thought leaders, representing a range of disciplines and product categories, to answer one big question: What must luxury brands do to ensure they are evolving with the times?

A few themes emerged: Luxury is nothing if not rare. Technology does not undermine a high-end product or service, as was once believed. And a rich, one-on-one customer experience lies at the crux of the luxury equation.

Read their thoughtful suggestions below. And buckle up—2017 promises to be a wild ride.

### **Valerie Nowak, global communications director, Piaget**

"The key, in a nutshell, is content, experience and digitalization, all three combined. At the same time, we know that craftsmanship and knowhow remain essential. So it's how we preserve these roots and how we can highlight the heritage of the luxury maison. Luxury has been quite late to join the digital world because at first there was a sort of fear that digital was not consistent with what luxury stands for in terms of exclusivity and knowhow and elegance, personalization, savoir faire..... On the contrary, what we can see is that digital helps us to bring forth our roots and more easily highlight this specificity. Luxury is really about the one-of-



a-kind experience, how you can attract a client as a unique human being, and digital is a very interesting new landscape to develop these kinds of relationships. Of course boutiques and craftsmanship remain important but through digital we can continue to develop desire and dreams and aspirations.”

### **Tom Emrich, founder, We Are Wearables**

“Now is a great time to start to do R&D. The biggest thing for any large brand is to start to play around now because technologies [such as virtual reality] are the next wave of computing, just like mobile computing was the next wave of desktop computing. You wouldn’t have a retail experience without a mobile experience. In the very near future, it’ll be the same for virtual reality and augmented reality. It bodes well for luxury brands to start learning and start testing, seeing what the opportunities are. Every brand needs to understand there are different flavors of virtual reality and eye where their target audience is and set their expectations around what their goals are.”

### **Thierry Collot, General Manager, Parmigiani Fleurier Americas**

“What’s essential is to control output and make sure luxury remains luxury, that it doesn’t become overly available. The biggest mistake a lot of brands make is to produce up to their potential and because of that they are kind of killing the scarcity effect and making [their products] too readily available, either by over production or over distribution. To me, it’s really essential for luxury to be something people have to look for. That’s the biggest danger the luxury industry is facing right now and in the future. Distribution will evolve but no matter what, the availability of a luxury product has to stay very limited. If you think about it, a lot of brands with the potential of doing 100 [pieces] tend to do 110; in order to preserve the image of luxury, they should do 70. That’s the problem the industry is facing right now; it’s not luxury if it’s available everywhere.”

### **Rati Sahi Levesque, chief merchant, The RealReal**

“Luxury brands need to find strategic ways to connect with a younger demographic and stay innovative. There are a number of ways to do this whether it be developing a new social concept or implementing new technology to make the experience easier and more accessible for today’s savvy shoppers. Right now we’re also seeing a unique trend of fashion brands changing up their creative directors to keep the brand fresh and drive constant buzz, which is another great way to stay relevant.”

### **Fabrice Paget, founder, Luxury Brand Agency**

“Brands have to go back to being very strong on four things and they all start with S: story, skills, service, and substance. You have to have a very strong story for a client as to why I should pay money for your brand. Some brands will still be about status—a signal that you’ve arrived. But that’s probably only going to be a niche for specialized brands, like Rolex. Otherwise, you have to have a very compelling story and you have to get it out. Then you need to have some kind of craft or special skill beyond just having products that look good. I see at the high-end a return to ‘I want to find an artisan.’ So if I’m a brand, I have to show off my skills, to show I’m not a big organization and I’m not mass producing what I’m trying to sell you.

“And then the service—it has always been important but the idea that at the high end you have to have a trusting one-to-one relationship with a person. I will buy because I trust somebody somewhere to get me the best things that I want. And I think a lot of large brands have lost that—they’ve become high-end mass markets. At the high-end, people expect the service, and that’s probably very influenced by technology because you get today a level of service from Uber that was inaccessible for the mass market, so the service

expectations are going to be there. There needs to be personal service. This will be a problem for brands with mass market retailing networks that have lost service; they're just providing transaction points."

"And the last point is substance. If I'm a client, I'll still spend money but I may be probing exactly what I'm getting for that money. What does my \$50,000 piece of jewelry get me? I feel this is a great opportunity for startups, artisans and small brands to really start to grasp opportunities all over the world. And I think it's going to be very difficult for the very large brands to adapt. Some will be able to weather it better because they may not be publicly traded or may not be leveraged too much, but it is possible that some will fall from a cliff."

### **Fiona Krüger, founder, Fiona Krüger Timepieces**

"I believe listening to consumers and being aware of who they are and how they're finding out about your product is vital. The 'stereotypical' luxury consumer is changing rapidly—they're getting younger, they're into different things and they buy differently, too. Being aware of the importance of communication tools like social media is key, and also how to use them properly to interact with your consumers (i.e., content, content, content!). It's never been easier to have a genuine direct relationship with clients from all over the world—why not make the most of it?"

"Lastly I think being open to change is really important. If you can be dynamic and offer your clients something that is genuinely new whilst maintaining your brand identity, then you've cracked it. Luxury brands should be keeping their customers excited about what they do. Many of them have the luxury of having a great name and strong brand identity, so they should take chances to keep their clients excited about them and their products, and be ultra responsive to client feedback."

### **Sally Morrison, director, sales and marketing, Gemfields**

"The provenance of the product must be at the center of the brand conversation. The transparency of the pipeline and exposing the hands that touch the piece, the history of the piece—all that is very important. But there's something else, too: The world that people live in now is very different; the way consumers look for information is very different. We have to be willing to find consumers where they are, as opposed to where we would like them to be."

"For somebody like me, who's older and grew up with a different advertising model, it means not unlearning the things we know but being willing to learn new things and trusting people half one's age to figure out how to reach consumers. I'm not an expert in digital marketing but I have to have people on my team who are, and I have to be able to trust them. I'm not the Snapchat generation but I have to figure out how to connect with people who are. We have to learn to communicate in very different ways. It means having a very 360 approach. This generation is very good at getting multiple bits of data from multiple sources and we have to be in all those places in addition to print and radio. We have to have nuanced conversations so it's not repetitive. A great brand campaign is not taking a print ad and sticking it into a digital format, but doing something in parallel and built for that new format. We have to look at a more holistic way of communicating."

### **Gannon Brousseau, vice president, Couture**

"Ultimately, luxury brands need to continue to find creative ways to engage with consumers in a more effective way. Social media has proven to be a great platform for this and has broken down barriers that used to exist between a brand and their customer. By shattering that ivory tower mindset through strategic, on-going social





media initiatives, I believe brands can create and maintain a dialogue with consumers across a diverse, socio-economic and geographical spectrum.”

### **Brook Hazelton, president, Americas, Christie's**

“Every luxury company needs to adapt to a more mobile and geographically diverse marketplace. At Christie's, we believe this means having a robust digital strategy that is purpose-built for collectors and well-integrated with our core business model. Christie's is very proud to be the only international auction house to offer our clients a seamless mix of traditional saleroom auctions and online-only sales, complemented by compelling digital content and easy mobile access. As a result, sales facilitated through online channels have already exceeded \$100 million this year and accounted for 26 percent of new buyers to Christie's during the first half of 2016. Our online-only sales consistently attract bidders from 20 to 30 different countries, far exceeding our geographic saleroom footprint. With online buyers up 60 percent and spend in digital sales up by 91 percent, we look forward to expanding these efforts with continued innovation in the dynamic digital field.”

### **Milton Pedraza, chief executive officer, Luxury Institute**

“We see companies cutting back on training instead of spending. They should be transforming their sales associates into relationship builders and curators. They're focused on client retention but they should be focused on associate retention because the associates are the ones who build the clients. There doesn't seem to be anybody bridging that gap.”



## 香港應走「優質民主」之路

孔憲中

優質民主研究社（社員：藍鴻震、楊健明、何灝生、關品方、施永青、何君堯、譚兆璋、  
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優質民主研究社義務秘書

### （一）「優質民主」與「精英民主」

民主有多種，那些是「優質民主」呢？沒有一個絕對的答案。適合美國的，不一定適合中東國家。好像教學法一樣，適合聰敏學生的，不一定適合笨拙的。有缺陷有問題的學童，更需要特別照顧。所以優質民主是應該因國家而定。為香港及亞洲大多數的國家，歐美式的民主，並不適合。且看印度、巴基斯坦、泰國及菲律賓便很明顯了。本文為香港及亞洲大多數的國家，介紹一種優質民主－「精英民主」。

「精英民主」有別於「普羅民主」。我們一般所認識的一人一票全民投票選舉，是「普羅民主」（mass democracy）。精英民主（elito-democracy）卻較為複雜，這制度是政府和立法機構由人民選出，每個人都有選票，所以是名符其實的民主。但選民內的精英份子，選票的比重較大，所以是精英民主：精英領導的民主。

假如一個國家（或地區），民眾的知識水平不高，那麼一人一票的普羅民主相信不會帶來好結果。且看菲律賓，泰國，中東和巴基斯坦，便很明顯了。教育水平低的人，很容易受政客們的花言巧語所蒙蔽，受政治廣告的洗腦，受傳媒的支配，受示威遊行的過份影響。這些是普羅民主的流弊<sup>1</sup>。[本文完稿後，喜聞英國哲學泰斗 J.S. Mill（約翰·穆勒）（1806-73）早在 155 年前已提出「精英民主」此概念。當時英國只是上層社會才有議會選舉權，而政府擬把工人階級也納入為選民，讓他們也有選舉權。Mill 鑑於工人一般教育水平不高，憂累一旦實行普羅民主，選出來的議會，不會是優秀的。]

孟子《盡心下》說：「民為貴，社稷次之，君為輕」。這就是說：政府應以「為民」至上。所謂「以民為本」就是這個意思<sup>2</sup>。一個政府的首要任務，是解決民生。

那麼如何可以選出一個真正為民而能解決民生的政府呢？求神吧，可惜神從來沒有現身來引導我們。眾人都知道，選擇傢具木材，應該去找木匠（不應去找醫生）；選擇裁衣布料，應該去找裁縫（不應去找律師）；那麼選擇政權的領導人，應該去找誰呢？俗語說：「慧眼識英雄」，精英就是慧眼，國家領導人便是英雄。精英民主是堂堂正正的民主，每人都有選票，只是精英們的比重較大而已，重視一點精英們的慧眼。孔子說：「選賢與能」（《禮運篇》），讓有慧眼的精英，選出賢能的政府吧。



精英民主的實踐有多種形式，下面且待我舉一些例子：

- 1) 「功能界別」的精英民主：2012年前香港立法會的選舉，便是精英民主一個好例子：所有選民都有一票，那票是用來選出三十席地區議員的。其餘的三十席是由功能界別選出。功能界別有二十八個，如醫學界、法律界、教育界等。換而言之，醫生、律師、教師等，每人有兩票：一票用來選代表地區的議員，一票用來選代表功能界別的議員。功能界別的成員是精英，精英有兩票而一般普羅大眾只有一票。換而言之，精英選票的比重為非精英的兩倍，所以是精英民主。
- 2) 「年齡」的精英民主：西方國家普選政府和立法機構，一般是要求選民年齡最少要達到十八歲。這也是精英民主的一個好例子。十八歲或以上為精英，所以每人有一票，十八歲以下不是精英，所以只有零票。精英和非精英選票比重為一比零。這是年齡的精英民主。也可以把它改進如下：(a) 十八歲以下每人零票，(b) 十八歲至二十五歲每人一票，(c) 二十五歲以上每人兩票。
- 3) 「知識」的精英民主：有知識的選民選票比重較大。例如，有大學學位的有兩票，其餘的只有一票。
- 4) 「英國式」的精英民主：英國議會有上下議院，下議院的議員是由民眾選出來的。但上議院的議員(共 775 人)，卻不是。這些非民選議員，是來自國家不同界別的精英。
- 5) 「美國式」的精英民主：美國快要於(2016)十一月競選總統了，有一位從未參過政的地產大王，完全沒有公共行政經驗，不知外交是何物。居然在十個月裡，從零開始，在共和黨初選時，擊敗了 16 個對手，一躍而成為共和黨的提名總統候選人。靠的是什麼？眾所周知，此人是特朗普(Donald Trump)，他超人的財富，為他作無限量的宣傳。俗語說「官」字兩個口，我說「富」字五個口<sup>3</sup>。可見「美國式」的民主是「金錢民主」，是以富人為精英的精英民主。
- 6) 「聯合國式」的精英民主：聯合國的每個成員國都享有一國一票的民主，但聯合國所行的並非「普羅民主」。聯合國是由一個安全理事會領導的，會內有五個常任理事國，他們都擁有否決權。而這五個常任理事國，都不是由聯合國全體成員一國一票選出來的。理事會是世界國家的精英。一個如聯合國的組織，是需要精英領導，所以是「精英民主」。
- 7) 「天主教式」的精英民主：天主教的教皇是由樞機主教團選出來的。一般教友當然沒有投票權，連教會內的一般主教和神父，都沒有投票權。樞機主教們就是教會的精英。

## (二) 香港以「提名委員會」為精英

香港的「基本法」第四十五條，規定行政長官的產生辦法：「最終達至由一個有廣泛代表性的「提名委員會」按民主程序提名後普選產生的目標」。提名委員會的組成，人大常委於 2014 年 8 月 31 日有所裁定，它的成員，應來自醫學、法律、會計、教育、金融、工商等功能界別。他們都是社會的精英。簡潔而言，行政長官的產生，是由一班社會精英提名，然後由市民一人一票選出。這可以說是「兩步曲的精英民主」。

其實「兩步曲的精英民主」並非新穎。例(1)：英國的首相並不是由國民一人一票選出來的。國民先選出下議院議員，然後由這些議員以簡單多數選出首相，這群議員是國家的精英。所以英國首相是由一群精英選出來的。例(2)：聯合國的秘書長，是由安理會提名，然後由全體會員國表決。這是有篩選的精英民主。

### (三) 人人平等

或許有人會批評「精英民主」違反了人人平等的原則。人人平等是指權益上的平等，這包括下面三種：

- (1) 法律上的平等：在法律上人人平等是無可厚非的。
- (2) 民生上的平等：這個平等，表達得最透切的，莫有過於馬克思的「各盡其能，各取所需」，可惜這個平等，只是一個理想，一個美夢。馬克思此格言在前蘇聯和其他地方實行了大半個世紀，其可憐的結果是眾人皆知的。
- (3) 政權上的平等：這就是一人一票的普羅民主。在民眾知識水準高的國家，這是行得通的。但香港市民，一般文化水準欠佳，今時今日一人一票的普羅民主是不適宜的。我以為精英民主較為適合，讓有智慧的精英們多一些選票（有如讓富貴的人多付一些稅）。精英們是可以領導我們選出較合理的政府。政權上的平等，無論是香港或大陸，今天來說，是不可行的。且看下一節讓我詳細說述。

### (四) 香港政治文化的幼稚

香港人的政治智慧和經驗都很幼稚。英國管治了一百五十年，從未嘗過民主的滋味，如今有了局部民主來選出立法會，從立法會的構成和運作，可以見得香港人政治文化的幼稚。待我詳述一下：

(A) 香港立法會只有 70 位議員，但政黨有 20 個（2012 – 2016）。可不可笑。立法會內，雞鴨同籠，爭論紛紛，各據山頭，爭權奪利。相比下，美國如此大國，參眾兩院，合共只有兩個政黨。英國下議院議員共 600 多人，也只有 4 個政黨。有人會反駁，說香港行的是比例代表制，所以在立法會內政黨較多。問題是，為什麼如此多，多至 20 個。且看德國吧，它也行比例代表制，議會人數 631 人，比香港幾乎大十倍，政黨只有 6 個，而其中有兩對是同盟的，所以實際上是 4 個政黨。新西蘭也是行比例代表制，它的議會，共 121 人，共有 7 個政黨。人家議員總數是香港的兩倍，而政黨數目只是香港的三分之一。近來在香港你會不時聽到人說，「言論要自由，意見要多元，主意越多越好」。小小的 70 人香港立法會，有 20 個政黨，議員可以無限量地發言，七嘴八舌，相信是世界之奇觀。

(B) 一個國家，人民政見大致相同，才可以行普羅民主。日本二次大戰投降後，實行民主 60 多年了，除兩屆外，一直是自民黨執政。為甚麼呢？主要原因是人民絕大多數，政見差不多。新加坡自獨立以來，都是人民行動黨掌權，此又是另一個例子。美國兩大黨，民主黨是中間偏左，共和黨是中間偏右。此表示國民政見都集中在中間，所以行普羅民主是順暢的。英國的三大政黨，也是凝聚在中間。香港呢？政見兩極化，親共陣營與反共陣營對壘，打個你死我活。如何可以行普羅民主？正如伊拉克，遜尼與什葉兩教派，水火不相容，可以行普羅民主嗎？

(C) 香港政治文化的幼稚可見諸立法會開會，會議中有議員投擲香蕉、蓮蓉飽、玻璃杯。最令人驚心的是居然有不少（幼稚）市民歡呼喝采，鼓掌贊成，而擲物的議員，居然以這些行為作將來競選的本錢。你見過政治文化成熟的議會有上演如此的鬧劇嗎？立法會內開會時，你會見到不少的大字標語，政治口號，林林種種，放在當眼處，最近更有議員打起黃色雨傘，話說是言論自由的巔峯，此歐美望塵莫及也。政治文化的幼稚可想而知。還有，你見過議員在會議中放輕氣球嗎？

(D) 香港立法會還有一個特色。這兩年來，更有議員「拉布」，如不喜歡某項動議，即提出成千上萬的修正建議，目的是阻撓那動議的通過。西方國家也有「拉布」的現象。但人家是十年拉一次布，而我們的香港卻一年拉十次布。最近拉布更蔓延至立法會內的委員會。怪不得有人叫立法會為「垃圾會」<sup>4</sup>

(E) 相信你會同意，一般的商業廣告，是合法的洗腦。還記得少時，收音機天天播「何濟公，何濟公，止痛唔晒五分鐘」這是數十年前的事了，至而今還是清淅在腦裡面。香港的政治廣告，隨處都是，一般是以橫額方式，掛在行人路



的欄杆上，印有議員的大頭相。西方國家也有如類的廣告，不過人家只是在競選時才掛，而香港卻是天天掛，日日掛。如不是洗腦，是甚麼呢？香港市民政治認識幼稚，正是洗腦的好對象。

## （五）民生至上：「民以食為天」

如上文（一）所說，政府的首要任務，是解決民生。這方面，我國共產黨可以說是一百分。要知道，我國有兩個共產黨，一個是毛澤東共產黨（毛共），另一個是鄧小平共產黨（鄧共）。毛共的確要不得，文化大革命弄到我國一窮二白，犧牲了萬萬人的無辜性命，把智識份子打得七零八落，（要知道，人材是建國的本錢），國家幾乎陷入內戰。七十年代末期，鄧小平復出掌政，再沒有天天開會了，沒有年年政治運動了。沒有階級鬥爭了，鄧共的政策與毛共的政策剛剛相反。鄧共行的是資本主義<sup>5</sup>，是市場經濟。毛共閉關自守，「自力更生」，夜郎自大，唯我獨尊。鄧共則門戶開放，虛心引進外國科技和知識，與外國通商互惠，歡迎外資投入中國。信不信由你，世界是有神跡的。在短短三十年，鄧共把我國從零經濟，從世界最貧窮的國家之一，提升至世界排名的第二經濟體系。超越了英國、德國和日本。

中國的經濟神跡是國際公認的。這位神是誰呢？我國政治史裡，頭兩位偉人是孫中山先生和鄧小平先生。一個把我國從慈禧手裡救出來，一個把我國從毛澤東手裡救出來。鄧先生被毛氏列為走資派，三落三上，最後帶領我國人民脫離苦海，重建國家。有人說，鄧小平應該獲得諾貝爾和平獎。世上有誰能把上億的人，在短短三十年內，從飢餓貧困中拯救出來呢？

我國三十年來的經濟起飛，主要原因有二：

(A) 鄧共之下，我國一黨治國，政治穩定，外國對我國有信心，故而放心大量投資我國。

(B) 我國一黨治國，可以放心大量興建基建。民主國家，執政黨要憂慮下屆大選，是否能從回執政。基建的興建一般要十年以上才能見效。（如三峽水壩，青藏鐵路，南水北運），執政黨得花錢花力，而得益領功的是下一屆政府。你是政府，你會做基建嗎？假如今日的執政者，大量投資於基建，勞民傷財，下屆大選必定落空。一個貧窮國家的政府，優先的事，一定是眼前救急，頭痛醫頭，腳痛醫腳，立杆見影。又必然向選民「派糖」<sup>6</sup>，以討好選民歡心。且看印度民主六十年，做了多少基建呢？印度之經濟不能起飛，乃缺乏基建矣。我於1978年，毛澤東剛死不久，我訪問大陸講學，「東方巴黎」的上海市面一片蕭條。當時我國一條高速公路也沒有，38年後卻大大不同了，高速公路的里數，僅次於美國。我國高鐵，乃世界之冠，連英國也要請我國專家為他們建第一條高鐵。

上述(A)與(B)，指出「一黨治國」比普羅民主的優越之處，再舉兩個例，日本與新加坡，雖然表面上是民主，事實上是一黨治國，怪不得它們的經濟如此先進。

## （六）「民主女神」的崇拜

現今世界，最大敵人是「宗教極端主義」。美國911世貿大廈被拉登炸毀，阿富汗的「塔利班」之亂，如今伊拉克「伊斯蘭國」的冒起，以及現在流行的「自殺式炸彈」，都是「宗教極端主義」的好例子。耶穌教也有極端份子，最著名的莫如十字軍東征，一共七次，長達200年，傷亡無數，民不聊生<sup>7</sup>。其次是1400-1700的天主教「燒殺巫婆」運動，歷史學家估計有四至五萬人被無辜處死。前些時日，美國有基督徒「為他們的上帝」，謀殺了行墮胎的醫生。美國又有KKK的地下組織。

六十年代，我國出現了「紅衛兵」，他們篤信毛澤東。帶着紅臂章，手揚小紅書，到處攪破壞，呼喊著「造反有理！毛語錄，字字真，句句真！」。如今香港有人製造了「民主女神」像，放在大學校園來崇拜，繼而冒起了「黃衛兵」，戴上黃絲帶，撐着黃雨傘，佔領街道，阻塞交通，呼喊著「違法有理！（普羅）民主乃普世價值，適用於任何時代，

任何地方！」這些是政治極端主義。美國這些年來，在中東和北非（直接或間接）攬民主，且看埃及、利比亞、突尼西亞、伊拉克與阿富汗，這些國家民主化是成功嗎？為國民帶來了幸福嗎？民主是適合於任何國家的嗎？泰國行了民主 82 年，政變了 11 次。問你可不可怕？我國現今還有 70% 人是無知易騙的農民，應該立刻行（普羅）民主嗎？

鄧小平說：「白貓黑貓，會捉老鼠便是好貓」<sup>8</sup>。不論甚麼政制，總之能導至國泰民安，豐衣足食，科技發達，經濟繁榮，這便是好政制。香港一百五十年被英國管治，總督是倫敦派過來的，從來不會諮詢港人意見，此乃獨裁不過，然而香港人有無要求過（真）普選總督呢？英國獨裁管治香港，給香港帶來經濟繁榮、豐衣足食，何需民主！又李光耀帶領的新加坡，行的是「家長式」精英主義<sup>9</sup>。這五十年來，在言論自由和經濟繁榮間，國民每次大選上，都以高票選擇了後者這隻「黑貓」。港人大可以借鏡<sup>10</sup>。

要記得國家管治的終向（目的）是民生。政制只是一個手段。不論是「普羅民主」、「精英民主」、「一黨治國」、白貓或黑貓，總之會帶來一個豐衣足食、平安快樂的民生，那便是一個好政制。可惜「黃衛兵」本末倒置，把「普羅民主」作為國家管治的終向，崇拜「民主女神」，吶喊着「非普羅民主不可」！

## （七）結語

二百多年前法國大哲學家 Charles de Montesquieu（孟德斯鳩）警告我們：「Democracy encourages the majority to decide things about which the majority is blissfully ignorant。」（[普羅]民主鼓勵多數人，對他們幸福地無知的事情，作出判決。）古希臘大哲學家柏拉圖<sup>11</sup>說：「Democracy is the rule of the mob」（[普羅]民主是暴民之治。）此乃因當時的希臘，大多數民眾是未受過教育的。國人應以此為戒，不能盲目緊隨歐美那些發達國家的步伐，謙卑一點啊。我國步向民主是必然之路，但不要一步登天，不能立刻就實行一人一票的普羅民主。再給鄧共三十年，待我國走出了第三世界，步入了已發展國家的行列，那時才行普羅民主吧！

### 注釋：

- 1 2011 年，「泰國黨」在泰國國會下議院選舉中獲大勝，其主要原因是得到泰國廣泛的農民支援。為什麼農民支援它呢？原因是泰黨前身「泰愛泰黨」，在「他信」領導下，大量津貼農業生產，即變相的收買農民的選票。這是民主醜陋一面的一個例。
- 2 2014 年，泰國軍事政變，結束了紅衫軍和黃衫軍之爭，泰國失去了民主，換來了太平。泰國人感歎：「民主到底是不能當飯吃的。」
- 3 還有「蠻」字三個口，可見於近年來，有黨派在街上和立法會裡，以橫蠻手段，一方面打擊政府，一方面為自己宣傳，增加知名度，何樂而不為！
- 4 廣州話的「垃圾會」與「立法會」近音。
- 5 怪不得毛澤東稱鄧小平為「走資派」。
- 6 此乃香港述語，給甜頭之意。見註（1）為例。
- 7 十多年前，天主教教皇公開承認此為不道德之舉，表示歉意。「耶穌教」乃天主教、基督教、東正教等的統稱。
- 8 鄧小平這一句，屬於西方的「效益主義」（Utilitarianism）；也是「後果主義」（Consequentialism）的一種。
- 9 又可以叫作「家長式民主」。
- 10 新加坡與中國現行的，是家長式的資本主義。
- 11 柏拉圖之偉大，可以比得上孔孟。



**參考資料：**

(A) 請參閱本人在香港《明報》的三篇文章：

- (1) 〈精英民主：普選新理念〉《明報論壇》（2007年7月11日）
- (2) 〈知識民主的普選〉《明報論壇》（2007年7月23日）
- (3) 〈第三代的民主〉《明報論壇》（2007年8月7日）

(B) 又 J.S. Mill 的「精英民主」可見於他的 1859 論文：〈Thoughts on Parliamentary Reform〉和 1861 年的〈Considerations on Representative Government〉。Dale Miller 於〈The Place of Plural Voting in Mill's Conception of Representative Government〉作了一個簡易的介紹（刊於網站 [www.academia.edu/7722323/](http://www.academia.edu/7722323/)）。

**著作繁多，包括下面書籍：**

《*The Nature of Science*》（Wadsworth 美國，1997；502 頁）

《讓漢語文站在巨人的肩膀上：漢語文問題討論集》（商務印書館（香港），1997；466 頁）

《*Beyond Kuhn: Scientific Explanation, Theory Structure, Incommensurability and Physical Necessity*》（Ashgate 英國，2006；146 頁。）

《*Philosophy of Science Complete*》（Wadsworth 美國，2014；484 頁）

《*God and the Vending Machine*》（Donnalnk 美國，2015；153 頁）



## 緣何忠言總逆耳？那堪熱血被質疑。

### —— 寬猛相濟政之和

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中央政策組特邀顧問

為政之道，貴乎寬猛相濟。猛政以正法紀，對違法亂紀之徒，為社稷大局，要嚴刑峻法絕不姑息。寬政以安民心，保護社會健康的結構 / 系統 / 肌理不被極少數的癌細胞傷害，才真正做到得民心而得天下。如何善待年輕學生，是關鍵之一。

進入二十一世紀，最為矚目的是：在移動互聯網的帶動下，年輕一代新思潮冒起。一般而言，個人追求自我表現，社群要被認同欣賞。自由自我，我行我素；海闊天空，權利先行；物質第一，要有小確幸和即時滿足感。較為激進的，反對建制，熱衷政治，追求理想，但是照顧普羅大眾基本利益的意識較為薄弱，國家民族不再優先；虛擬媒體上發言，由於隱藏了身份，可以放縱不羈，肆無忌憚。

時代變得匆匆，一切事情都好像發生在散席前的三分鐘，隨時就要離場另赴他約似的——甚麼都等不及了，經濟上要趕快享受，趕快套現；政治上要趕快抽水，趕快出位。社會風氣如此，也影響了年輕學生。因此，不可單單怪責他們。

年輕學生有生理上的特徵，就是叛逆和熱血。激進的尤然——覺得真理在手，就可以義無反顧，天不怕地不怕，覺得勇武是值得歌頌的，犧牲是饒有價值的。他們是有理想的一群。若工作為了金錢，那是追逐銅臭；要在建制內上位，更是俗不可耐。筆者對部分熱血青年學生有以上的觀察，決不是輕蔑，更不是否定。反之，對他們有同理感和同情心，甚至有關愛和羨慕的念頭。

在香港，現今六十歲出頭的社會棟樑，有不少是所謂《火紅的年代》的大學生，當然年輕過，都曾激進過。他們在官產學研政商各行各業各界，出人頭地的多如過江之鯽。如今在社會上有地位有權勢的成功人士，即所謂建制中人，不少都參加過學生運動，不可能不對近年的雨傘運動有所感觸。這些人隨手拈來，單是筆者認識的，就可以數得出近一百個。

本文僅舉一例：現任中大校董會主席（職能類似港大校委會主席）。2004年底，鄭海泉出任香港匯豐的主席。當年筆者曾就此撰文，徵得他的同意後在報端刊登。鄭氏草根階層出身，大學時代，和筆者一起被當年港英殖民地政府的政治部列為十大危險人物之一，認為極端激進，必須嚴加監控。然而，這個當年「左傾」的年輕人，數十年後竟成為炙手可熱的、全港首屈一指的銀行大班。這無疑是香港特有的歷史現象，甚至可說是一個奇蹟。鄭氏的擢升，九七回歸





和中國崛起固然是兩大主因，更關乎個人命運、性格、才能、際遇和機緣。歷史的必然和個別的偶然，交織寫下香港傳奇的又一章。

回首當年，不少青年學生受席捲全球的反越戰運動影響，更由於國內紅衛兵運動的衝擊，在七十年代的香港，衍生出反殖的浪潮，對建制作出批判的反思。從「極左」的不斷革命論及無政府主義到溫和的社會改良主義，吸引大批年青人、特別是大學學生投身各式各樣的社會運動，集會結社、遊學辦報，不一而足，進而為了尋找民族文化的根源而提出「認識祖國、關心社會」的行動綱領，前後凡十年。不少現時已六十出頭的當年的大學生或多或少都參加過這段「學潮」，有共同的集體記憶。現在回顧起來，這段歷史反映了一個時代遞嬗脈搏的躍動，象徵了現代公民社會的啟蒙，追求獨立精神和自由思想。澎湃的熱情，鼓動年輕的雄心。

歷史的發展就是如此吊詭。有這樣一種說法：三十歲以前不嚮往共產主義的人不足觀。三十歲以後仍相信共產主義的人不足畏。不管所謂共產主義的「理想」所指為何，對年青學生的追求和熱忱，社會人士〔特別是執政者或當權者〕應採包容、諒解及團結的態度，予以引導、開解和啟迪，並使之納入正軌，同時在這個過程中反思當政的容或不足之處。這是人類世代興替的代謝精髓，也是當代開明政治的人本要求。時代的洪流不斷向前。世界的發展、社會的進步，永遠是屬於年青一代的。後之視今；亦猶今之視昔。港英政府一方面雖然煞有介事地列出他們認為要警惕的年青一代「危險人物」，另一方面仍清醒地理解到，他們本質上是社會的改革先行者，由於社會歷練及人生經驗不足，對時代發展的趨勢有超前趕進的思維，當時或不為世用，但如因勢利導，今天反政府、反建制的年青學生，明天可以成為社會的棟樑、國家的領袖。此所以古人有所謂「我勸天公重抖擻，不拘一格降人材」的感慨。對年青學生的「偏激」言論和行為，宜把眼界放長遠一點，對他們耐心一點、愛護一點、容忍一點，不可一棍子打死，或過早地斷定對錯，以至扼殺了社會上新興的、有可能代表時代前進方向的前瞻力量。

這類七十年代的香港年輕學生，不少赫赫有名的人士，或者在學術界嶄露頭角，或者在工商界業有所成，甚至有些在政經界已有相當位績。不問他們當時「激進」的或多或少，他們都曾被學潮沖擊過，接受過時代洪流的洗禮，各有不凡際遇。從六七年到七六年，前後十個年頭，筆者少說也可列出近百個對時代有期盼的、有理想的、鮮活的當年「戰友」。他們大都各有歷練，多年來各奔前程。不少散處世界各地，也有不少多年後又重聚香江。他們相互組合及彼此之間都有過刻骨銘心的交往，或曾徹夜不眠雄辯滔滔，或曾聯袂出遊踏遍祖國大地以至歐美亞非拉。

筆者曾於七二年與鄭海泉代表香港專上學生聯會出席在印度孟買召開的第二屆亞洲學生協會周年大會。我們首先乘飛機輾轉經仰光抵加爾各答。由於自籌經費不足，坐最便宜的慢速硬座長途火車，經四十四小時的旅程，停數十個站頭繞道新德里去孟買。時值印度與巴基斯坦剛打完一場浴血戰爭，途中滿目瘡痍，而人民顛沛流離，困頓無依、哀鴻遍野。鄭海泉走路時較常人略為吃力，長途跋涉中其堅毅的一面至今仍在我心中留下深刻的印象。筆者緬懷當年情，一路上是期盼譙樓初鼓，定天下安民心，祈當政者以萬物蒼生及黎民百姓為念，願士兵都能解甲歸田，言笑晏如。大地美好，我們年輕；應毋負風華正茂、結伴同遊、為天下憂、嫉惡如仇的好時年。今番回思前事，壯懷不減，無怨無悔；至今仍激盪著筆者以人民赤子之心為心的良好願望與及對祖國繁榮富強未來的浪漫憧憬。

老一輩問：緣何忠言總逆耳？年輕學生答：那堪熱血被質疑。民族振興，民主自由，文明進步，和諧包容，共享均富和持續發展是最大公約數。我想，是時候大家排除政客們的干擾，平心靜氣地坐下來，好好地對話一番了。新春伊始，有期盼焉。

## 侮辱國家民族大事 中央要管有法有理

This article is a summary of my two recent articles published in Wen Wei Po as well as in Ta Kung Pao Hong Kong on 21st & 24th October 2016 respectively. Prof Dr David LAN, President, IIM.  
(以下文章部份節錄自筆者於 2016 年 10 月 21 日文匯報 及 10 月 24 日大公報刊登的文章)



作者簡介：

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香港特區首屆民政事務局長

國際專業管理學會會長

長久以來，反對派以《基本法》列明除國防和外交事務外香港享有高度自治，指出中央除外交及國防以外對香港都大致上沒有任何干預的權力。早前立法會選舉完結後，反對派更展開了針對特首及中聯辦的連番惡意攻擊。筆者認為這些言論目的如非擾亂視聽，則必然是刻意對基本法及「一國兩制」作出誤導。歸根結底，中央在香港事務上是有一定角色的。

事實上，基本法規定，香港特別行政區是中華人民共和國不可分離的部分，是直轄於中央人民政府的一個享有高度自治權的地方行政區域。雖然《基本法》的的確確列明除國防和外交事務外，香港享有高度自治，但是從此演繹出中央政府除國防和外交外對香港的所有事務都沒有角色，則是對基本法及「一國兩制」的過分簡化和誤讀。按照憲法和基本法的規定，中央對香港直接行使的權力包括任命行政長官和主要官員的權力、修改及解釋基本法的權力、對行政長官和立法會產生辦法修改的權力，以及向行政長官發出指令等權力。可見，中央在不少香港事務上其實有法理依據的角色，而且並非只限於國防和外交事務。

在正常情況下，中央當然不會也不需要干預香港的具體事務，可是在特別情況下卻是不能不管。已故國家領導人鄧小平，在 1987 年 4 月 16 日會見香港特別行政區基本法起草委員會委員時，就發表了講話，說明中央與香港特區的關係。他提到：「切不要以為香港的事情全由香港人來管，中央一點都不管，就萬事大吉了。這是不行的，這種想法不實際。中央確實是不干預特別行政區的具體事務，也不需要干預。但是，特別行政區是不是也會發生危害國家根本利益的事情呢？難道就不會出現嗎？那個時候，北京過問不過問？」他之後更講明：「有些事情，比如一九九七年後香港有人罵中國共產黨，罵中國，我們還是允許他罵，但是如果變成行動，要把香港變成一個在『民主』的幌子下反對大陸的基地，怎麼辦？那就非干預不行。」

因此，當不久前兩位立法會候任議員在莊嚴的宣誓儀式上，擅自改動誓詞，加入侮辱中國、中央政府以及全球華人的字眼，構成天理不容的大錯，這是觸及中央的底線，是不能不管的。作為中央政府駐香港最高代表機構，中聯辦就着此事發表譴責聲明，當中提到：「個別候任議員在宣誓時公然展示有關標語，宣揚『港獨』主張，已經嚴重違反國家憲法，香港特別行政區基本法和有關法律。他們還在宣誓中刻意使用侮辱國家、民族的言辭，挑戰國家尊嚴，



嚴重傷害了包括香港同胞在內的全中國人民和海外華人的感情。我們對此表示強烈憤慨和譴責。」在此事發生以後不久，又有另一位立法會新貴在議會內倒插國旗和區旗，這種冒犯性的行為似乎沒完沒了，我們到底要僅視之為惡作劇，還是要及時嚴肅正視問題？

無論如何，從國家憲法的大角度來看，中央政府擁有香港全面管治權，不過透過香港特別行政區基本法，賦予香港「高度自治」，但不是「全面」自治。至於在依照基本法裡，中央何時何地會使用管治權，及如何實際執行，需要專門研究及時間摸索。但就如「一國兩制」總設計師鄧小平所指，當香港發生危害國家根本利益的事情，中央是不能不管的。



## **10 reasons why the South China Sea ruling may lead to regional peace and cooperation**

**Prof. Andrew K.P. Leung**



Biography:

### **Prof. Andrew K.P. Leung**

Andrew Leung is Chairman of Andrew Leung International Consultants founded in London and now relocated to Hong Kong. He is an international and independent China Strategist with over 40 years' wide-ranging experience. Andrew is Fellow of Royal Society for the Encouragement of Arts, Manufactures and Commerce (FRSA); Elected Member, Royal Society for Asian Affairs; and China Futures Fellow (2011-13) of Berkshire Publishing Group, Massachusetts. He is on the Brain Trust of Evian Group, a Lausanne-based think-tank; a Gerson Lehrman Group Council Member; an International Expert with Thompson Reuters; a Senior Analyst with Wikistrat; and a Senior Consultant, MEC International (a UK-based global strategic energy consultancy). Andrew is Honorary President of China-Hong Kong Economic and Trading International Association. He was Founding Chairman of the China Group, Institute of Directors City Branch, London. He was on the Governing Council, King's College London (2004-10) and Advisory Board Member of China Policy Institute, Nottingham University (2005 -2010). Andrew is a Visiting Professor with Metropolitan University Business School and former Visiting Professor, Sun Yat-sen University Business School, China (2005-10). Andrew is Advisory Board Member of European Centre for e-Commerce and Internet Law. He was former Editor-at-Large of MEC, a London-based international energy consultancy, for a commissioned consultancy on China's energies. He is Advisory Board Member of "The Global Analyst", India. Andrew helped set up Standard Chartered Bank's first merchant-banking subsidiary in Hong Kong (1983). He was sponsored by the US-government on a month-long visit to brief Fortune 50 CEOs on China beyond Tiananmen Square (1990). He was invited to Buckingham Palace in 2002 to brief HRH Prince Andrew prior to his first official visit to China as UK's Special Representative for Trade and Investment. Mr. Leung regularly speaks at international forums, including Forum Istanbul Turkey (five times), a banking conference in Ghana, a conference in Zambia on resource sustainability, and green energy, smart city, and other socio-economic conferences in Beijing, Shanghai, Dalian, Xian, and Shenzhen. He is regularly interviewed on live television with CNBC, Aljazeera English, RT International (Russia), TRT International (Turkey), Times Now of India, BBC, ABC (Australian Broadcasting Corporation), Channel News Asia (Singapore) and CCTV Beijing (English Channel). Andrew was awarded Hong Kong's Silver Bauhinia Star (SBS) and was included in UK's Who's Who since 2002.



Andrew Leung says the air of restraint following the contentious verdict and Manila's recent overtures augur well for a bilateral solution between China and the Philippines

Notwithstanding the initial standoff, both the Philippines and China have acted with commendable restraint after the Permanent Court of Arbitration found overwhelmingly in favour of Manila in its ruling on the South China Sea. The same applies to the US, the region's "arbiter-in-chief", as well as other rival territorial claimants.

Philippine President Rodrigo Duterte was reported to favour a settlement with China after discussions with the US ambassador and a delegation of US lawmakers.

During a recent exploratory visit in Hong Kong, his special envoy, former president Fidel Ramos, managed to sign an ice-breaking statement with Fu Ying (傅瑩), chairwoman of the National People's Congress Foreign Affairs Committee, and Wu Shicun, the president of China's National Institute for South China Sea Studies. It proposes cooperation in fisheries, marine conservation, tourism, investment, and drug and anti-corruption enforcement. Meanwhile, most other Association of Southeast Asian Nations members are trying to stay out of the dispute.

The turn of events is driven by a number of dynamics.

## **Fidel Ramos: Duterte's icebreaker in South China Sea Row**

First, China's legal position is not as totally indefensible as some may think. Beijing has consistently maintained that the court is not a competent authority in settling territorial disputes. Under Article 298 of the UN Convention on the Law of the Sea, a signatory may, with a formal written statement, exclude any compulsory jurisdiction over "maritime boundary delimitation, territorial sovereignty, military confrontation, and/or historical titles". Some 30 signatories have exempted themselves in this way, including China. Indeed, in its carefully worded press release, the tribunal has been explicit in restricting its authority to "waters and resources" rather than land claims, historical or otherwise.

Additionally, much of the ruling depends on what is defined as an island qualifying for a 200-nautical-mile exclusive economic zone.

The verdict found that none of the features in the Spratly Islands claimed by China, including Taiping, the largest occupied by Taiwan, qualifies as an island as none can sustain independent permanent human habitation in its natural state. Taiping has for centuries been used as an island by Chinese and other fishermen. It is 1.4km long and 0.4km wide, with a variety of fauna and flora and a daily natural fresh water capacity of 65 tonnes. To both Beijing and Taipei, this ruling appears tendentious.

Second, as explained by Fu Ying in *The National Interest*, a US journal on foreign affairs, China has long been a victim in territorial encroachments rather than an aggressor. Examples include treatment in the 1951 Peace Treaty of San Francisco (which excluded China), dealing with Nansha and other islands occupied by Imperial Japan. Subsequent years saw unilateral seizures by Vietnam and the Philippines of islets and reefs claimed by China in the South China Sea.

## **Philippines urges Beijing to 'respect' South China Sea Ruling**

Third, what's at stake is not just territorial integrity. The South China Sea is a vital conduit for international trade and resources on which China's survival depends. This is threatened by strategic "choke points", such as the Strait of Malacca, under the sway of US naval dominance. China's sense of insecurity has deepened



following the US “pivot to Asia”, which aims to deploy 60 per cent of America’s global naval assets to the region.

Fourth, China has been strengthening national defence in the South China Sea by building a blue-water navy, a nuclear submarine base on Hainan Island and, recently, military assets on occupied land features. This adds to China’s “anti-access, area denial” capabilities, including mid-range, mobile aircraft-carrier-killer missiles. China thus feels able to counter what it perceives as US military showmanship, such as “freedom of navigation operations”.

Fifth, virtually all of China’s neighbours in the South China Sea are heavily dependent on its trade and investments in a China-centric global supply and value chain, giving it powerful leverage. China is therefore well positioned to insist on bilateral talks as the only means to resolve territorial disputes.

Sixth, the US, which is not a party to the arbitration, seems to realise that to avoid unintended escalations, there is a need for strategic restraint in confronting China. For example, Jeffrey Bader, a senior fellow in foreign policy at the Brookings Institution, argues that, on balance, other rival territorial claimants should not be encouraged to seek similar court rulings. Instead, he suggests that the US should do well in encouraging Manila to settle differences bilaterally with China.

Seventh, international verdicts have a history of being ignored when in conflict with overriding national interests. America’s unilateral adventures in Nicaragua and Iraq were cases in point.

Eighth, China cherishes an image as a responsible stakeholder in the international rule-based order. While it will not undo built islands, it has never ruled out joint resource exploration and management. Beijing may therefore not be averse to a quid pro quo with Manila on the premise of setting aside (but not relinquishing) either side’s respective territorial claims.

## **Justice not Served by Tribunal’s Ruling on South China Sea**

Ninth, China may be interested in jointly exploiting the Reed Bank field, 80 nautical miles northwest of Palawan, which is claimed by China but within the Philippine exclusive economic zone. This field holds between 764 million and 2.2 billion barrels of oil and 7.6 to 22 trillion cubic feet of natural gas.

This potential energy supply is much needed by the Philippines to replace the Malampaya gas field west of Palawan, which supplies 30 per cent of Luzon’s electricity but is expected to be depleted by 2024-2030.

Tenth, the tribunal finds that China’s island building and uncontrolled fishery activities have caused severe harm to the ocean’s ecology. It is a sad reality that fishing fleets in the region are venturing further and further afield owing to the depletion of fish stocks nearer to shore. There is a critical need for international cooperation in sustaining the region’s fish stocks, which know no territorial boundaries. So it behoves China to join hands with neighbours in these matters.

Following Ramos’ mediation, therefore, the prognosis for the Philippines to settle the territorial dispute with China bilaterally looks encouraging. What is more, if it proves mutually beneficial to set aside disputes for joint development and ecological management, this may set an example for other rival claimants, ushering in a new era of regional cooperation. This should augur well for peace, stability and prosperity in the South China Sea.

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## Changing Mindsets, Linking Thoughts, Sharing Perspective and Making a Difference

Marie Therese Necio-Ortega



Biography:

### Marie Therese Necio-Ortega

Marketing & Strategic Communications Specialist; Experienced Hotel PR; Branding; CSR; Training; Ethics & Sustainability

Now: 1. Link Concepts Consultancy (Hong Kong) Limited,  
2. Independent Power Producers Forum (IPPF),  
3. The Philippine Association of Hong Kong

Past: 1. SM Investments Corporation,  
2. The Women's Foundation of Hong Kong,  
3. Chinese University of Hong Kong PATS Programme

Education: 1. Stanford University School of Law and the Rock Center of Corporate Governance

The art of communications in business is making sure that every conversation is a creative collaboration that leads to a preferred outcome.

In today's world, we are **perpetually plugged in**, there is the almost always requirement of **being globally connected**, we are overwhelmed with the need to **maximise our social capital and digital presence** and have **a niggling feeling that our digital / virtual identities will be engraved online in perpetuity. Welcome to the new era of globalisation.**

No matter you are a baby boomer (born from 1946 to 1964), a Millennials?, Gen x, Gen Y - whatever status you are in life, it is never too late to embrace digital because this channel and communication platform is here to stay.

We have far too much information from numerous and multiple sources and these would impact how we maximise and utilise our social capital. Let's have a look at the current state of affairs and how we can manage the information onslaught, the transparency issues, the apparent lack of control over our brands, the need and ability to manage, respond or stay ahead of multiple conversations and still build on our core strengths.

We literally have **the power to manage most of everything in our hands** - from booking flights, paying purchases, researching on destination options, comparing process, asking for help and directions, where to shop, take photos, update our family, complain, listen to our favourite music, watch our favourite videos, read our daily newspapers, catch up with family on Skype, do our reports, submit our projects, solve problems, talk to our customers, turn on our home air-conditioning, set the lights and sprinkler system, watch the in-house camera and see if our nanny is working and watching over our children and so much more...

We even have all these assistive technology to help us and those who are impaired whether physically, visually, or sensing - these gadgets can help us do our normal day-to-day jobs.

After the videos earlier, some of you are probably overwhelmed especially if you are not a millennial or a digital native and if you were not an early adopter. Indeed the amount of information that is processed in a Nano second is staggering but for all intents and purposes, these algorithms are done by chips and machines and not by the human hand. **Let's have a look as to what else is available in the marketplace that will affect how we will deal with our guests, clients, customers, investors, the media and the general public in the hospitality arena.**

Seriously, we probably have a minimum of two devices on us, I'd say an average of 4-6 per person and we shift between these multiple devices through our day. Just yesterday I was in Taipei at a Café with my pocket Wi-Fi, working on my laptop, while managing a Skype call with a client on my Blackberry, while doing Viber messaging on my smartphone and looking through my e-mails almost all at the same time. This is how connected, convergent and mobile we are.

Social networking is the communication platform of the future. And that is why while there is tremendous opportunity, we also must look at providing from our respective business standpoints of view, how we can move from having a "transactional customers" to a "relational customers" given the social network of how we communicate.

Given the Gen X, Y and Millennials that we are now employing and dealing with in our workforce, we need to understand that these current and potential Relational Customers are:

Interested in doing business:

- With someone they are familiar with, they know, or have learned to trust
- They will try and establish a long-term relationship with the company after a positive experience
- They are loyal to brands and companies with whom they have an established relationship
- Base their purchasing decisions on things like past experiences, customer service, quality and are not necessarily only looking at the price
- Become brand advocates

**Today's market is governed by many factors:**

- 1) Numerous existing technologies
- 2) In a state of constant interconnectedness (instant, personalised, bookable)
- 3) Data-rich (Big Data)
- 4) Multiple levels of Communication, Interaction, Dialogue, Transaction and Influence
- 5) Numerous choices
- 6) Growing unrest with governments (in general) and an apparent lack of trust with major institutions
- 7) Growing number of independently wealthy, digital savvy 20-30 millennials
- 8) Peer-to-peer modelling
- 9) Digital Identification
- 10) The Customer is in Control
- 11) Predictive analytics exists using data

No communication media marketing strategy can be made independent of the competitors and more importantly of the customers, guests and our investors.





INFOGRAPHIC: Content + Conversations = COMMUNITY

Because of the Internet, we have fragmented and numerous conversations and brand decentralisation. The Internet was disruptive to the then processes of how our companies did their day-to-day business. Now more than ever, we need to operate in an environment of transparency and fully utilise and engage in this new communication medium.

We have to look at how we as companies can work well with the people (our staff and our clients / guests); the existing processes that exist in our industry; the data (demographics, psychographics of our existing, potential or lost customers), and the products, services that they sell.

This "new marketing" model means that we need to understand how our companies can listen, respond and adapt to better and deeper relationships with our existing customers and develop relationships with new customers and how our brands translate in this new communications tool the consistent message that we want to share.

The new model humanises our companies and provides the power of personal marketing. The sooner we realise that our customers are already online and communicating, sharing, buying, advising and there is a wealth of data available for us to mine to recruit, sell and better target our messages, the better.

INFOGRAPHIC:

The New Communications Model Relevant Engagement + Consistent Interaction + Active Co-Creators (of content) = Real-time Dialogue and Meaningful Conversations

Communications through Social Media Marketing is foundational and relational where it begins with attracting the potential target audience with the communication dialogue partnered with the right product, offer or service and through a positive experience will learn to appreciate your company and through repetitive positive experiences through different touch points, these engaged stakeholders become the brand advocates. They are at the top of the pyramid, as they have become the best advocates for your brand.

The Digital Marketing Communication legs include the following and should be governed by the **four key marketing principles as shared by Brian Tracy**:

- 1) **Specialisation** - we need to focus on what we do really well whether it is a product, a service, a customer segment or a specific market area
- 2) **Differentiation** - as the word has it, we need to provide our USP, our competitive advantage to convey to the customers our area of uniqueness
- 3) **Segmentation** - we need to find out who our best customers are, who appreciates us more and where can I find more of them
- 4) **Concentration** - which areas can we focus our time and money and resources; we can we communicate well to our ideal customers? What are the best possible channels and what are our most powerful appeals and offers?  
specialise in and concentrate and seek towards excellence



## Infographics:

### The 10 Ps in Marketing:

- 1) Product
- 2) Price
- 3) Place
- 4) Promotion
- 5) People
- 6) Positioning
- 7) Plan
- 8) Packaging and Personalisation
- 9) Process
- 10) Physical Environment

From the famous book entitled, **“The Customer Century”, by Anders Gronstedt**, he is advocating that companies **MUST** try and integrate its communications three dimensionally a) externally with key stakeholders and customers, b) vertically between senior management and front-line teams and c) horizontally – cross-functional, across business units and across borders.

### WHAT WE USED TO DO:

We used to tell people what to want, what to buy, when to buy, where to buy and even why to buy. Now we are learning to communicate, anticipate their needs, predict their next desires, create spontaneous, memorable moments that help engage them as long-term customers. All these efforts is geared towards planning that we will be part of their whole customer business and financial investment experience and work towards a lifetime value instead of just several transactional encounters in their lifetime.

Remember, the **customer is at the focus of our marketing communication efforts and we need to learn how to integrate High-tech with High-touch** to ensure that as we exceed or **fulfill our customer’s needs**, we are also aligning our company’s values with the communicated brand promise.

In the course of doing this, we are increasing the transparency of the brand through our constant information made available and at the same time increasing the guests’ / customers’ access to the company’s actual behaviour.

Because of customer feedback, we are also better able to iterate our company, shape how our brands interact with customers, what products and services to offer and adjust the relevance of the culture of the company itself to the changing times.

The importance of the customer buying cycle is heavily influenced by our engaging communication impacting his / her customer journey experience. There is a need to explain succinctly to our stakeholders / customers the meaning of Value (in their terms). We usually calculate Value as the Benefits over Price. Our thrust is to optimise this customer journey by building relevance in the information that we share and the dialogues that we have with them.

Our real job as communication specialists is to develop meaningful stories, engaging marketing communication offerings and provide platforms for interactive engagement that will develop in a relational positioning of our respective companies with our target stakeholders / customers by enlightening, explaining, engaging, helping, sharing, illuminating, appreciating, recognising, motivating, caring and inspiring them.



## 中华经济区的经济整合与亚太自由贸易区的发展

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毕业于香港中文大学，主修经济学，获社会科学士（优异），后负笈北美，获美国范德堡（Vanderbilt）大学经济学硕士、加拿大不列颠哥伦比亚大学 MBA 及西蒙菲沙（Simon Fraser）大学哲学博士学位。先后任教于新加坡南洋大学经济系及香港中文大学工商管理学院，在中大期间曾出任管理系主任，商学院副院长及管理讲座教授等职。后受香港岭南大学之聘任担任副校长一职，并兼任香港商学研究所所长。现为岭南大学荣休讲座教授、澳门理工学院特聘学术评审高级顾问及名誉教授。

**[摘要]** 本文探讨自 1979 年中国采取改革开放政策以来形成的中华经济合作系统及其发展轨迹，作者并建议港台与澳台分别签署“自由贸易”协议，俾全面建立真正的大陆、港、澳、台四地“中华自由贸易区”。此外，文章亦探究“中国—东盟自由贸易区”的形成，“东亚自由贸易区”（10+3）的构思，三个拟议中的亚太自由贸易区（即“跨太平洋经济伙伴”、“区域全面经济伙伴协议”及“亚太自由贸易区”）成员及相关背景分析，以及台湾在区域经济被边缘化的背景下对区域自由贸易区的取态。文章总结认为，中国应更好地与世界经济接轨，特别是积极参与推动“亚太自由贸易区”（FTAAP）的设立，与亚太诸国共建“和平发展之梦”。

**[关键词]** “大中华”，中华经济区，《更紧密经贸安排协议》，《两岸经济合作框架协议》，东盟+1，东盟+3，《跨太平洋经济伙伴协议》，《区域全面经济伙伴协议》，《亚太自由贸易区》。

**[Abstract]** This paper first discusses the process and development of the economic co-ordination system for the four Chinese economic areas (CEAs), i.e. Chinese mainland, Taiwan, Hong Kong and Macao since China adopted the reform and open-door policy in 1979. The author argues for the signing of similar CEPA agreements (between Mainland and Hong Kong / Macao) for Taiwan-Hong Kong and Taiwan-Macao in a move towards the ultimate establishment of a Free Trade Area for the four CEAs. The paper also examines the establishment of FTA of ASEAN and China (10+1) and other FTAs under planning such as “ASEAN and China, Japan and Korea” (10+3), “Trans-Pacific Partnership” (TPP), “Regional Comprehensive Economic Partnership” (RCEP) and “Free Trade Area of the Asian Pacific” (FTAPP). It also discusses how Taiwan actively seeks signing of FTAs with its trading partners in order to avoid being marginalised by other economic groupings in the region. The paper concludes with the view that China should be more integrated with the world economy, actively participate the establishment of FTAAP and thus realizes the “dream of peaceful development”.

**[Key words]** “Greater China”, Chinese Economic Area, CEPA, ECFA, ASEAN+1, ASEAN+3, TPP, RCEP, and FTAPP.

### 一、前言

自第二次世界大战后，全球出现了林林总总的“区域经济组织”，在不同的经济体之间进行了不同形式的“经济整合”（economic integration）。按巴拉萨（B. Balassa）的观点<sup>1</sup>，“经济整合”的层次，由低至高分分为五类型：（1）

互惠贸易区 – 其措施主要限于经济体间逐项关税的减免；（2）自由贸易区 – 废除经济体间的所有关税；（3）关税同盟 – 除废除关税外，尚对外实行统一关税；（4）共同市场 – 在关税同盟的内涵之外，尚加上经济要素（如劳动力及资本）的自由流动；及（5）经济同盟 – 共同市场外，合作的经济体之间彼此协调经济政策及使用统一的货币，如今日之欧盟。如按经济体组合的成员来划分，区域经济组合可以是多边的，即集团的成员有两个以上，亦可以是双边的，即成员只有两个。欧盟（EU）是当今最为人知的多边区域经济集团，成员有 26 个。另一个重要的多边经济集团是“北美自由贸易区”（NAFTA），成员为美国、加拿大与墨西哥三国。在亚洲，已成立的多边经济集团有“东盟自由贸易区”（AFTA）及“中国—东盟自由贸易区”（Asean 或 10+1）。

中国近 20 年来，特别是在 2002 年加入世界贸易组织（WTO）以后，一方面在内部积极推动经济体制的改革和深化发展，如产业结构的重整和制度创新等，另一方面在经济体制上更加开放与国际化，以便更好地与世界接轨。中国除了积极参与世界贸易组织推动的多边经济自由化谈判（如“多哈会谈”），亦在世贸框架下推动中华经济区的经济整合，如中国大陆与港澳两地分别签订的“更紧密经贸关系安排协议”（CEPA）以及大陆与台湾的“两岸经济合作框架协议”（ECFA）。此外，中国亦在中华经济区以外的亚太地区寻求或推动多边或双边自由贸易区的签订，如“东盟—中国自由贸易区”（10+1）、“东盟—中日韩自由贸易区”（10+3）、“中韩自由贸易区”之设立等。

本文旨在探讨中华经济区的成立及其有关后续发展的问题，中国与周边国家进行的自由贸易区谈判，“跨太平洋伙伴关系”（TPP）的提出，中国主导的“区域全面经济伙伴”（RCEP），“亚太自由贸易区”（FTAPP）的前景以及台湾对各区域 FTA 的取态等有关问题作出评述。

## 二、中华“自由贸易区”的形成及其后续发展

自 1979 年中国采取改革开放政策以来，中国大陆与港、澳、台四个“中国人经济区”已进行频密的经济互动，四地逐渐形成了一种松散的经济协作体系，笔者与黄枝连教授等称之为“中华经济协作系统”（CECS），并于 90 年代开始在香港亚太 21 学会（AP21）的主推下，在两岸四地各城市与日本东京、北九州等地举办了十多届的“中华经济协作系统国际研讨会”。这里有必要对“中华经济区”与“大中华”概念略作厘清。80 年代，有外国杂志认为，两岸三地经济已开始融合，即结合内地的劳力、台湾的生产技术与香港的资金与管理的各自优势，形成了一个“大中华”（Greater China）经济区，潜力无可限量。

笔者自 1980 年代开始已反对采用“大中华”此一词语来描述四个中国人地区<sup>2</sup>，主要原因是“大中华”一词在政治上可说不正确，中华即是中华，何来大小之分？而且“大中华”含有扩张主义的意涵（虽然使用此词语者并无此意），中国的部份周边国家对此词语特为敏感，因此主张不用为佳。事实上，1993 年世界银行已将中国大陆、香港、澳门与台湾四个经济区统称为“中华经济区”（Chinese Economic Area，简称 CEA），并作为经济上的整体分析单元。笔者认为，这个中性的区域经济整体称谓最为可取。

除了不恰当地以“大中华”一词来统称港、澳、台及大陆四地区之外，把海外华人或以华人为主体的新加坡纳入“大中华”之内更是谬误，犯此错误者包括不少西方学界人士或个别的华裔学者。例如，两名美国学者利里（J. R. Lilley）与哈特（S. C. Hart）于 1996 年向美国参众两院联合经济委员会（Joint Economic Committee）提供的一篇学术性论文，把“大中华”一词作如下的定义：“大中华包括来自中华人民共和国、香港、新加坡的个人以及来自东南亚及世界各地的海外华人。”<sup>3</sup>此定义可说模糊不清，首先，它把“大中华”视为一个世界上所有华人的一个群体，不是地域概念；其次，“大中华”的称呼颇有沙文主义的味道。又如在 1980 年代期间，两名美国华裔学者郑竹园与高希均曾建议在亚洲建构一个“亚洲华人共同市场”或“大中华经济共同体”，并把新加坡作为其中一个成员，甚



至主张新加坡作为共同体的总部。笔者认为，纵然新加坡的华人占该国总人口的 76%，但从新加坡的建国历史和地缘政治角度来看，把新加坡包括在任何形式的以中国人为主体的中华（或所谓“大中华”）经济体系内，可说未经深思。新加坡作为东盟一个成员，可以与华人地区其中一个成员建立双边经贸关系，但不是与整体的四个华人地区在政治上或经济上进行整合。任何有关举措，必会引起周边国家的猜疑。在东南亚地缘政治环境下，新加坡如果采取这个“作为大中华一个成员”的举动，必会影响其国家安全与生存，任何有智慧的政府，都不可能做此种筹划。

回头再说“中华自由贸易区”的形成。自 2003 年 6 月以来，“中华自由贸易区”的构思已逐渐成为现实，虽然采用的名称不一，但实质内容则属“自由贸易区”。首先，中央政府与香港特区政府于 2003 年 6 月 29 日（香港回归 5 周年前夕）在香港签署了《内地与香港更紧密经贸关系安排协议》（简称 CEPA），并于 2004 年 1 月 1 日实施。这项重要的经贸协议，是历史上第一项大陆与香港之间签署的经贸自由化制度性安排，意义重大。根据协议，香港的产品（约共 300 项）进入内地可享有零关税优惠，内地的服务行业如专业服务、金融业与零售业则率先开放予港商等。迄今内地与香港共签署了多个 CEPA 的《补充协议》，香港享有内地零关税的产品不断增多，而内地服务业（如银行、保险、旅游、零售及教育产业等）对香港的开放程度愈来愈高，两地贸易及投资便利化的措施亦不断完善。

1997 年发生的亚洲金融风暴，香港受到较严重的经济冲击，于 2003 年又遇上“沙士”（SARS）事件的沉重打击，经济可说是雪上加霜。CEPA 的及时签订，加上内地推出及扩大来港“自由行”的措施见效，使香港经济能从 2003 年的谷底中走出来，继续发展。从 CEPA 签订 10 年的经济效果来看，香港在经济上的获益远较内地为大。

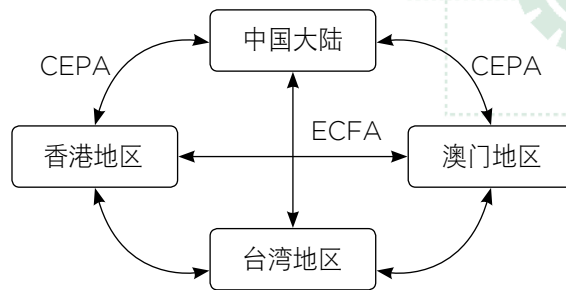
澳门方面，内地与澳门特区政府亦于 2003 年 12 月签订了与香港相似的 CEPA 协议，其后也同样签了数个《补充协议》。CEPA 协议签订后，澳门的旅游及休闲等行业较前更 兴旺。

在台湾方面，自 90 年代以来，她的制造业已大量移植到大陆地区，起初以劳工密集行业为多，现已扩展到电子信息等较高科技的各行各业。从贸易数据看，台湾对大陆每年亦呈现极大的贸易顺差，经济上依赖大陆的趋势愈来愈明显。在民进党陈水扁执政的八年（2000-2008），政治上极力推动“台独”和“去中国化”，与大陆交恶，经济上亦发展乏力，面对较大的困难，失业率高涨。面对大陆的经济崛起及竞争力的不断提高，台湾有必要采取更大的自由化措施，如对台商到大陆设厂进行松绑，否则台商在大陆的发展会面对愈来愈大的难题。

2008 年 3 月，马英九在台湾领导人选举中击败了民进党候选人谢长廷，国民党得以在台湾重掌政权，这为两岸关系带来了新的契机。早在 2005 年 4 月，国民党主席连战（现为荣誉主席）首次访问大陆，展开了“和平之旅”，为两岸关系打开了一个新的局面。马英九上台执政后，台湾与大陆在“九二共识”的基础下展开对话，两岸关系进入了良性发展的新阶段。大陆海协会会长陈云林与台湾海基会会长江丙坤二人先后举行了八次“陈江会谈”，以“先经后政”、“先易后难”的务实谈判方针，取得了丰硕的成果，大陆前后推出了多项惠台措施，效果显着。2009 年，两岸实现了全面“三通”，双方可以直航大陆与台湾的多个航点。同年，台湾分阶段开放陆资到台湾进行投资。

2010 年 6 月，台湾与大陆双方在重庆签订了《两岸经济合作框架协议》（ECFA），于同年 9 月 12 日生效。这个制度化协议是两岸关系发展的一个重要里程碑，两岸的经贸发展由此向前跨进了一大步。在 ECFA 协议下，台湾的大量工业及农产品可以零关进入大陆，其他投资保障、服务贸易及金融等领域的合作亦陆续出台。迄至目前，两岸四地的经贸合作图可以图一表示：

图一：中华经济区经贸合作体系



自大陆与台湾于 2010 年签订 ECFA 后，2012 年大陆与台湾同步宣布两岸经贸团体可互设办事处，台湾将以“台湾贸易中心”的名称向大陆商务部申请在上海及北京等地设立办事处，协助台商拓展大陆市场。同年 8 月，两岸共同签署了《海峡两岸投资保障和促进协议》，正式建立两岸投资人制度化的保障机制，并将台商经第三地到大陆的投资亦纳入保障范围。至此，两岸进入“和平发展”阶段，也是 60 年来两岸关系最好的时期，马英九甚至将两岸签订了“和平协议”的设想列入他的“黄金 10 年”规划。<sup>5</sup>

2013 年，台湾陆委会主委王郁琦到访南京与上海，与国台办主任张志军会晤（“张王会”），这是自 1949 年以来第一次两岸正式的官方高层会晤，意义重大。随后于 2014 年，张志军主任亦到台湾回访王郁琦主委。之前一年，在 ECFA 框架下，两岸双方达成了 ECFA 后续的《海峡两岸服务贸易协议》（简称“服贸协议”），台湾方面呈上“立法院”进行审议。孰料，一群以绿营为主的反服贸协议的学生占领了“立法院”长达三周之久，阻碍了服贸协议的通过。目前台湾“立法院”的对立阵营仍然纠缠于节外生枝的《两岸协议监督条例》，《服贸协议》的通过仍遥遥无期。另一方面，两岸《货物贸易协议》的谈判也停滞不前。这是自 2010 年签订《两岸经济合作框架协议》以来，大陆与台湾两岸经贸关系的最大挫折。

图一显示，海峡两岸四地的经济协作，只剩台湾地区仍未与香港特区及澳门特区分别签订制度化的经济合作协议。港台或澳台的双边经贸来往，在回归前已很频密，但官方的来往则欠缺，这是历史因素使然。自大陆与台湾签订了数项经济合作协议（包括《两岸经济合作框架协议》在内）后，台港与台澳的关系发展则显得比两岸关系来得落后。回归后，香港特区政府处理涉台事务须根据“钱七条”的规定来办理，特别是第六条的规定，即台港“以各种名义进行的官方接触往来、商谈、签署协议和设立机构，须报请中央政府批准，或经中央政府具体授权，由特区行政长官批准。”<sup>6</sup> 澳门回归后的台澳关系参照台港关系的方式处理。在涉台关系上，即使在“钱七条”的框架下，仍有转圜的空间，例如：澳门政府在涉台事务上比香港政府处理得较为灵活，并取得一定的发展。

笔者在 2011 年 7 月接受香港《中国评论网》记者访问时建议，“台港”与“台澳”可签订类似大陆与台湾的 ECFA 协议，使中华经济协作系统的制度化协作能在两岸四地全面实现，进一步扩大四地的贸易与投资，造成多赢局面。如两岸四地各自签署经济合作与关税减免措施，则“中华自贸区”于焉形成。<sup>7</sup>

### 三、中国—东盟自由贸易区的形成

东盟（ASEAN）成立于 1967 年，最初的成员有五国，即泰国、马来西亚、新加坡、印度尼西亚及菲律宾，汶莱于 1984 年独立后加入东盟，其后越南、寮国、柬埔寨及缅甸亦先后加入，现有 10 个成员国。东盟的宗旨在于通过成员国的合作，加速东南亚内的经济、社会与文化发展，促进区内的和平与稳定。东盟在成立时只是一个区域性的合作集团，后来则逐渐演变成一个多功能并具有共同市场性质的组织。2010 年东盟六国成立“自由贸易区”，而后加入的



越南、寮国、柬埔寨及缅甸四国则须在 2015 年前达成关税减免，使东盟成为单一的自由贸易市场。

“东盟—中国自由贸易区”（10+1）的出现，与中国在 90 年代和东盟成员国家之间的关系有了较大的改善有关。50-60 年代，中国因采取了极左的共产主义政策，对泰国、马来西亚、新加坡、菲律宾等东南亚国家的兄弟共产党给予援手。二次大战后，这些东南亚国家基本上追随西方的反华政策，对实行社会主义的中国颇为敌视。1974 年代初，马来西亚的第二任首相敦拉昔首先向中国伸出友谊之手，而中国亦宣布停止在财政上援助当地的共产党马共，导致中马两国最后在 1974 年签订外交协议，成为了原东盟六个成员中第二个承认中国政府的国家（按：东南亚第一个承认中国的国家为苏加诺统治时期的印度尼西亚，但苏哈托于 1965 年上台后，印度尼西亚与中国断交，直至 1990 年两国才恢复正常的外交关系）。中美于 1979 年正式建交后，大部分东盟国家与中国的关系趋向正常化。越南于 1976 年入侵柬埔寨后，东盟更与中国结成了战略同盟。越南军于 80 年代退出柬埔寨，与中国和东南亚各国的关系才逐渐好转。

1991 年 7 月，中国外长钱其琛首次应邀出席东盟外长会议的开幕式。1993 年，东盟秘书长访问中国，双方同意加强经贸等领域的合作。1996 年，双方同意将彼此关系定为“全面对话合作伙伴关系”。2000 年 11 月，在汶莱召开的“东盟与中、日、韩三国”（10+3）首脑会议上，中国朱熔基总理提出在 10 年里正式建立“东盟—中国自由贸易区”（10+1）的构想，这项构想得到与会各国首脑的积极响应。2002 年 11 月，中国与东盟签订了“全面经济合作框架协议”，10+1 自由贸易区的设立正式启动，并于 2010 年实施。2003 年，中国又与东南亚国家组织签订了“东南亚友好与合作条约”，中国与东盟首脑联合宣布，彼此建立更上一层楼的“面向和平与繁荣的战略伙伴关系”，并订出相关行动计划，有关措施包括：（1）政治与安全合作；（2）促进“东南亚友好合作条约”的作用，共同推进东盟其他对话伙伴加入此条约，以加强地区和平、安全、繁荣与互信；（3）有效落实“南海各方行为宣言”。由此可见，“中国—东盟自由贸易区”除了促进区内的经济扩展外，还具有重要的政治与安全意涵，对区内的安全与稳定有重大的促进作用。

#### 四、“东亚自由贸易区”（10+3）的构思

除了东盟自由贸易区，另一个酝酿和构思已久的贸集团是“东亚自由贸易区”（10+3）。“10+3”是指东盟十国与中国、日本和南韩三国首脑的非正式会议，目的在于透过有关会晤加强各方的了解和合作，借此构成一股“抗衡”欧美的势力，最终建立一个自由贸区。其实早在 1990 年，马来西亚首相马哈蒂即提出“东亚经济共同体”（EAEC）的构想，其成员包括东盟各国及中国和日本，此构想得到了东盟各成员国和中国政府的支持，但美加及澳纽等国则表示反对，日本担心美国的反应，因此未积极表态，因此 EAEC 未有进一步的行动。1997 年，EAEC 有了转机，第一次的“10+3”会议在马来西亚的吉隆坡举行，事实上它是 EAEC 的变形。迄今“10+3”已经召开了多次首长会议和部长级会议，但“东亚自由贸易区”仍属构思设想阶段。

东盟和东北亚三个大国之所以会旧事重提，且具体落实了“10+3”会议，相信最少有以下三个因素：

第一，欧盟和北美自由贸易区的落实，对东亚区域经济带来了一定压力。根据世界银行的报告，现在区域经济集团内进行的贸易活动占全球贸易的 55-60%，而欧盟的“东扩”和美国的积极推动贯穿北美、中美和南美 34 个国家的“美洲自由贸易区”计划，使东盟加也寻求新的平衡点来迎接这些大板块区域经济组织的发展。

第二，1997 年亚洲金融风暴摧毁了东盟持续高速发展的美梦，因此希望可以透过区域经济的合作和发展带来经济复苏的新动力。

第三，90 年代开始，日本经济泡沫爆破，虽经过多年的经济改革但仍未见特别效果。在这种形势下，日本于是重新

考虑其全球战略，借以摆脱本身的经济困局。本来对马哈蒂倡议的“东亚经济集团”不甚热心的日本政府却在1997年主动提出，东盟与日本可以定期举行首脑会议。事实上，亚洲金融风暴导致整个亚洲地区经济的恶化，使日本的经济进展百上加斤，而东盟各国亦元气大伤。至于韩国和中华经济区内的经济体也受到不同程度的冲击，因而缔造了东盟与中日韩合作的契机。

“东亚自由贸易区”（10+3）的倡议已提出多年，且开了多次高层会议，但进展不大，主要原因有二：第一，中日韩三国各有不同的自身利益，而日本与东盟若干国家在农产品的利益上亦难以协调；第二，日本与中、韩有领土争端，且日本在历史问题上（如教科书、慰安妇及参拜靖国神社等）与中韩两国交恶。由于日本不能正视历史问题，中韩两国首脑多年来均拒与日本首相会晤。很明显，政治问题影响到“东亚自由贸易区”的谈判进程。除非中日韩外交关系在近期得到重大的改善与突破，否则“10+3”自贸区的实现仍是遥遥无期。

这里可以附带一提，紧接东盟与中国于2002年11月签署筹建“10+1”自由贸易区，日本亦不想落后于中国，于是谋求与东盟国家举行峰会。从东盟的角度而言，日本为亚洲的经济强国，建立另一个“10+1”自由贸易区（即“东盟—日本自贸区”）亦可在中、日两国间在政治上取得一个平衡点。日本在2003年12月召开的“东盟—日本峰会”上，终于和东盟签订了“东南亚友好与合作条约”，这是一项重大的突破，进而启动了“东盟—日本自由贸易区”的进程。

事实上，日本最终同意与东盟谈判建立自由贸易区，与中国的经济崛起有关。在亚洲，中国已逐渐成为日本的一个强而有力的对手。另一方面，中国与东盟成员国的关系亦日益密切，因此日本上述转变是可以理解的。

日本与中国是亚洲两个既竞争又必须互相合作的两个大国，两国的关系影响整个亚洲未来发展的走向，因此其他亚洲国家不能不予以重视。另一方面，东盟是东南亚的一个重要区域经济集团，中日两国均是她的重要市场，彼此的政治和经济关系非常密切。东盟这个区域组织往往需考虑如何在中日之间追求其本身的区域利益。

## 五、TTP，RCEP vs. FTAPP：三个拟议中的自由贸易区比较

2005年以后亚太出现了三个多边自由贸易区的构思。值得特别关注的是，这三个FTA不仅是经济性的，而且反映若干大国在亚太区政治力量的角力。首先是《跨太平洋经济伙伴协议》（Trans-Pacific Partnership，简称TPP）。TPP的背后主导者为美国、日本等西方国家，于2005年启动。迄至2014年，TPP共有12名会员（见表一），此外，台湾及韩国已表示加入TPP的意愿。值得注意的是，TPP的组织把全球第二大经济体的中国排除在外。据日本学者（前为日本官员）中野刚志（Nakano Takeshi）在其一部专着中引述：“（日本）内阁官房的资料揭露，（TPP是）在美、日主导下，建构亚太新地域经济统合框架，其政治意义重大。”<sup>8</sup>事实上，TPP已被认为是美日想借此遏制正在经济崛起的中国。把中国排斥在外，其意图已甚为明显。日本方面，主流的舆论界、财界、政界、学界等亦认为，撤除非关税壁垒，扩大日本的贸易，才能挽救日本经济“失落的20年”（注：事实上现已失落了近30年）的困境。

但是，日本一些反对TPP的人士认为，TPP在撤消关税之外，美国会要求参与的会员同时须改变或撤消其非关税壁垒，如撤消国内限制性的规则或制度，例如要日本改变国内的保险制度、医疗食品安全、劳动、政府的物资调动、投资等等，使到美国服务业与产品更易进入日本。此外，美国亦要求日本开放国内农产品市场（如减免农产品补贴等）。日本不少评论及学界人士认为，美国是瞄准日本市场，在日本加入TPP后，市场开放会引致日本国内经济上的巨大损失，TPP是“《木马屠城记》中的木马”，加入TPP会导致“日本亡国”。<sup>9</sup>因此，日本反对加入TPP的声音亦很大。中国方面，官方对TPP不作表态，但却主导“亚太自由贸易区”（FTAPP）的建立作对策（下述）。

另一个展开的“自由贸易区”为《区域全面经济伙伴协议》（Regional Comprehensive Economic Partnership，





简称 RCEP)。RCEP 的成员 东盟十国加上目前与东盟签订 FTA 的六个国家（即澳洲、中国、印度、日本、韩国与纽西兰）共 16 个成员国。RCEP 正式于 2012 年 11 月启动，主导者是中国。目前，RCEP 成员正在进行商品贸易、服务贸易、投资保护及自由化与便利化等之磋商，希冀在 2015 年完成磋商工作，并能签署一项协议。<sup>10</sup> 完成协商后，其他国家或经济体可以加入成为 RCEP 的会员。

此外，亚太区域最大的区域组织是《亚洲太平洋经济合作组织》（Asia-Pacific Economic Co-operation，简称 APEC 或“亚太经合会”），在 2014 年 11 月 10 日召开的北京亚太经合组织会议上，APEC 迈出了极重要的一步，正式启动《亚太自由贸易区》（Free Trade Area of the Asia-Pacific，简称 FTAPP）的成立工作。APEC 的成立可追溯到 1989 年，当年 12 个亚太国家在澳洲首都堪培拉举行会议，并决定成立 APEC，亚太经合会现在刚走过 25 年的历史。至于第一次 APEC 高峰会则于 1993 年在美国西雅图举行，高峰会前后共举行了十多次会议。APEC 与欧盟及北美自由贸易区不同，它是一个非制度化的合作组织，以经济体作为单位。APEC 现有 21 个成员，其中包括香港与台湾两个中华经济体（见表一）。中国、香港与中华台北同于 1991 年加入成为 APEC 的会员。

表一：TPP、RCEP 与 FTAPP 三个拟议中的自由贸易区成员组成

TPP <sup>(1)</sup> (2005) <sup>(2)</sup>	RCEP (2012) <sup>(2)</sup>	FTAPP (2014) <sup>(2)</sup>	
澳洲	东盟十国	澳洲	汶莱
汶莱	中国	加拿大	智利
加拿大	日本	中国	香港
智利	印度	印度尼西亚	日本
日本	韩国	韩国	马来西亚
马来西亚	澳洲	墨西哥	纽西兰
墨西哥	纽西兰	巴布亚新畿内亚	秘鲁
纽西兰		菲律宾	俄罗斯
秘鲁		新加坡	台湾
新加坡		泰国	美国
美国		越南	
越南			

注：<sup>(1)</sup> 台湾与韩国已表达加入 TTP 的意愿；<sup>(2)</sup> 括号内为各拟议中的 FTA 启动年期。

自举行第一次领袖高峰会以来，亚太经合会在促进经济贸易及投资自由化方面取得了一定成果。1994 年的《茂物宣言》（Bogor Declaration）揭示区内经济自由化的目标，即先进经济体在 2010 年达到自由化目标，发展中国家则订于 2020 年完全消除贸易及投资方面的障碍。此外，在其后的经济首长峰会上，亦达成了多项加强技术合作的协议，并同意在金融等领域进行协作。APEC 是亚太国家之间的一个重要平台，除经济合作之外，对亚太区内的和平与稳定也起了一定的积极作用，特别是在共同应付国际金融危机及对付国际恐怖主义方面的活动。

在 APEC 的 25 年历史中，各经济体之间变化最大的首推中国。2010 年，中国的 GDP 总量已超越日本而成为仅次于美国的世界第二大经济体，中国的 GDP 规模在 25 年内扩展了 30 倍。另一方面，APEC 成员的贸易总量已占世界的 48%，而经济总量则占 57%，在世界上举足轻重，APEC 已成为世界经济成长的主要动力因素。上节提到，为促进经济的扩展，APEC 多年来已致力推动区内的“经济一体化”与“自由化”措施，迈向自由贸易区的设立，惟进展缓慢。在 2014 年北京会议前，美国《华尔街日报》报导，美国不希望本身主导的《跨太平洋伙伴协议》（TPP）

在 APEC 北京峰会上受到冲击，因此该国拟拖慢 FTAPP 的提出，而中国则想办法对付 TPP，因此极力主导推行 FTAPP。结果在北京的强力主导下，通过了《北京纲领》，决定正式启动和推进“亚太自由贸易区”的进程，同时批准《亚太经合组织推动亚太自由贸易区路线图》。2014 年 APEC 北京会议标志 FTAPP 成立的一个重要里程碑，意义重大。

## 六、台湾对自由贸易区的取态

台湾以“台湾、澎湖、金马”关税区的名义，于 2002 年加入世贸组织（WTO）成为其中一个成员。在世贸 150 多个成员中要达成经济自由化的共识是一件很困难的事，“多哈会谈”的谈判是一个例子。因此，不少会员改走另一条较易的路，与不同国家（区域）间签订多边或双边的贸易集团。近 30 年，在众多不同的自由贸易协议成立的浪潮下，台湾也一直在寻求与不同国家（经济体）签署双边或多边的自贸区协议，强化经贸合作关系，以免被边缘化。最早与台湾签订双边自贸协议的是巴拿马，其后台湾又与危地马拉、尼加拉瓜、萨尔瓦多、洪都拉斯等有邦交的中美国国家签订了 FTA，又与新加坡签署了经济合作协议，另外亦分别与印度尼西亚和印度两国完成了经济合作协议的可行性。当然，值得一谈的是前文所述与大陆于 2010 年签署的 ECFA，尽管在 ECFA 框架下的后续服务贸易、货物贸易等的协议仍有待落实。

在多边 FTA 协议方面，台湾迄今仍未取得显著的进展。“东盟+10”仍然将台湾排除在外，另一方面，“东盟+10”秘书处已将香港特区加入为会员的谈判提到正式的议事日程，香港成为其中一员已是指日可待的事。对台湾而言，加入如此大的区域经济集团，意义重大。此外，台湾已表示拟加入以美国为主导的 TPP，对 RCEP 亦展示兴趣。<sup>12</sup> 台湾极愿加入区域多边的 FTA，目的是防止台湾被边缘化的危险。台湾近年亦采取更多的经济自由化和国际化的措施，开放本地市场，改革法规，以积极争取加入区域经济的整合，如在 2013 年推动的“自由经济示范区”计划，拟“大幅松绑人流、物流与金流等限制，并以国际医疗、智慧物流，金融服务，教育创新，农业加值等 5 大示范创新点”<sup>13</sup>，试图走出一条新路，与国际更好接轨。

在 2014 年 APEC 北京会议前夕，中韩结束了 30 个月的 FTA 谈判，预计在 2015 年可以正式设立“中韩自由贸易区”。这项消息引起了台湾官方颇大的震动，因为韩国与台湾的贸易结构有 70% 的商品互相重叠，且两地区均以大陆为主要出口地，在 ECFA “服贸”与“货贸”协定的签署停滞不前下，“中韩自由贸易区”的设立，必为台湾经济带来消极影响，届时台湾必将部份对大陆的出口，拱手让予韩国。因此，台湾早日完成 ECFA 后续的服贸与货贸协议的签订，是为当务之急。

## 七、结语

笔者于 80 年代时已提出大陆、港、澳、台四地“中华经济共同体”或“中华自由贸易区”（并不包括新加坡等海外华人地区的所谓“大中华经济圈”），主要原因是中国于 1979 年采取改革开放政策后，海峡两岸四地经贸来往频密，经济的互补性高，两地人民的血缘与文化又相同，如果能建立一个自由贸易区，则肯定会带动两岸四地经济进一步的飞跃。

“中华自由贸易区”的构思现已逐渐成为现实。首先，北京中央政府已先后于 2003 年与港、澳特区政府签署了 CEPA。大陆与台湾又于 2010 年签订了 ECFA，2011 年生效。如港、澳能与台湾再签订 FTA 的协议，则“中华自由贸易区”于焉形成。尽管两岸《服贸协议》在台湾“立法院”审议中暂时遭受挫折，货贸协议亦有待完成，但加强两岸的经贸合作是大势所趋，且有关经贸协议对台湾亦“利多”。同时，两岸四地自贸区的形成，对台湾融入区域性的多边经济合作集团组织亦有帮助。



自中国“和平崛起”后，所谓“中国威胁论”的论调一时盛行，以美日为主的若干西方国家采取了遏制（或“围堵”）中国的政策，美国的“亚洲再平衡战略”是典型的例子。中国除了采取以邻为善、以邻为伴的政策方针外，亦积极推动区域性的经济整合，如成立“东盟+1” FTA，主导 RCEP 及 FTAPP 的创建等，而区域的 FTA，除了经济合作的层面之外，亦有重要的政治上的和平意涵。由于推动区域性的 FTA 涉及较多国家的不同利益，需要较冗长的时间来进行谈判。为此，中国亦同时积极推动双边 FTA，以消除美日为主的某些西方国家“围堵”中国的意图。目前中国已与多个国家签订了双边 FTA，如巴基斯坦、秘鲁、哥斯达黎加、瑞士等。2014 APEC 峰会前又与韩国、澳洲、纽西兰等国完成了双边 FTA 的签署。中国采取的经济自由化措施，显示中国已决心融入世界经济体系，更好地与世界经济接轨，与各国共建“和平发展”之梦！

#### 注释：

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- 4 同注2。
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- 8 中野刚志（着），孔励焱（译），《TPP 亡国论》，台北：允农文化实业股份有限公司，2012年，页55。
- 9 中野刚志，前述书，页89。
- 10 www.wikipedia.org/wiki/RCEP。
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- 12 代表台湾出席2014 APEC 北京会议的萧万长先生表示，希望与习近平主席的会面，能为台湾加入 RCEP 创造条件。见《am 730》，2014年11月4日。
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## 5 pillars to develop your leaders the right way!

Dr. David Clive Price



Biography:

**Dr. David Clive Price**, Ph.D.

David is an International Cross-Cultural Mentor with 30 years experience of leading and advising businesses in both East and West. As a sought after advisor, respected author and inspirational speaker, David has worked with a number of global organizations from Fortune 500 companies to major financial institutions. His clients include Bank of China, Standard Chartered, Credit Suisse, Morgan Stanley, and many more.

David spent five years as strategic advisor and chief speechwriter for Asia for the HSBC Group in the run-up to the handover of Hong Kong, and much of his work over the past two decades has been mentoring CEOs and business leaders – particularly in the area of Cultural Intelligence (CQ).

He is multilingual in French, German, Italian and Cantonese and is a Member of the Pacific Basin Economic Council, a Member of the Global Speakers' Federation, a Fellow of the Institute of Sales and Marketing, and a Fellow of the Asia Scotland Institute. David holds a BA (Hons), MA and PhD in Renaissance Cultural Studies from Cambridge University.



Leadership development is an over-used term with thousands of books and a variety of programs. Companies pour hundreds of thousands of dollars (if not millions) into executive development and often find it difficult to measure returns. At the same time, most companies report a dearth of high potential leadership pipeline who can step up to the next level.

We wanted to develop a better solution to these challenges.

*We started with the basics, by asking the simple but deep questions - what is the fundamental work of leaders, how do leaders learn, what is the expectation from leaders and why do leaders fail?*



The result was a rock-solid program that ranks among the top 3 leadership development programs in the world:

## **THE INTELLIGENT LEADERSHIP PROGRAM**

### **An eight month immersive leadership experience**

Based on many years of corporate and consulting experience in more than 30 countries across the world, coaching more than 50 CEOs, we identified 5 pillars as a foundation for this program.

### **What exactly are the five pillars that serve as foundations of this program?**

#### ***First Pillar - Powerful assessment and development tools***

The first foundation is knowing where you are, and understanding how far you want to go.

Insightful assessments that accurately map where you are, the gaps to be covered and prioritize development areas are the bedrock of the Intelligent Leadership Program.

The assessments and development tools you will go through in this program:

- 1) **MLEI assessment** online followed by a personalized briefing with John Mattone - **this is the exact same assessment that Steve Jobs went through** and had his coaching sessions with John.
- 2) **Talent Watch Surveys** - powerful surveys with stakeholders that will give accurate and measurable before-after feedback

#### ***Second Pillar - Intelligent Leadership content***

Effective leadership development is real-time, when impactful content is applied to real life situations. This makes the second pillar of the program. You will work on the challenges and situations that you face everyday as a leader and apply powerful, contextual content.

The result will be strong, lifelong learning that can be retained and reflected upon.

#### ***Third Pillar - Mentor, stakeholder and peer learning***

Leadership situations and roles are highly dynamic in the business world today. Leaders are called upon to lead people who have greater subject matter expertise, more experience, and have global and culturally diverse backgrounds.

Effectiveness depends on agility and humility. We enable an environment of a global cohort learning together as peers. The exchanges that take place, relationships that form are vital for your growth as a leader. You mentor and you are mentored, you interact with various stakeholders and engage in deep, meaningful peer learning.

#### ***Fourth Pillar - John Mattone Personalized Coaching***

Just imagine if you had the world's top ranked coach available to you, to help you interpret your scores, to clarify your issues, to talk through your challenges as a trusted guide and mentor.

This is the powerful fourth pillar of this leadership development program. It is where the knowledge, practice and experience of leadership development is personalized and made accessible to your immediate situation.

John is highly insightful and experienced having served as a coach and confidante to over 50 global CEOs and leaders and more than several hundred C-suite executives. His insight, views and words are priceless.

***Fifth Pillar - Stakeholder Feedback and John Mattone Coaching Debriefs***

Success as a global leader is highly dependent on effective stakeholder management. Everyone you interact with, on a 360 basis has a performance & behavior expectation and a perception or view of your capabilities. How mindful and intentional are you in navigating this? John Mattone coaches you through this process, his debriefs facilitate your development at each step.

Here are a few more unique highlights of this program:

- An 8-month program ensures long lasting and impactful growth, unlike a short few days program
- A global cohort ensures a rare opportunity to learn from global peers in a safe environment

Take ownership to build your compelling future today!!



## Breaking the Bamboo Ceiling: How to increase Asian Leadership

Dr. Jamie Younghee Sheen



Biography:

### **Dr. Jamie Younghee Sheen**

Dr. Jamie Younghee Sheen is a social entrepreneur, author, former research associate professor at American University and a linguistics expert. She is the founder and CEO of naisA Global, a nonprofit educational organization dedicated to empowering the next generation of great Asian leaders around the world. Dr. Sheen received her PhD from the University of Nottingham (UK), and holds EdM and MA degrees from Teachers College, Columbia University. Her scholar profile (author: Younghee Sheen) is available at <http://scholar.google.com/> As an academic, she has received several research grants and given numerous talks and seminars at professional conferences around the world. She's currently serving the U.S. Student Fulbright National Screening Committee and also a member of several academic journal editorial boards as well as the University Club of Washington, DC and the National Press Club.

### **EXECUTIVE SUMMARY**

Often referred to as the “model minority,” Asians are a high-achieving population with enrollment numbers at Ivy League and top-tier universities that are greater than their share of all high school graduates. They also comprise large portions of the high-tech and STEM workforce. However, despite these laudable levels of academic achievement, Asians are underrepresented in high-level leadership positions and Asian females are severely underrepresented.

So what is the reason for the lack of Asian leadership? At naisA Global, we have closely examined the research and identified several barriers to the ascension of Asians into leadership positions. They include the following:

- 1) Hidden bias and cultural stereotypes
- 2) Assumption that Asians are not good leaders
- 3) Ineffective communication skills
- 4) Organizational naiveté
- 5) Aversion to risk-taking

All of these reasons are offered as explanations for why Asians have difficulty breaking into leadership positions. These reasons are all learned cultural behaviors that appear to be incompatible with American corporate culture.

In response to these perceived barriers to leadership, we have developed some tangible approaches to address the problems. Most notable is connecting aspiring young professionals to experienced mentors and role models in the Asian community. We were glad to see nonprofit organization such as naisA Global launch mentorship programs that aim to unlock the potential of ambitious young professionals to bridge the Asian gaps through the mentorship initiatives.

## INTRODUCTION

Asians are currently the largest growing minority group in America, accounting for 5.6 percent of the total population. For example, Asian-Americans represent 18 percent of the admitted class of 2015 at Harvard University, 22 percent at Princeton University, and 44 percent at University of Pennsylvania.<sup>1</sup> These Asian elites later go on to fill the ranks of all industries. In short, Asian-Americans were also described by a recent Pew Research Center report as being the highest-income and best-educated racial group in America. However, despite all their academic accomplishments, Asians have not been to break into the upper ranks of industry leadership. They remain severely underrepresented in leadership positions. What are the barriers to the Asian ascent into leadership roles and what can be done to negate these barriers to fully realize their leadership potential? The purpose of this white paper is to explain these various barriers and identify the various options—in particular, the role of mentorship—available to reverse the situation.

## WHAT DOES THE RESEARCH SAY?

Asians are commonly referred to as the “model minority.” Yet despite their supposed successes at integrating into corporate cultures, Asians are, in fact, failing in one critical dimension: they have not been able to break through the “bamboo ceiling.” The “bamboo ceiling” describes the barriers that Asians face in ascending to top leadership positions. As a consequence, Asians are woefully underrepresented in top leadership positions at U.S. companies.

Buck Gee, Janet Wong and Denise Peck are Asian-American executives who compiled employment data from five notable high-tech firms—Google, Intel, Hewlett Packard, LinkedIn and Yahoo. They released a report in 2013 that found that 27 percent of professionals, 19 percent of managers, and 14 percent of executives were Asian-American (see Figure 1 below).<sup>2</sup>

Figure 1: Aggregate 2013 Management Pipeline by Race  
(EEO-I data for Google, Hewlett-Packard, Intel, LinkedIn, Yahoo)

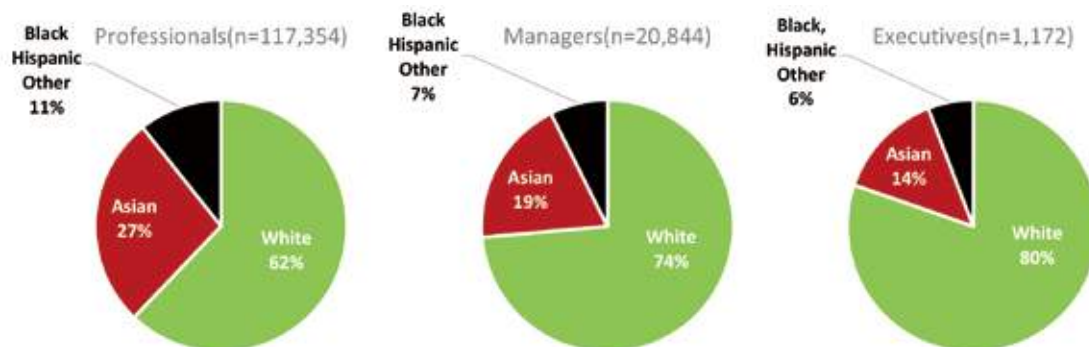
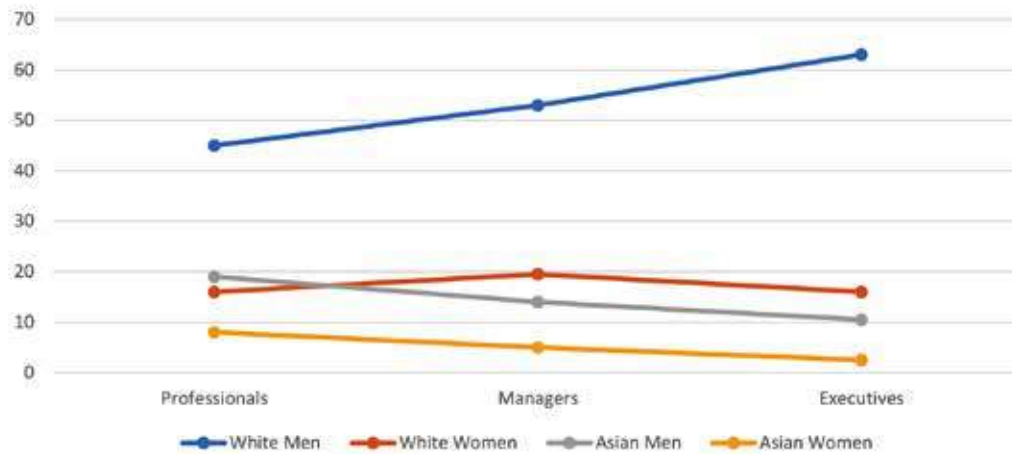






Figure 2 reveals the compounding effect of gender on entry into executive-level positions at these high profile corporations. At each stage in the management pipeline, the gap between whites and Asians—for both men and women—grows.

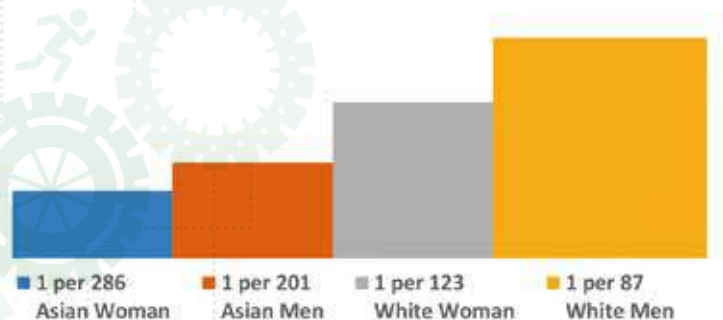


The impact of race and gender is also observed in a comparison of the number of professionals, managers, and executives at these five high firms versus the number of executives. As shown in Figure 3, there is one white male executive for every 87 white men, yet only one white female executive for every 123 white women. Both white men and women are substantially more represented as executives than Asian men (1 per 201) or Asian women (1 per 285).

Figure 3: Executives versus Total Workforce by Race and Gender  
(EEO-I data for Google, Hewlett-Packard, Intel, LinkedIn, Yahoo)

	White Men	White Women	Asian Men	Asian Women	All Race/ Gender
Executives	747	194	127	36	1,172
Total: Executives, Managers and Professionals	65,161	23,902	25,634	10,286	139,370
Executives per Total in each cohort	1 per 87	1 per 123	1 per 201	1 per 285	1 per 118

For Asian women, this translates into a “double whammy”—their representation in the executive ranks is more than double the ratio for the entire workforce of one executive per 118 professionals.<sup>3</sup>



A similar effect is observed in the field of law. In 2014, while 11 percent of law-firm associates were Asian, only 3 percent of partners were. Recruiters at the top firms typically discard applications from all but the top universities and scan the remainder for involvement in extracurricular activities, says Lauren Rivera of Northwestern University. “They’re particularly interested in sports, such as lacrosse, squash and [rowing] crew. When you look at the demographic base of these sports, Asian-Americans are not heavily represented.” A study published by Richard Zweigenhaft of Guilford College showed that in 2000, eight Fortune 500 CEOs were of Asian descent but only four were women. Nearly a decade and a half later, 24 Fortune 500 CEOs were women and 10 were Asians. Similarly, Asian-American professors isn’t a group of minority, but among America’s 3,000 colleges there are fewer than ten Asian- American presidents.

In short, at the very top of the tree, Asian-Americans are nearly invisible.

## **EXPLANATIONS FOR THE BAMBOO CEILING**

There are underlying roots in the Asian community that can hinder access to executive leadership levels. These issues include the following:

- **Hidden bias and cultural stereotypes**

A Center for Work-Life Policy (CWLP) study concludes that Asians are blocked by hidden bias and by cultural stereotypes. One-quarter of Asians surveyed by the CWLP say that Asians at their company are treated unfairly, especially in comparison to their White colleagues. The perception of Asians is that they are passive workers, content in their positions. In fact, Asians are far from passive, unassertive workhorses. CWLP research shows that Asian respondents were as likely as other ethnic groups to have asked a manager or supervisor for a pay raise or a promotion at work. Thirty-seven percent of Asians report asking for a pay raise and 28 percent for a promotion, figures on par with peers in other groups. The fact is both male and female Asian professionals actively advocate for themselves and the rewards they feel they deserve. The problem is, they are asking but not being heard.

Another study suggests that Asians may find securing mentors particularly tough. Researchers at Wharton Business School, Columbia University and New York University wrote an identical e-mail to 6,500 professors from fictitious students wanting to meet the academic advisors. White men received more responses than other groups; Asian-Americans of both sexes received far fewer. Since Ivy League universities produce a disproportionate number of CEOs, Congressmen and judges, the apparent bias against Asian-Americans at leading universities may also keep Asians out of leadership spots. “The ladder is being pulled away from our feet,” says Tricia Liu, the mother of Irene Liu, a student from Massachusetts with a stellar CV but was rejected by the Ivy League, “If we can’t go to the Ivy League universities, how can we get the positions in Wall Street, or Congress, or the Supreme Court?”<sup>4</sup>

- **Cultural deference to authority and the reality that deference often implies weakness**

Social science research suggests a cultural mismatch between Asian (i.e., Eastern) and Western leadership norms. A commonly held belief is that Asians are unwilling to argue or contradict authority. Many Asian cultures place an emphasis on social harmony with children being told not to rock the boat. This can be at odds with American corporate culture, where “you have to learn to toot your horn” says Ms. Wong, an Asian-American executive. This perceived cultural mismatch feeds the stereotype held in the West that Asians have poor leadership skills.



While Asian-Americans are a large, diverse group, those who do reflect such characteristics may be less likely to receive a bid for leadership, even if they are highly qualified. The comparative prominence of South Asians, who are less likely to be told not to “rock the boat”—for instance, Indra Nooyi at PepsiCo and Ajay Banga at MasterCard—is cited as anecdotal evidence.

- **Ineffective communications and influencing skills**

Communication skills, including speaking up in meetings, can be another stumbling block. One Chinese vice president at a pharmaceutical company noted, “White leaders feel more comfortable having other Whites become part of their inner circle. My White colleagues are the ones I see getting tapped on the shoulder.” White leaders tend to feel comfortable with the characteristics displayed by their White peers, which helps them secure promotions and leadership opportunities. On the flip side, many managers view Asians as too acquiescent and lacking the “soft skills,” such as conflict resolution and critical observation, to make strong leaders.

At the lowest level, an employee moving to their first-level management position needs to become a team leader and manage junior staff. Some junior staff are more capable and need little direction, while others are less capable and need more coaching. At the higher levels, executives need to achieve organizational goals using resources within the company. Some resources are within his/her control while others are not. In the latter case, an executive will need to assert personal power and an ability to influence cross-functionally throughout the company in order to achieve their goals.

Since organizational power and influence generally require strong personal relationships across the organization, executive leaders must be socially adept with peers and senior clients. They must also be comfortable with asserting internal power and interacting, sometimes in conflict, with mostly white male peers. Openly dealing with conflict is difficult for anyone, but it is especially difficult for many Asians if they have not learned how to reconcile a bias for social harmony with conflict management.

The challenge will be the ability of the Asian workforce to learn the soft skills and leadership mentality that will stretch the comfort zone of most. Assertive and direct social behavior may be a stretch beyond the comfort zone of many Asians, as suggested by a study on shyness among Asian college students. In a study on self-reported shyness, researchers found that while shyness in Asians and whites are similar in a single race setting (49 percent vs. 47 percent), the rate of Asian shyness jumped from 49% to 78% while the white rate was virtually unchanged from 47% to 49% in a mixed-race setting (see Figure 4 below).

Figure 4: Self-Reported Shyness in Social Settings

	Same	Mixed Race
White	0.47	0.49
Asian	0.49	0.78

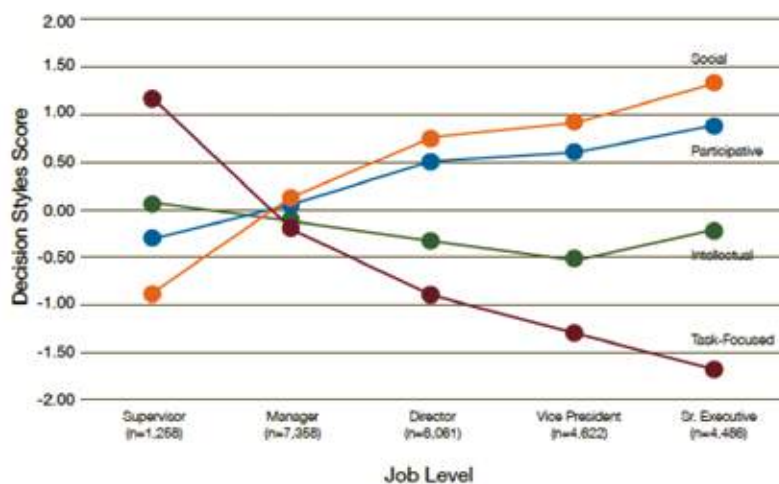
- **Organizational naiveté**

Organizational awareness requires corporate networking and socialization skills. Asians do not invest much effort into peer networking activities. This is a special problem for Asian managers working for U.S. companies located in Asia. We do not see the lack of a good internal network as a strict impediment to leadership

development but rather see strong personal networks as a resource that a manager uses to increase organizational effectiveness in a complex corporate environment.

As shown in Figure 5, individuals at the upper executive levels of an organization become less task focused and more social and participative.<sup>5</sup> This shift in leadership styles increases their chances of building strong networks and enhancing the effectiveness of their organization.

Figure 5: Best-in-class executive leadership style



- **Aversion to risk-taking in business and career**

Opportunities for rapid advancement happen when people are given leadership roles in critical business projects involving complex problems and uncertain outcomes. Successful results would create an enduring reputation, but failure might lead to serious business and career consequences. However, Asian's value social harmony, so they may share the success or failures in order to avoid conflict and risks. Consequently, they might be seen as participants, not successful leaders.

## ADDRESSING THE PROBLEM

- **Understand the differences**

For aspiring Asian professionals, it is critical to be aware of the changes in expectations as they grow from individual contributors to leadership roles at different levels in the company. An examination of the expectations of American corporate culture compared against the individual's own beliefs and behavior can lead to a development plan that begins to close these gaps in awareness. Asians should realize how their traditional values can be leveraged as an advantage, as well as how they may become a hindrance to getting ahead in a different corporate culture.

- **An effective Asian Employee Resource Group (ERG) will help be visible**

We have observed that many Asian ERGs have been very successful in certain activities, such as building an internal community, raising cultural awareness (e.g. lunar new year's festivals), increasing communications between employees and executives, and assisting diversity initiatives and ethnic recruiting. More recently, many employee networks are morphing into "business networks" with activities that help the business succeed by generating visibility, growing membership, and increasing funding for the ERG<sup>6</sup>.



- **An executive(s) who will lead**

The progress might start only when one or two executives take the first step and raise the question about the in-house pipeline of Asian managers. More often than not, these executives are Asian, but what matters is their commitment, not their color. For example, Erby Foster, Chief Diversity Officer at Clorox, has done remarkable work as an advocate for leadership training for Asian managers in the Oakland-based company. The Asian leadership development program at Clorox would not have been possible without his leadership<sup>7</sup>.

- **A community of Asian executives to be served as role models**

Asian executives need to create a “community of leaders” who are committed to making a difference by instigating and discussions of diversity within their corporations. There are successful Asian CEOs, such as Satya Nadell, the new Microsoft CEO, and Jerry Yang, former Yahoo CEO. Although we wish there were more, such high profile Asian executives are able to step up within their company and in the broader community by helping the next generation of high-potential Asians.

- **Bridge the gap through mentorship programs and set up the ladder for others**

There have been executives from all racial/ethnic backgrounds who are committed to taking the first step. However, there are still too few Asian executives who can serve as role models and issue leaders. As we are finding ways to create liaisons between senior professionals and young Asian professionals, we observed that mentors can be very valuable in providing career advice.

Many companies have an in-house mentoring program to develop the skills and behaviors required for Asian executive leadership, and we encourage Asian professionals to take advantage of these even if the mentors assigned to them are not Asian. In fact, having both Asian and non-Asian mentors would help round out and accelerate learning from diverse perspectives. It is advisable that prospective mentees find a mentor inside the company, but they also can search for outside mentors through their social or business networks. naisA Global is a good example of connecting aspiring young professionals to experienced mentors.

naisA Global is a non-profit organization aimed at the development of the next generation of Asian leaders. naisA Global is the brainchild of CEO and Founder, Jamie Younghee Sheen. As an Asian professional in America herself, she noticed the discrepancy in Asian achievement and leadership representation and sought to bridge the divide. naisA Global does this by providing free mentorship services to high-achieving, aspiring young Asian leaders. Programs, such as naisA Global’s Flash Advice (nFA) program, allow young professionals to expand their network by arranging short one-on-one or group mentorship sessions with professionals who have established themselves as leaders in the career. naisA Global provides professionals with the chance to make connections from around the world, as we understand that industries are constantly evolving, and that to truly be a leader of the next generation, drawing on the experience and advice of a global network can only help<sup>8</sup>.

## CONCLUSION

While there are various barriers facing Asians in reaching leadership positions, there are also a number of tangible solutions to overcoming these barriers. At naisA Global, our goal is to unlock the leadership potential of aspiring young Asian leaders. The most important goal we have is to increase mentorship between young Asian professionals and industry leaders. We recognize the key role mentorship has in the development of leadership skills, as well as the lack of mentorship relationships amongst Asian professionals. Recognizing

this deficit, we seek to rectify it through offering various mentorship programs, providing aspiring leaders with resources they can use to bring their careers to the next level. It is true that currently, there is a dearth of Asians in leadership positions. However, we believe that the mentorship services we offer can only help improve the numbers, and strive to continue working for a future of diverse leadership.

## **Notes**

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## Mozi's Teaching of Jianai ("Impartial Regard"): A Lesson for the 21st Century?

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Biography:

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Kirill Ole Thompson is specialized in Zhu Xi (1130-1200) and the Song-Ming Neo-Confucian masters. He does early Chinese philosophy, and is much interested in the problems of translation. His broader interests include Greek philosophy, Modern philosophy, including Kant, early Analytic philosophy, Existentialism, and especially Sartre and Wittgenstein. He has published numerous articles, book chapters, reviews, and encyclopedia entries on Zhu Xi, the Four Books, Zhuangzi, Laozi, Gongsun Long, traditional Chinese humanism, Thomas Gray, Thorstein Veblen, Samuel Beckett, ethics, agricultural ethics, food ethics, sustainability, etc. He teaches at National Taiwan University where he is the Associate Dean for the Humanities of the Institute for Advanced Studies in Humanities and Social Sciences. Thompson has been involved with several research groups in recent years on Confucian Cultures, East Asian Confucianisms (IHS @ NTU), Humanities for the Environment, Sustainable Traditional Agricultural Thought and Practices in Southeast Asia and East Asia, Cultural Change since Late Qing: East Asian Perspectives. In the past year, he has given presentations on 1) Laozi's aesthetics, traditional Japanese design, and Frank Lloyd Wright, 2) Daoist and Zen views of the experience and reality of Time, and 3) Yan Fu: Between Tradition. His most recent and forthcoming publications include: 'Reflections on the "Happy Fish" Anecdote' (Philosophy East and West, October 2016), "Zhu Xi's completion of Confucius' humanistic ethics" (International Communication of Chinese Culture, November 2016), and "Relational Self in Classical Confucianism: Lessons from Confucius' Analects" (Philosophy East and West, October 2017).

### Introduction

The present study has a twofold purpose: to reexamine Mozi's 墨子 (Mo Di 墨翟 c. 480-390 B.C.E.) teaching of jianai 兼愛 (impartial regard, impartial affection), and to consider its possible implications regarding several deeply-rooted problems that are endemic to our age of global interdependence. First, the case is made that Mozi's teaching of impartial regard is an extension of Confucius' teaching of ren 仁 (humaneness, authoritative personhood) in the senses of loving others (airen 愛人; Analects 12.22) and loving broadly (boai 博愛; Analects 1.6).<sup>1</sup> Second, for purposes of the present discussion, the pressing problems of our age are understood to be rooted in: 1) the persistent asymmetries of wealth and resources

underlying globalization, 2) the incessant flow of wealth to the rich and 3) the accelerating environmental devastation. Third, the question as to whether Mozi's teaching of impartial regard (hereafter IR) could be enlisted in modifying the way we view and deal with these sorts of problems-- by modifying our sense of self, other and nature. The argument draws upon the salient critical insights of Herbert Marcuse (1898-1979) and Edgar Morin (1921- ) to suggest the impact of Mozi's teaching.

## **Mozi's Teaching of Impartial Regard (IR)**

Mozi proffered the teaching of IR, not just as an academic exercise or classroom debate, but as a considered, practical way to transform people's attitudes and responses so as to break the rising tide of violence, inequity and waste of his times. Indeed, he lived during bloody, volatile times--early in the Warring States period (c. 475-221 B.C.E.)--and he, like Confucius not long before him, sought through his teaching, practice and movement to ameliorate the situation. There is general agreement that Mozi had studied in a Confucian school (Hsiao 1979, 216).<sup>2</sup> Following Hsiao Kung-chuan (1979, 230-232), Feng Yu-lan (1947, 35-37) and others, I regard Mozi's teaching of jianai as a development, not a denial, of Confucius' most basic teachings. Specifically, jianai was a development of 1) Confucius' teaching of jen 仁 (humaneness, authoritative personhood), and 2) the Silver Rule (SR), "Do not do unto others what you would not want them to do unto you" (Analects 13.24) on which Confucius based his teaching of ren. We may infer that, while agreeing with the SR in spirit, Mozi likely regarded its negative formulation as somewhat too passive given the endemic troubles of the times. Moreover, Mozi would have regarded the concomitant expressions of ren conduct as overly circumscribed by li 禮 (rites) that supported the generally hierarchical elite clans and courts.<sup>3</sup>

I sense that Confucius' SR could lead to a "let be," "care for one's sphere," equilibrium notion of justice,<sup>4</sup> and that, while ritually demarcated ren practice contributed to harmony and stability within clans, communities and courts; in the absence of a benign, overarching, centralized regime, ren practice was limited as a "first order virtue" and could not produce harmony among the clans, the courts, etc.<sup>5</sup> Briefly, first order virtues are those that arise in the context and interactions of closely related people, say, bound by family, school and/or community ties. They are mainly immanent, implicit and modulated by an evolving interpersonal sensitivity to the feelings and expectations of the others in the relationship.<sup>6</sup> Mozi's teaching of jianai, by contrast, seems to lean on a more active Golden Rule (GR), i.e., do unto others as you would have them do unto you" approach and to enjoin more outward looking "second order" expressions of mutual concern that would cross hierarchical levels and beehive clusters. Second order virtues are somewhat more abstract and explicit. They tend to be appealed to in interactions with outsiders of, say, one's family, school and community. They thus are transcendent and invoke extending sensitivity to the feelings and expectations of "others" outside one's usual networks of relationships. Their importance lay in occasioning the formation of understanding with "the other" and laying the foundation for the establishment of new forms of intercourse and relationship (and so new rites, li 禮) with the other.<sup>7</sup> We may observe that, in effect, IR involved a practical notion of justice as fairness and equity.<sup>8</sup>

Let us consider what Mozi's IR teaching did and did not mean. First, while jianai is usually translated as "universal love," this rendering changes the teaching into an impractical abstraction, obviously contrary to Mozi's intent. A.C. Graham showed that jianai was intended in a distributive sense, not in a collective sense, such that it enjoined one to show affection and concern "to each person" one encounters or deals with (or imagines) (Graham 1989 41).<sup>9</sup> Indeed, Mozi was a practical realist and largely a behaviorist regarding the self and human conduct, and thus he proffered teachings that people could assimilate and express directly in daily life, not lofty abstractions.<sup>10</sup>





Second, after arguing for IR, Mozi concluded (Adapted from Hsiao 1979 257f):

If everyone in the world had IR, and regarded others as oneself; would there be any unfilial person? If everyone regarded one's father, elder brother and emperor as oneself, whereto would anyone direct any unfilial feeling? ..... If everyone regarded other families as one's own family, who would they rob?..... If everyone in the world practiced IR, states would not attack each other, clans would not upset each other, thievery and robbery would cease, rulers and ministers, fathers and sons, would all be affectionate and filial; if all of this were to come to pass, the world would be in good order.

Mencius famously retorted that this view flattened out interpersonal relations in such a way as to deny the "one's father" (Mencius 3B/9), i.e., to deny the privileged, cardinal human relationships, such as ruler-minister, father-son, husband-wife, elder-younger brother, friend-friend, by equalizing them with other relations, even with strangers. He thus regarded Mozi's view as seriously flawed for being at odds with basic moral human predilections and familial responsibilities. In my view, Mencius was consciously distorting Mozi's view. Kung-ch'uan Hsiao shows that in other chapters, Mozi treats the Confucian relationships and concomitant ethical feelings and conduct as natural and as basic.<sup>11</sup> With IR, Mozi was recommending not that people treat everyone, including one's family, uniformly, but rather that people imagine the position and feelings of others in their settings--and pay them due regard and respect. His goal was to incline people to give others the benefit of the doubt, i.e., initially to feel affectionate toward others and treat them fairly. He was not at all advocating placing others on the same plane as one's own family members. When he said "regard the other's father as one's own father," he didn't mean to treat the stranger as if he were actually one's own father; he meant to respect that man as a father.<sup>12</sup> Importantly, Mozi's teaching laid the groundwork for the sort of fairness-minded moral disposition, attitude and reflection needed in the transition in Warring States China from primeval clan society to civil society wherein people should deal fairly with ever wider circles of others.<sup>13</sup>

Third, scholars debate whether Mozi supported IR primarily on religious or pragmatic grounds, because he argued both that 1) the Heavenly-ruler (tianzhu 天主) approved and supported IR and that 2) IR was conducive to social harmony and personal well-being. Ultimately, for Mozi, it was the practical effectiveness of the teaching that was the proof of the pudding. Its validity and truth followed from its positive impact. At the same time, Mozi felt that this teaching was inherently reasonable and had an intrinsic validity. His appeal to the support of the Heavenly-ruler reflected this attitude, and was intended to strengthen people's embrace of IR as a principle to which to commit oneself-- and to live by.<sup>14</sup> Mozi considered that if people were to take IR as their guiding principle, there would be fewer conflicts and assaults between states, feuds and thefts between clans, and hostility and discrimination among persons.<sup>15</sup>

## Problems and Challenges in an Age of Global Interconnectedness

Again, to summarize the key problems facing our age: while it is the case that, 1) the world is increasingly wired and interconnected and people are more aware of, even in touch with, diverse "others" around the world, 2) people, commodities, goods and media are exchanged globally to an unprecedented extent, and 3) economic activity is expanding on a global scale; nonetheless, 1) the main streams of cultural and economic influence continue to flow principally from the stronger to the weaker nations, 2) the stronger economies reap the lion's share of wealth while the weaker are struggling for a pittance, and 3) the world's natural resources are being squandered, the environment is being denuded and more and more species are being driven into extinction--with no good end in sight.

In the face of these problems and challenges, concerned scholars and activists make the case for, 1) infusing people's global connectedness and awareness with concern and empathy, 2) balancing flows of wealth

and cultural and material exchange, and 3) developing sustainable ways to make and exchange goods with significantly reduced environmental impact.<sup>16</sup> In fact, even though people are increasingly acquainted with these facts and concerns, at least "in principle"; little positive action is taken simply because the issues are so large and seemingly distant and, we might add, because people's feelings of good will are being sapped by inertia and lack of empathy, in part from being beholden to their electronic connections (Turkle 2011).<sup>17</sup> Scholars and concerned people have marshaled absolutely shocking facts of disparity of wealth distribution, devastation of the environment, etc.,<sup>18</sup> and prepared compelling theories and recipes for improvement and renewal-- which people acknowledge, in principle, as in the positive reception to Al Gore's documentary film *An Inconvenient Truth*. However, the positive concrete effects of these efforts have been miniscule and local compared to the exponentially growing, systemic socio-economic disparities and ecological-environmental destruction.<sup>19</sup>

## Mozi's Suggestions

What does Mozi bring to the table that is lacking in contemporary discussions? I contend there are several ways in which Mozi's teachings, led by IR, could energize our ethical political response to the problems of the age. First, our contemporary problems stem largely from our viewing ourselves, our lives through overly subjective, individualized lenses. Mozi's IR inclines us to break out of our self-centeredness and think positively of others. Second, Mozi's teaching of IR involves a powerful tool of moral fancy or imagination by which we imagine the situations that others are in and feel moved to ameliorate their situations, no matter in how small a way. Similarly, Marcuse writes of the motive power of fancy or imagination in envisioning better, i.e., more equitable and humanizing socio-economic arrangements. Third, Mozi's teaching of IR is not a dead, abstract truism, but is a principle of action which challenges us to widen our perspective on our experience and make it more inclusive, and which inclines us to be more considerate and thoughtful in our deliberate as well as responsive actions. In his latest book, *La Voie [The Way]* (2010), Edgar Morin views the problems of this age as dynamic and processional. Hence, their solution could not just be a matter of reshuffling materials and dollar bills; it would have to be much more a matter of adjusting the confluences of the flows of forces and materials in the global stream, which would involve, ultimately, changing our self-concepts, outlooks and patterns of behavior, in a word, by changing the current and flow of our "form of life."

More and more of us in today's world find ourselves becoming increasingly absorbed in an egocentric predicament, which is aided, abetted and enabled by contemporary cultures and lifestyles.<sup>20</sup> These sorts of lifestyle tend to be sedentary and support our inertia; moreover, recent studies confirm that the more we are wired and connected the less we are sensitive and empathetic to the people and creatures around us, as well as beyond our range of contacts. This situation can be remedied in principle because, as demonstrated in contemporary psychology and other fields, actual selfhood (or better "personal being") is not a given or a self-generating unity; rather, it is an evolving function of our familial and other interpersonal relationships. That is, we mature into and become the people we are, and go on to develop and change more through the mediation of our familial and other interpersonal relationships than through, say, any sort of ego-centric introspection or inner soul. Half the battle in getting people to become committed to ideas like IR would be to reawaken them to their basic existential relatedness and to think about the ethical ramifications.<sup>21</sup>

In this perspective, the genius of Chinese philosophy, starting with Confucius and continuing with Mozi and others, was to realize the relational, rather than individual, character of human beings and to develop concomitant ethics. In the words of contemporary psychologist, Kenneth Gergen, the word "self" is itself misleading, a misnomer; it would be more accurate to think of ourselves as holistic interactive "relational beings" than as simply relational selves (Gergen 2009). Very early, Confucius (551-479 B.C.E.) discussed



human beings as functions of interpersonal, especially familial, relationships, which ground and justify the ethical ways in which we ought to regard and interact with others. We are the selves/beings we are by virtue of our familial-personal-social-political relationships, in the absence of which we would become increasingly inchoate, meaningless; our ideals and sense of the persons we ought to strive to become are conditioned initially by such relationships (Thompson 2010). Even the early Confucian idea of introspection in isolation concerned not issues of the self so much as how faithfully one was living up to one's vital relationships. Consequently, for Confucius, self-cultivation involved other cultivation; self realization involved appreciating one's other relations, especially familial relations, etc.

As noted, Mozi saw this sort of personal familial ethical focus and orientation as natural and fitting but argued that, to make society more equitable, balanced and harmonious, people had to cast their nets of regard, concern and, ultimately, relationship even wider. Just as our sense of self takes shape in the nest of family relations, Mozi argued, we need to open our horizons to appreciate more fully that the others we encounter in life occupy similar nests and settings and have similar needs and concerns. We should give them the benefit of the doubt and initially treat them as we would like or expect to be treated, and eventually bring them into the network of our concern and care. Indeed, such extended relationships with "the others" in turn would expand and develop one's sense of self, of personal being. As Confucius told his disciple Yan Hui, the spirit of humaneness one expresses toward others will be returned in kind (Analects 12.1). And, as he told a disciple who had no living brothers, "How can you say you have no brothers. All men within the Four Seas are brothers" (Analects 12.5).<sup>22</sup>

Interestingly, Marcuse and Molin have inklings of this problem of individual self vs. relational self, and both mention à la Thoreau the usefulness of solitude, meditation, retreats into nature, etc., for unplugging the mind from the relentless assault of personal, social and media inputs in society to restore one's sense of roots and balance, perhaps leading as well to the reminder that we are all in this together.

Secondly, the idea of ethical fancy or imagination, one of Mozi's important though unsung contributions to ethical thought in traditional China. In arguing for IR, Mozi sought to persuade people to treat others in the IR spirit by posing hypothetical cases to cause them to think of other people, imaginatively, in their settings. This innovation in ethical reflection was probably a development of Confucius' idea of shu 恕 (empathy, empathetic understanding). Mozi's essays on IR include hypothetical cases that not only exercised his moral imagination but stirred that of his listeners, reciters and readers.<sup>23</sup>

Herbert Marcuse (1903-1979) asserts that this sort of moral imagination can be expressed as a sort of utopian impulse for change. This was surely the case with Mozi whose ten basic doctrines added up to a utopian vision for society, as Scott Lowe highlighted in the title of his book: *Mo Tzu's Religious Blueprint for a Chinese Utopia: The Will and the Way* (1992). Marcuse initially despaired at people's critical-moral inertia in contemporary, liberal consumer society, their seeming lack of moral imagination and their willingness to accept the status quo for better or for worse. Marcuse writes, for example:

*Technology serves to institute new, more effective, and more pleasant forms of social control and cohesion.... In the face of the totalitarian features of this society, the traditional notion of the "neutrality" of technology can no longer be maintained. Technology as such cannot be isolated from the use to which it is put; the technological society is a system of domination which operates already in the concept and construction of techniques.... As a technological universe, advanced industrial society is a political universe, the latest stage in the realization of a specific historical project - namely, the experience, transformation, and organization of nature as the mere stuff of domination.... As this project unfolds, it shapes the entire universe*

*of discourse and action, intellectual and material culture. In the medium of technology, culture, politics and the economy merge into an omnipresent system which swallows up or repulses all alternatives. The productivity and growth potential of this system stabilize the society and contain technological progress within the framework of domination. Technological rationality has become political rationality (Marcuse 1964 xvf).<sup>24</sup>*

Gradually, Marcuse noted that although people languish in their isolated subjectivism in techno-consumer society from the saturation of the media with consumerist promotions, once they wake up and begin to think critically they have the impulse to negate the entire situation. (Indeed, I have heard several people say, for instance, that they had realized their 100 cable TV channels were all trash and thrown out their televisions in disgust!) He found that, while people might be lacking ideas of immediate alternatives, as a matter of fact human consciousness is armed with fancy, with imagination, that endows people with the capacity to imagine alternatives, just as artists paint pictures and writers tell tales of such alternatives. Moreover, the spectrum of human cultures in the world abounds with examples of alternative ways of being, living and doing. When people feel strongly that things just are not right and start to share imagined visions of alternatives, they begin to work for meaningful change.<sup>25</sup> Marcuse describes his understanding of imagination or fancy:

*As a fundamental, independent mental process, fantasy has a truth value of its own, which corresponds to an experience of its own—namely, the surmounting of the antagonistic human reality. Imagination envisions the reconciliation of the individual with the whole, of desire with realization, of happiness with reason. While this harmony has been removed into utopia by the established reality principle, fantasy insists that it must and can become real, that behind the illusion lies knowledge (Marcuse 1955 143).<sup>26</sup>*

Lest there be doubts as to the viability of human fancy and moral imagination and the utopian bent, Feenberg and Leiss pose Marcusean, Mozian questions for so-called realists who insist on the viability of the status quo (2007, xlf):

1. Is it really possible to imagine extending the consumer paradise to everyone on the globe? All six or eight billion? Who will then cut and sew and stitch and label the brand-name goods for these happy consumers? Who will clean and wash and cook and garden, who will man the guard posts at the entrances to their gated communities, who will fight their wars for them? Can one really believe that serried ranks of clever automated machines, toiling endlessly without protest in sterile unlit underground factories, caring for themselves without human intervention, will do it all?
2. If not this scenario, then what? Will the great inequalities in the world's distribution of wealth both within and among nations, continue indefinitely? Will the overwhelming majority of the poor and downtrodden just have to settle for the crumbs from the table, as they do now? Perhaps these inequalities will even widen rather than narrow, so that should any future redistribution occur, it will proceed from the poor to the wealthy, as has been happening within the United States, the richest of the rich, for the past quarter-century. But is it likely that, as the numbers of the less privileged grow, they will remain docile, taking the advice of their preachers to wait until the hereafter for a better deal? And is it acceptable to enlarge the proportion of the citizenry who are incarcerated in high-security prisons for most of their natural lives in order to protect the rights of the privileged?
3. If the first scenario is unlikely or improbable, and the second is immoral and deeply disgraceful, then what does the future itself hold?



Certainly, these questions can be construed as “words to the wise,” to be considered seriously by world leaders and people of all walks of life. Are the ongoing popular uprisings in North Africa and along the Persian Gulf omens of wider uprisings to come, especially in the wake of coming financial storms, inflation, climate change, environmental disruption, etc.? Presciently, Marcuse wrote back in 1964 (260f):

*But the struggle for the solution has outgrown the traditional forms. The totalitarian tendencies of the one-dimensional society render the traditional ways and means of protest ineffective – perhaps even dangerous because they preserve the illusion of popular sovereignty. This illusion contains some truth: “the people,” previously the ferment of social change, have “moved up” to become the ferment of social cohesion. Here rather than in the redistribution of wealth and equalization of classes is the new stratification characteristic of advanced industrial society...*

*However, underneath the conservative popular base is the substratum of the outcasts and outsiders, the exploited and persecuted of other races and other colors, the unemployed and the unemployable. They exist outside the democratic process; their life is the most immediate and has the most real need for ending intolerable conditions and institutions. Thus their opposition is revolutionary even if their consciousness is not. Their opposition hits the system from without and is therefore not deflected by the system; it is an elementary force which violates the rules of the game and, in doing so, reveals it as a rigged game. When they get together and go out into the streets, without arms, without protection, in order to ask for the most primitive civil rights, they know that they face dogs, stones, and bombs, jail, concentration camps, even death...*

*The critical theory of society possesses no concepts which could bridge the gap between the present and its future; holding no promise and showing no success, it remains negative. Thus it wants to remain loyal to those who, without hope, have given and give their life to the Great Refusal.*

At the beginning of the fascist era, Walter Benjamin wrote:

*Nur um der Hoffnungslosen willen ist uns die Hoffnung gegeben.*

It is only for the sake of those without hope that hope is given to us.

And so, there is a definite need to keep alive the spark of moral imagination and the inspiration of utopia after all. Their function for us today is primarily negative: to undermine the complacency of that which makes the intolerable tolerable.

Third, the practicality of Mozi’s teaching of IR in the flow of a processional world. Mozi was schooled in Confucianism and, like the Confucians and Daoists, his teachings were calibrated not to operate as abstract, transcendent Western style rules or laws but as practical, to adjust people’s attitudes and outlooks so as to render their intercourse as more balanced and ultimately harmonious. In his view, the fruits of people interacting with the spirit and outlook of IR would not just be balanced, harmonious communities and intercommunity relations but would eventually induce increased exchanges and sharing of the necessities and goods of life, leading to a more equitable distribution of material goods and life opportunities. His teaching would lay the true groundwork for Confucius’ principle of “no class distinction in instruction” to be writ large.

The recent thought of Edgar Morin stresses the ebbs and flows of our processional world, and propounds teachings that incline people to think and act in ways that nudge those ebbs and flows in ways that are more socio-economically equitable and eco-environmentally sustainable.<sup>27</sup> In a multifaceted analysis he summarizes that, "The spaceship Earth is being propelled by four uncontrollable engines – science, technology, economy, profit – toward a series of probable chain reactions" (Litchfield 2011, 12). The problem is that we tend to view the crises that these forces propagate in society, politics, environment, climate, etc., individually or in pairs when in fact they are meshed at deeper levels and together could yield even more multifaceted problems. We must, he insists, resort to "complex thinking" and refuse to accept the simple, binary oppositions that dominate headlines and politics (Litchfield 2011, 13). Under a banner reminiscent of IR, Morin argues for strengthening global bodies to address global concerns: climate change, financial markets, national identities and local traditions, bad (vs. good) growth, education for life understanding. People need to rethink the globalization approach to Third World development and be increasingly respectful of and sensitive to "local patterns of society and economy, especially local patterns of farming." The seemingly "small acts of resistance, rebellion and creativity" have a positive cumulative effect (Litchfield 2011, 13). Our conditions, our lives, our outlooks, are constantly evolving and metamorphosing. The outcomes are not predetermined but depend on people's collective clarity of vision and goodness of heart. Mozi gave very similar sorts of rationale in essaying and working strenuously against fatalism, offensive warfare, extravagant ceremonies, music and funerals, and for impartial regard, utility, thrift, advancing the worthy, and cooperation. We might view the web of problems plaguing the Warring States period as a microcosm and in some sense a preview of the web of problems plaguing the interconnected macro world today.

## **The Win-Win Effect of the IR Approach**

Implicit in the preceding is the contention that were people generally to treat each other and interact with the spirit and disposition of IR, not only would communities and societies be more peaceful and harmonious, there would be more equity in prosperity and in educational and economic opportunity. People would conduct their lives more in the spirit of enriching human intercourse, in the course of which shared prosperity would emerge as a natural course.<sup>28</sup> Unfortunately, given the sort of "common sense" views about life and economy propagated in contemporary society, even in schools, our initial impulse might be to discount this sort of thinking tout court.

Empirical studies demonstrate time and again, however, that human life in relatively equitable societies in which resources are shared, people cooperate and everyone has educational and economic opportunities are generally more harmonious and prosperous than societies with great disparities in wealth and opportunity. Moreover, in more equitable societies, people tend to be healthier in mind and body, more well-adjusted, and happier and more creative in their lives. Needless to say, there is also less alienation and human relations are more steady and supportive in such societies. Wilkerson and Pickett have effectively summed up a vast range of empirical research on the social, psychological and mental health impacts of equity and disparity in wealth and opportunity under the headings of "Material Wealth, Social Failure," "The Costs of Inequality," and "A Better Society" (Wilkinson and Pickett 2009, 2010). The vast majority of empirical studies confirm the viability of Mozi's thinking and expectations on these sorts of issues.

## **From Impartial Regard to Mutual Recognition**

IR as presented above plays the preliminary role of guiding people's initial attitude toward the other, before they have established mutual recognition or any sort of relationship. In that sense, it remains at the abstract, transcendent level of a second order ethical teaching. Fundamentally, we as well as Mozi in antiquity would



wish that IR had further implications to yield the further positive effects discussed above. Inasmuch as Mozi's introduction of IR coincided with a shift from communal, clan society to civil society, the purpose of IR was to lay the groundwork for people, say, to give the other the benefit of the doubt, to have the understanding that the other is basically similar to oneself, with similar predilections, relationships, concerns, etc. The next problem becomes what to say and do after saying "Hello." This initial positive attitude and attempt at mutual understanding could issue in a new relationship with the other. Such a new relationship with the other, whether as individual, as group, as from another place, could develop in terms of what each side is perceived to offer the other, sees of interest in the other, wishes to share with the other, etc. As the relationship develops along whatever lines—economic, cultural, social, religious—IR could evolve into what Hegel and the later Sartre called "mutual recognition" (Collins 1995; Pincard 1994,1996; Heter 2006). For Hegel, mutual recognition would mean, while engaging the other, to treat him or her as worthy of regard, such that he or she and his or her family, property, needs, interests, concern and so forth are recognized and respected. (With this sort of concept, Hegel sought to bring the spirit of Kant's categorical ethics closer to real life in civil society.) For Sartre, mutual recognition meant additionally, while engaging the other, to treat him or her as worthy of regard in the sense that his or her definitive life pursuits and projects are recognized. Conversely, disparities in wealth and opportunity and related problems spring mostly from the lack of mutual regard, not to mention mutual respect, being extended to some segments of society.

## Conclusion

Could Mozi's teaching of jianai 兼愛 (impartial regard) be enlisted to play a role in dealing with the crucial problems facing humankind in an age of global interdependence? If, for the purposes of argument, we summarized the main problems of our age as rooted in 1) the asymmetries of wealth and resources underlying globalization, 2) the incessant flow of wealth to the rich and 3) the accelerating environmental devastation, it does appear that if people were increasingly to adopt Mozi's teaching of IR, i.e., to appropriately modify their sense of self and the ways in which they view things and conduct their lives, there would be a snowball effect and these sorts of problems would be ameliorated over time.

We identified three ways in which Mozi's teaching of IR could energize our ethical response to the problems of the age. First, inasmuch as our predicaments stem in large part from our viewing ourselves, our lives through overly subjective, individualized lenses, inculcation of IR could provoke breakthroughs from such ingrained commitment to individualized selfhood to induce more sustainable forms of life. Second, Mozi's teaching of IR involves a human faculty of moral fancy or imagination by which we imagine the situations that others are in and feel moved to help them. This sort of sensitivity could be a powerful force, particularly if it were to be inculcated from childhood and youth. Along the similar lines, Marcuse writes of not only the potential moral effect but the utopian questioning of fancy or imagination; indeed, why do we not establish more equitable socio-economic arrangements? Third, Mozi propounded IR not as a dead, abstract truism but as a dynamic principle of action which challenges people to 1) adjust their perspective on their experience to be more inclusive and empathetic and 2) express their new sensitivity in considerate action. As Molin suggests, the propagation of this sort of perspective, attitude and sensitivity could alter the ways in which we act as confluences in the flow of nature, so as to nudge the currents of life in greener, more sustainable directions. Wilkinson and Pickett (2009, 2010) provide empirical and statistical data that strongly support the viability and effectiveness of such "utopian" thinking.

## NOTES

- 1 Confucius' teaching of ren incorporated several connected senses. The stress here is on the emotive sense, i.e., the *ren* intentionality of responsive affection and concern for others, which Mozi sought to broaden and build upon. On Confucius' innovative teaching of *ren*, see D.C. Lau (1979, 14-22) and Ames (1998, 48-51).
- 2 Scholars also speculate that Mozi was from the artisan class. However, his evident erudition and logical acumen suggest to me that he was of the knight-scholar class. In those times, no artisan would have had the chance to acquire that degree of literacy. At the same time, Mozi's observations of the iniquities and unfairness in human society inclined him to extend the affection of regard and concern to everyone in society as a way to leverage, and eventually improve upon, the standing of the lower strata. Mozi was not alone in this concern for the whole society. The school of tillers (Nongjia 農家) was genuinely egalitarian. More than Mozi, they encouraged a non-hierarchical, holistic society with leaders working side by side with the people (*Mencius* 3A/3-4; Graham 1989, 70ff).
- 3 Some of Confucius' followers circumscribed the expression of ren by the strictures of *li* 禮 (rites). Confucius had it the other way: "What does the person who is lacking in ren have to do with the rites and music? (*Analects* 3.3)?"
- 4 I don't think that this was Confucius' intention. He wanted people to be outgoing and yet sensitive in their interpersonal relationships; his SR was intended to remind his followers to consider how their conduct would look/feel to the other person so as to be more sensitive to their feelings. However, the wording of SR could incline some less outgoing people to continue with their less attentive stance toward outsiders.
- 5 Certainly, Confucius sought to lay the conditions for mutual concern and harmony within the empire, but his teaching overly stressed vertical cardinal family and ruler-minister relations and tended to gloss over the broader horizontal ideals. Only the friend-friend relationship was horizontal, but even there the elder friend had an edge like an elder brother or sister.
- 6 On the crucial notions of first order and second order morality, see Gergen (2009, 357-364).
- 7 Graham (1989) does not grasp that these two distinct ethical orders reflect two distinct settings or contexts of human existence, and simplistically charges that Mozi's position was based on "two [incompatible] roots" (43). If existence were only that simple! As Sartre shows in *Existentialism as a Humanism* (1947, 2007), at every turn in life, we encounter ethical conflicts and choices, and gives an example that is reminiscent of the conflicting demands of these first and second orders: during the Nazi occupation, a young Frenchman has to choose between protecting his elderly mother (filial piety) and joining the French underground (state loyalty). Though Mozi did not mention it, each order, each ethical stance, provides what Edmund Pincoffs (1989) calls a "moral consideration." In life we are constantly pressed to consider which ethical consideration, which stance, to adopt in responding to each specific situation. *What looked like inconsistent principles from an artificial theoretical perspective turn out to be viable alternative options in the laboratory of life conduct.*
- 8 It appears safe to say that second order ethics would also be appealed to in cases of serious wrongs by closely related people, since the first order ethics would not have the required objectivity, rationality or sanctions to handle the case justly. That was perhaps why Confucian rites had to be augmented by Legalist laws in traditional China.
- 9 Graham shows that "*jian*" signifies "for each" rather than "for all" (1989, 41). Also, Mozi's essays on *jianai* are brimming with hypothetical cases, which exemplify his applications of moral imagination.
- 10 This shows that David Wong's criticism of Mozi that "love does not first begin universally and then move toward particularity" misses the mark; Mozi believed, in agreement with Wong's view, that "love begins with *particularity*" in the beginning (Liu 2006, 113). IR is a higher order extension.
- 11 On closer inspection, Mozi's view was premised practically on the extension of feelings formed in the nexus of one's basic human relationships, and was quite close to Mencius' view of extended love. Only their rhetorical stresses and registers were different. Hsiao astutely points out that Mencius was so sharply critical of Mozi's view precisely because it was so similar to, rather than different from, his own Confucian view (Hsiao 1983, 231).
- 12 I sometimes hear this sort of ethical reflection in local Taiwanese society. For example, if a bus driver were to speak rudely and impatiently to an unsteady, hesitant elderly passenger, people would say to him, "How would you feel if it was your own parent who was being treated in that way?" While the driver might initially feel justified in disparaging the senior passenger for delaying his route, the Mozian reminder would have emotive-ethical purchase in Taiwanese society for humanizing even an "old eccentric" by establishing the familial comparison and regard.





- 13 Mozi saw that each state had its own socio-political order and would be prepared to accept his teachings only to a certain extent. Thus, he adapted his views to fit the real situation in each state to accomplish what good he could without undo resistance. At the same time, Mohist groups themselves were highly regimented and tightly controlled (Lowe 1992, 37-40).
- 14 Mozi's IR is a strongly humanistic principle. Some scholars regard other facets of Mozi's thought as undermining or proving false this humanistic bent. For example, he proposes that the ruler be extremely strict and authoritarian and that people on lower echelons must follow directives from above scrupulously. My take on this is that in Mozi's day there was no such thing as a fair, objective legal code, so he imagined that rightly trained leaders would have to set and strictly enforce the conditions for popular observance of IR and fair play among the residents of the community or state. He did not envision anything like the sort of "thought control" that some contemporary scholars attribute to his view. This interpretation springs from faulty comparisons with Western examples and simply uncharitable readings. Indeed, such readings are typical examples of groundless anachronistic judgment. Mozi was postulating something more like a mechanism for setting and refereeing the ground rules of a fair society. At that stage of history in China, he had no reason to believe that any system of law could in itself play the positive sort of role we now expect law systems to play in modern societies.
- 15 He taught ten basic propositions to these ends; however, IR was the fundamental one. During the Warring States period, Mozi brought teams of followers to advise rulers on ways to improve their communities within and relations without, stressing the art of defensive warfare. The *Mencius* (3B/9) affirms that the Mohists were a widespread and influential movement at the time. They were gradually squeezed out during the late Warring States period when the Machiavellian teachings of the Legalists better fit the ambitions of the rulers and the temper of the times. The Mohists' logical and proto-scientific work appears to have survived the Qin book burning, but from Han Emperor Wu's adoption of Confucianism as state orthodoxy, Mohism was mostly snuffed out as a going concern. Moreover, although a critical edition of the Mozi was established by Sun Yirang during the late Qing dynasty, the text was generally neglected in China until the early twentieth century.
- 16 For excellent examples, see Beresford-Kroeger (2010), Sen (2009), Cohen (2008), Mason (2006), Nielsen (2003) and Young (2011).
- 17 Moreover, even the saintly become overwhelmed and desensitized by the relentless calls for aid from an ever growing number of victims of draught, famine and war.
- 18 The wealth disparity in the US itself is shocking, and the media do not tend to report it because it would cause political shockwaves (Keister 2000). Fortunately, people are increasingly aware not only of the wealth disparity but of a tax code that has minimum wage earners at McDonald's paying higher tax rates than billionaires.
- 19 Similarly, in a recent television interview, Robert Redford despaired of raising the public consciousness through film. The problem is partly the apathy of people simply interested in being entertained and partly the control and grubby manipulation of so much print, broadcast and internet media by reactionary owners and managers. They simply drown out contrary voices or try to make them sound eccentric and strange.
- 20 I present this as a truism of general culture, knowing that many present at this conference today are relatively "aware," carbon wise and thus light-footed. See the writings of Sherry Turkle (2011) and Sven Burkerts (1990).
- 21 Vested interests who lead our consumerist world stress a fake sort of individualism so that people think it is unnatural and imprudent to be thoughtful of others. Indeed, some scholars in economics, business and politics peddle an essentially contradictory "ethic" of self-interest. The hidden motivation behind it is that if self-interest and selfishness are presented as somehow moral and as the human norm, more and more people will be persuaded to fight for, say, low taxes that in turn benefit only the mega-wealthy, those who actually owe the most to society and should bankroll social welfare and the so-called social entitlements.
- 22 Men and brothers imply ladies and sisters, as well. This assertion may have inspired Mozi to come up with the idea of *jianai* 兼愛 (impartial regard).
- 23 I mention listeners and reciters because features of the *Mozi* text, such as its grammatical clarity and repetitions, suggest that it was a text to be recited, probably in groups, so as to better inculcate the teachings and the reasoning supporting them.
- 24 See also Feenberg and Liess (2007, xxxiiif).

- 25 Consider the growing global public response to the dangers of nuclear energy caused by Japan's nuclear disaster. Consider also the popular uprisings in North Africa and the Arabian Peninsula.
- 26 See Feenberg and Leiss (2007, xxviii). Mozi can be said to have been stirred and inspired by this sort of mental process and feeling. He exhibited heroic dedication and worked to realize his utopian blueprint to his last breath.
- 27 Molin is known in France as the apostle of the politics of civilization and complex thought.
- 28 Earlier scholars investigated the economic implications of Mozi's thought. For example, Mei (1934,1973, 128-144) and Tseu (1965, 219-348).

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### **BASIC NEEDS OF HUMAN BEINGS AS THE PURPOSES AND FOUNDATIONS FOR THE EXISTENCE OF GOVERNING INSTITUTIONS AND THE ADVANCEMENT OF SCIENCE AND TECHNOLOGY**

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#### **ABSTRACT**

*This paper summarizes the most recent advancement of space technologies and its impacts to our social-economic management systems based on the needs of energies by all human beings for survival. The paper contains two subsections as a part for the solution of the educational and social-economic problems.*

*The one with education is entitled " EVIDENCES OF IMPACTS AND RESISTANCES TO IMPLEMENT A CONTROVERSIAL, SCIENTIFIC PROBLEM IN CURRICULUM DEVELOPMENT " and the other is entitled " FORMULATION OF THE PHYSICAL ECONOMIC THEORY AND ITS APPLICATION IN COST AND PRICE ANALYSIS FOR CONTRACT ADMINISTRATION ORGANIZATIONS "*

#### **INTRODUCTION**

The basic nature of creatures is to survive in any suitable environment with freedom. Human being, as one of the creatures, has desires in at least three aspects: (1) materials needs for survival, (2) spiritual needs for thinking and the control of behaviors, (3) improvement and upgrading the levels of both material and spiritual needs for better quality, more quantity and time efficiency. The material needs include foods, shelters, vehicles for transportation, useful tools and appliances. All of which can be regarded as taking-in, conserving , transforming and using of energies according to the Law of Conservation of matter and energy of Thermodynamics. The spiritual needs had been well developed through the ancient times up to the present and become the religions in our present society. The improvement and the up-grading of these needs can be obtained by contributing each human being's work via his knowledge or skill through education, training and experiences. Human being having been fulfilled with all what he needs will live



happily until the end of his biological life span in the suitable environment. The environment in which he lives will be peaceful without any disturbances and violence.

Conflicts start when groups of human beings compete for the same basic needs in the same environment which is defined here in general as, an organization, an institution, a town, a city, a state and the world. Historically these conflicts gave rise to (1) the governing institutions to solve and to manage the conflicts among individuals, families, tribes, counties, states and countries in the world; (2) sciences and technologies to improve and to provide the material or energy needs with quality, quantity, low cost and time efficiency. Chaotic situations occur everywhere when the governing institutions fail to manage their group of people properly and abuse the products derived from the advancement of science and technology. The ill management of governing and political institutions and the abuse of the technological forces will not only disturb the peace in the environment but also destroy it if these combined forces are periodically excited and applied to the environment by some ambitious and uncontrolled people with desires beyond the needs of normal human beings.

The basic value of the problem is how to seek for and to provide concrete solutions of the problem by means of the scientific and technological forces together with the sensible and justified management by the governing and political institutions to shape our world such that each human being's basic needs and desires can be fulfilled.

It is suggested that the problem can be solved by providing the opportunity for each individual: (1) to be educated with the most updated knowledge and skills to survive, (2) to be given the freedom to adapt and to live in a suitable environment with a career of his or her own interest and choice, (3) to select, with his or her own right, the officials to serve the governing institutions, (4) to provide inputs to the governing and political institutions for a sound social-economic management system, (5) to request the governing and political institutions of local, state, national and international levels to communicate effectively with one another and seek for the best solutions of the problems to fulfill the basic needs of all human beings in the world.

#### **EVIDENCES OF IMPACTS AND RESISTANCES TO IMPLEMENT A CONTROVERSIAL, SCIENTIFIC PROBLEM IN CURRICULUM DEVELOPMENT**

The evidences are clearly described in two U.S. Basic Patents Number 5,084,232 (Jan. 28, 1992 by Wong) and Number 5,848,377 (Dec. 8, 1998 by Wong). The evidences are further being confirmed by a sequential of papers recently presented and published at the 51<sup>st</sup>. International Astronautical Congress / 2-6 Oct. 2000/Rio de Janeiro, Brazil and at the SSI/Princeton Conference on Space Manufacturing/ May 7-9, 2001/ Princeton, NJ. USA. These evidences lead to the open CHALLENGES AND CONCLUSIONS from the IAF-00-J.1.10 and IAF-00-S.6.03 papers with a formal documentation presented at the SSI/Princeton Conference. They were so written to provide an offer worldwide to all IAF Members and the general publics for the benefits of all people in the world and that they are reiterated again in the followings:

- (1) The calculation of collision cross-sections in particle physics based on utilization of Geometric Solid Angle and that the results have been published in all physics journals for many decades in the past must be re-examined again in comparison with that by utilization of the Trajectory Solid Angle (TSA).
- (2) A new Hydrogen Model is proposed by substituting the trajectory equations of the complete Two-Body solution by Max Born into the definition of Trajectory Solid Angle (TSA).
- (3) The Wong's Angles (WA) provides a precise method to measure and determine the real trajectories of objects under the actions of many-force fields and to guide the using of appropriate instruments for measurements in experiments. Putting both the (TSA) and the (WA) together, it will provide a complete solution of many fundamental problems in physics and astronomy.
- (4) The Wong's Angles (WA) provide a unique and precise method to design the Digital Sensing processor (DSP) which is directly used in all instruments or to be integrated into the Central Processor Unit (CPU) in all calculators and computers attached to regulate and control all scientific instruments including but not limiting to: Digital Cameras; Digital Telescopes; Digital Microscopes; Digital Theodolites; High Definition TV; CAD-CAM System Design in Mechanical Engineering; Surveying System Design in Civil and Architectural Engineering; Aircraft and Airport Landing System Design and all other relevant instruments for measuring; tracking and controlling of objects.
- (5) Fundamental problems that must be solved for all INF Members in various countries that participate to build the International Space Station (ISS) and the ground stations to sense; to track; to measure; and to control the ISS from the ground stations are described in the followings:
- (6) Students and Faculty Member of IAF at 51<sup>st</sup> Congress Outreach Programs are given theodolites and rulers at the Rio de Janeiro International Airport which is considered to be closed at the sea level. They are asked to set up both instruments in any way that they want in the Airport such that they can obtain data in the Airport to measure the distance between the highest point M of Monumento Do Cristo Redentor and the highest point P of Pao De Acucar. That is to find the segment  $MP =$  a function of all

- measurable data by means of the rulers and the theodolites at the Rio de Janeiro International Airport. A precise mathematical algorithm should be obtained to calculate the distance of MP and the true altitudes of point M and point P above the sea level.
- (7) Boston, Massachusetts, U.S.A., is a city of many cultures with more than 65 universities and colleges in the metropolitan areas. One of the fascinated scene in the sky of the city often can be seen by our naked eyes on the ground is the high flying B52 with long trails of exhausted gases visible in the sky. Can we write a precise mathematical algorithm to track the high flying B52 in term of the data that we can measure on the ground by means of the rulers and the theodolites? What kind of parameters that we should measure on the ground in order to know the instantaneous velocities and accelerations of the B52?
  - (8) CHALLENGES Number (5), (6) and (7) can be easily answered if we know: (A) How many ground stations are needed uniquely to determine the exact location of a point in a three dimensional space? (B) How many minimum non-coplanar points in a three dimensional space are needed to form a solid? (C) Since most of the objects including but not limiting to ISS; Airplanes; Cars; Ships; Buildings; Mechanical Parts in CAD and CAM design drawings; etc. are three dimensional solid objects; (D) Therefore, from both (B) and (C) we should know how to control the complete motions of three dimensional objects.
  - (9) Based on conclusion (8), the Twin-telescopes, one built by NASA in Arizona and the other one built by NSF in Chile, can not be used to make a precise measurement of three dimensional objects including but not limiting to other planets in our solar system. We actually need three identical telescopes built on earth to observe the object and record the data at the same time in order to be able to measure, to track and to control the object precisely. Similarly, we need three identical Hubble Space Telescopes far apart in the same order of magnitude of the distances among them such that they can be used to observe in order to obtain the reliable data of an observed object in billions of light years away.
  - (10) The (WA) patent can be applied for observation of both macroscopic objects and microscopic objects. It can be used outside of the ISS in the ground stations to sense, to measure, to track and to control the ISS. Within the ISS, it can also be used to observe and measure the growth of many objects including but not limiting to crystals; pharmaceutical products; biological tissues under the condition of micro-gravity inside the ISS.
  - (11) The paper IAF-00-S.6.03 provides the basic concepts to design a portable propulsion system by combining an ion generator and a ion accelerator together as an engine for space vehicles to explore the deep space as well as for building a launching system externally for shooting objects like small satellites and /or other space vehicles into a desirable orbit. It is also conceivable that the paper was originally written to build a heavy ion gun to substitute the ABM missiles.
  - (12) The CHALLENGES and stated CONCLUSIONS having been presented and published from IAF-00-J.1.10 and IAF-00-S.6.03 papers at 51<sup>st</sup>. International Astronautical Congress are still considered as proprietary information solely proposed by the authors since they have not been supported and funded by any private, public, industrial organizations nor by any governmental agencies of all countries in the world. These proprietary concepts, being generated from the (TSA) and the (WA) Patents, conceive possible great impacts to the world social-economic systems followed by their impacts in the field of physics and astronomy and high technologies. The patents and proposals listed in both papers had been submitted to various governmental agencies for supports without success and that they have also been submitted to various IAF Members in the world to assess their truth on the possible impacts. Neither IAF Members of various governmental agencies of all levels nor their employees, nor any of their contractors, subcontractors, or their employees, makes any warranty, expressed or implied, or assume any legal liability or responsibility for the accuracy, completeness or usefulness of any information, or represents that its use would not infringe privately own rights.
  - (13) The Wong's Angles (WA) patent covers the contents of an AIAA-96-1047-CP paper entitled " Numerical Data for Satellite Altitude Control by Means of Wong's Angles " The paper was presented and published in the 16<sup>th</sup> International Communications Satellite Systems Conference, February 25-29, 1996/Washington, D.C. U.S.A. The paper was the first one to have shown how to obtain the true altitude of a satellite by means of the Wong's Angles (WA) which are measured from the ground Stations in Houston, Boston and Seattle respectively. NASA MSFC may have used the methods having been shown both in the Wong's Angles (WA) Patent and the AIAA-96-1047-CP paper in order to provide the tracking information about the current International Space Station (ISS) and the Hubble Space Telescope. These tracking information can be obtained from the following two websites <http://liftoff.msfc.nasa.gov/temp/StationLoc.html> and <http://liftoff.msfc.nasa.gov/temp/HubbleLoc.html>

#### **FORMULATION OF THE PHYSICAL ECONOMIC THEORY AND ITS APPLICATION IN COST AND PRICE ANALYSIS FOR CONTRACT ADMINISTRATION ORGANIZATIONS**

A report, entitled " ENGINEERING COMPARISON OF ANALYSES OF PLASTIC DEFORMATIONS OF A THREE BAR FRAME "was produced by the author for the U. S. Department of Transportation, Transportation Systems Center (TSC) in Cambridge, Massachusetts under the order of TS-15054 in May 1978. The report was a test case of the SYSTEMS RESEARCH COMPANY'S (SRC) unsolicited proposal submitted previously to the Transportation Systems Center. This proposal, entitled " ON THE CLOSED FORM ANANLYTICAL SOLUTION FOR A SYSTEM OF INDETERMINANT SRUCTURES "was authored and submitted to (TSC) for support.



The report was also presented as a paper in the 8<sup>th</sup> U.S. National Congress of Applied Mechanics, June 26-30, at UCLA, Los Angeles, California. Later, the physical economic model in the TS-15054 report was used to respond the solicitation RFP No. F19628-78-R-0225 December 21, 1978 entitled "IMAPCTS ANALYSIS AND SYSTEMS INTEGRATION STUDIES AND ANALYSES FOR THE AIR FORCE JINTACCS PROGRAM OFFICE". The Proposal was submitted to:

Electronics Systems Division (PKR)  
Surveillance Criticality Designator  
Air Force Systems Command, USAF,  
Hanscom AFB, MA 01731

The physical economic model was continuously developed by (SRC) since 1978 when it was first initiated in the TS-15054 report. The learning power curve approach was also developed independently by the author then and that it was also proposed to the Boston Public Schools to help the school system to solve problems in budget management, review and evaluation based on input and output of work by teachers, administrators, as well as units and groups.

The basic concepts of the physical model can be summarized in the followings:

- (1) The SRC's physical economic model is defined as an economic model according the natural law of physics. "Physical" does not mean "bodily physical". Thus a "physically handicapped" person can also perform "work" by means of his knowledge. The term "work" or the "job" is very general. It represents "labor work" which means bodily physical skills and "non-labor work" which means knowledge of a person.
- (2) Denoting M as mass, L as length and T as time which are the three fundamental dimensions of all physical quantities, the dimension of work W can be expressed as  $M L^2 T^{-2}$  and the dimension of power can be expressed as  $M L^2 T^{-3}$ .
- (3) A person, a horse, a machine, an organization or a school system can be considered having the powers to perform one or more than one kind of work. The time rate of work is defined as the power. That is,  $P = dW/dt$  or  $W = \int P dt$ . The power of a person doing a certain kind of work is in general a function of time. If the power is constant without variation of time, it can be called uniform power. Under this circumstance, his work performance is linearly proportional to the time. The person with higher power constants (more basic skills, knowledge, experiences etc.) will produce more work for the same amount of time.
- (4) A person, ... a school system has different power functions in different kind of work. A high power administrator may not be a good teacher in mathematics; a good English teacher may not be a good science teacher. The differences can be specifically measured from the power constants (education backgrounds, accomplishments, knowledge, learning power etc.) based on the input and output of work performed in a given period of time.
- (5) It is important for each one of us to recognize and differentiate the power of a public position and his personal power. The former is given by others to carry out a mission (work) of vital interest to the public while the latter is the intrinsic qualifications (educational background, accomplishments, knowledge, experiences etc.) of the person. In order to achieve the mission effectively, these two powers must be closely matched. It will be considered a waste of human resources and ill-management for an organization not knowing of what, why and how to fully utilize by matching the positions opened for the appropriate applicants from out side of the organization and other human resource within the organization.
- (6) Work done is related to budget and payment. Power is related to the pay rate for a specific kind of work to be performed.
- (7) The applications of the physical economic model can be illustrated by the following two examples: First Example: Persons A, B, C, each one can do a certain work of 100% correct at a uniform power of  $P_a$ , in time  $T_a$  for A;  $P_b$  in time  $T_b$  for B;  $P_c$  in time  $T_c$  for C. If they are assigned and combined to do the same work and that they are provided with a budget of \$M, how soon will they be able to finish the work and how the budget \$M is to be distributed among A,B,C? From the given conditions and the definitions of work and power, the problem can be easily solved:

The time required to finish the work together is

$$T = 1 / (1/T_a + 1/T_b + 1/T_c)$$

A should get \$M \* (T/T<sub>a</sub>)

B should get \$M \* (T/T<sub>b</sub>)

C should get \$M \* (T/T<sub>c</sub>)

Second example:  $P_a = a + (ma)t$ ,  $P_b = b + (mb)t$   $P_c = c + (mc)t$

The time required to finish the work W together is  $t = T$ .

$$T = (a+b+c)((1+2(ma+mb+mc)W/(a+b+c)^2)^{.5}-1)/(ma+mb+mc)$$

A should get \$M(aT + maT<sup>2</sup>/2)/W

B should get \$M(bT + mbT<sup>2</sup>/2)/W

C should get \$M(cT + mcT<sup>2</sup>/2)/W

Where  $a, b, c$  are the uniform intrinsic power of  $A, B, C$  ( educational training, experiences, previous accomplishments, knowledge, skills etc.) before starting the work;  $ma, mb, mc$ , are the time rate of learning powers at any time after starting the work.

The time  $T$  can be approximately estimated in two particular conditions:

For short time work  $T = T_s$

$T_s = W/(a+b+c)$  if  $(a+b+c)^2/2(ma+mb+mc)$  is much greater than  $W$ .

For long time work  $T = T_l$

$T_l = 2W/(ma+mb+mc)$  if  $(a+b+c)^2/2(ma+mb+mc)$  is much less than  $W$

These two particular mathematical expressions provide interpretations that it is more effective to use human resource with high values of  $a, b, c$  to solve short-time-work problems and to use human resource with high values of  $ma, mb, mc$  to solve long-time-work problems. The best choices are to select the human resource with high intrinsic powers and high rate of learning powers. They are effective both for short term and long term work.

(8) The power functions in the second example of (7) are theoretical. However, the functions can also be derived from experiments or from previous records of  $A, B, C$  which can be persons, machines, or systems including both humans and machines working together.

(9) The power functions for human and for machines are different. The machine can be fatigue in a much longer period of time, while a normal human working power is a decreasing function in approximately of 6-8 hours. However, due to the learning power of human being, the curve should be higher as the time increases to one year or longer while that for a machine levels or decreases.

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选译自 2001 年国际机械工程学会论文

IMECE-2001/T&S -23408 之第 2-4 页 ( 意译 )

一有纠纷性之科学问题在课程发展过程中所具有之冲击性与所受阻碍之证据

这些证据是很清楚地被描述在两美国专利文件 5,084,232 与 5,848,377 之内。这些证据更进一步地被证实而见载于一连串的国际论文中。这些论文都分别在 2000 年在巴西里约热内卢第 51 届国际太空协会和在 2001 年在普林斯顿大学会议所提出。这些证据供给了两篇论文 IAF-00-J.1.10 与 IAF-00-5.6.03 之挑战与结论分别叙述如下：

- 1) 过去数十年来选用几何立体角去求碰撞切面应当改用弹道立体角重新计算和审核。
- 2) 新的氩原子模型是把 Max Born 的二物体间的作用完整解答之轨道方程带入弹道立体角之定义而得。
- 3) 黄氏角供给了一精确方法去量度和决定物体间受到多力场的作用时之轨道同时提供了仪器上之选择作试验之用。把 (TSA) 弹道立体角与黄氏角 (WA) 一起选用则可把很多的物理和天文上的基本问题解决。
- 4) 黄氏角提供了独一无二的精确方法去设计 Digital Sensing Processor (DSP) 数据感应器 ( 晶片 ) , 而这些晶片可与 Central Processor (CPU) 电脑之中央单位连接在计算机内用来控制所有科学仪器。这些仪器包括数据摄影机, 数





据望远镜，数据显微镜，数据测量仪，清晰的电视机，电脑控制设计与生产系统 (CAD-CAM)；适用在机械工程，土木与建筑之测量工程；机场内飞机降落系统之设计及其他有关的量度；追踪与控制物体之系统设计。

- 5) 所有国际太空协会会员，参与国际太空站之建立会员国应当能解决以下所述之基本问题：
- 6) 参与 51 届国际太空会议之教职员与学生在巴西里约热内国际机场上都给与测量仪和直尺。该机场被认为是正在海平面上。这些教职员和学生可在机场上使用和任意安排如何选用所给的测量仪和直尺。由机场上可见有耶稣石像山顶上一点 M 和有缆车站至另一山顶上一点 P。求此二山顶点之直线 MP 之距离及其与海平面垂足之高度。
- 7) 具有 65 所大学的美国波士顿市是一个具有多种文化的城市。在市内经常可望到一些 B52 型轰炸机飞行时所排气体在天空凝结而成的奇景。试问可否以测量仪和直尺能在地面上去量度 B52 型轰炸机之瞬时位置，速度与加速？
- 8) 第 (5) (6) (7) 具有挑战性之问题是可以解答的，如果我们能知道：
  - a. 我们需要多少个地面测控站才能去决定在太空上的一定点。
  - b. 一个固体内最少要多少非同在一平面上之点才可能构成一三度空间的固体。
  - c. 既然大多数物体都是三度空间数所构成。
  - d. 那末由上述(b), (c) 两点便知如何去控制一个具有三度空间的物体。
- 9) 由第 (8) 点之结论，美国太空署 (NASA) 在亚利桑那州 (Arizona) 所建立的双天文望远镜和美国国家科学委员会 (NSF) 在智利 (Chile) 所建立的同一双天文望远镜是不足以度量三维向的太空物体。这些三维向 (三度空间的物体) 包括了太阳系内之其他行星。我们需要三个完全相同的望远镜在同一时间内由地球向该物体作度量，追踪与控制。同样的我们需要三个 Hubble Space Telescopes 用来测量亿万光年远的物体。
- 10) 黄氏角专利可用于观察微小物体与巨型之天文物体，又可用在地面上人造卫星观察站的度量，追踪和控制 ISS 国际人造卫星。在国际人造卫星内可用来观察晶体之成长，异物之生产；生物组织之成长过程在微重力场作用下的情况。
- 11) 论文 IAF-00-S.6.03 提供了一小型推进系统。该系统是由一电子产生器和一电子加速器结合而成。其观念可用于一深入太空航空船上或在地面上用来发射小型卫星用。其概念可同时用作设计发射重离子枪以防外来火箭入侵之用。
- 12) 以上一连串的国际论文均由作者所拥有的专利所产生。作者应受国际专利权益的保障。
- 13) 黄氏角专利包括了 AIAA-96-1047-CP 论文之内容，并已为美太空署 (NASA) (MSFC) 采用追踪 (ISS) 国际人造卫星之位置。其追踪过程可自下列电邮地址获得。

<http://liffoff.msfc.nasa.gov/temp/stationLoc.html>  
&  
<http://liffoff.msfc.nasa.gov/temp/hubbleLoc.html>

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IMECE2003  
November 15-21, 2003, Washington DC USA

IMECE2003-43540

# Clinical Study on the Treatment of Cervical Facet Disorders by the New Self Needling Therapy (NSNT)\*

Woo, Wing Cheung



Biography:

## **Prof. Dr. Woo, Wing Cheung**

FIIM, Chinese Medical Doctor

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## Introduction

Cervical facet joint disorder was a chronic degenerative joint osteoarthritis, mostly found in young adults.<sup>[1]</sup> Neck pain associated with adverse motion events was the main complaint arose from patients. Through physical examination and clinical study, varying degrees of twisted found on cervical spine and local tenderness were the common disease. Cervical Spondylosis was commonly caused by trauma, long-term desk work, high pillow sleep and other unhealthy habits<sup>[2]</sup>. The usual common clinically treatment and approach exercised at two areas. The treatment focus on the perspective of joint mechanics. The main purpose was to correct the lesion of small cervical joint disorders so that the local joint line of force could be restored. Therefore improving clinical symptoms of pain was able to achieve. However, due to poor long-term efficacy, the relapse rate was high. This may be caused by manual reduction of neck muscle strength and muscle tension releasing process didn't tally with each other. Besides, the cervical facet joint instability was the other reason<sup>[3, 4]</sup>. During recent years, the author invented the innovative Yi Jinn therapy<sup>[5]</sup> Base on the fundamental treatment, the author proposed to apply the New Self Needling Therapy (NSNT) treatment. It proven to have achieved a better short-term and long-term results.

## 1. Clinical Data

In early 2012, the author conducted study on 56 patients. The treatment duration was 3 weeks. The author drew the reference of the "practical orthopedic"<sup>[6]</sup> and the relevant diagnostic criteria. According to the principle of random sampling, the 56 patients were divided into two treatment groups. The treatment group composed with 28 patients. The control group was also composed of 28 patients. Statistically, the analysis of the two groups of patients are comparable.

## 2. Research Methods

New Self Needling Therapy was applied to the treatment group. The author applied the acupuncture points around the scapular abnormal cord-like nodules. The reason was to improve the body's ability to absorb stress and promote the correction of the body damage. Leaving the needle; apply floating needle acupuncture near the neck and shoulder nerve pain analgesia. The reason was to achieve the complete relaxation of muscles



around the role of joints. The author guided the patients by using the head rotation, the neck rotation, flexion and extension. In order to develop the shoulder joint to maximize the activities of the shoulder and neck, the author instructed the patients to stretch their shoulder and neck muscle ligament; for tendon manipulation reduction of muscle lesions such as scapula muscle spasm caused by cervical facet joint disorders disease. The patients received treatment one time in 3 days and 3 times as a complete course of treatment.

The control group focus on the use of simple manipulation, the maximum degree of shoulder and neck joint muscle stretch and joint rotation. Two groups of patients assigned with functional exercise and encourage patients to do shoulder and neck exercise.

### 3. Results

The author applied the Statistical Analytical software SPSS13.0 to analysis the treatment result of the two groups. In the 28 patients group which were conducted by NSNT treatment, the clinical control rate was 60.71%. The total effective rate was 96.43%. In the control group, the clinical control rate was 42.86%. The total effective rate was 78.57%. The total curative effect of the two groups was statistically significant with  $P < 0.05$ . There was significant difference and the result of the treatment group was better than the control group.

### 4. Finding and Discussion

Cervical vertebral facet joint disorder was caused by impact of external force found on head and neck. Besides, the sudden turning head motion and other uncoordinated action can easily be caused by acute injury. Because of prolong head bowing, migraine and other adverse posture, chronic strain could easily be caused. Thus this will result in neck tissue imbalance, cervical small Joint dislocation, synovial incarcerated, and secondary to local tendon, ligament, bursitis and other pathological changes in inflammation, the partial neck pain and adverse activity were the main syndromes found in clinical observation<sup>[4]</sup> If the illness and pain remained untreated for a period of time, there will be decreased in cervical stability. Besides, secondary nerve root type cervical spondylosis, cervical spondylotic myelopathy and other diseases will also be developed. This will seriously affect the quality of life of the patients. The pathogenesis of this disease was mainly affected by the local dynamic and static imbalance. Static balance system includes vertebral body, accessories, intervertebral disc, facet joint and ligament tissue structure, for the endogenous structure. Dynamic balance system, including attached to the vertebral body and joint muscle tissue, was the driving force of vertebral and joint movement, as exogenous structure. Cervical physiological activity of large, relatively poor balance stability. Under normal circumstances, static and dynamic balance of the two complement each other; when the balance was broken, the two also affect each other. Cervical facet joint disorder pathogenesis combined with the presence of local soft tissue injury and neck dorsiflexion muscle strength decline of such power imbalance problem, while the dorsal extension of the muscle strength of the decline, it was precisely caused by cervical instability Important factors, simple manual reduction of this role was insufficient<sup>[3]</sup>.

The clinical use of New Self Needling Therapy for the treatment of cervical facet disorder was originated from Professor Lin fascia theory<sup>[8-10]</sup>. Fascia treatment assumed that the external treatment by use of Chinese medicine will induce the following aspects of the biological effects: the production of injury factors, mechanical traction effect, nerve reflex effect, local injury repair effect, body stress reaction. External treatment stimulated the followings: to promote local connective tissue proliferation and differentiation of stem cells enhancement to promote the repair, enhance the functional status of the whole body, on the endogenous nerve information to produce shielding effect and tension on the muscle reflex relaxation effect, promote local injury repair ability, improve the body's ability to response to stress and promote the body strength.

The New Self Needling Therapy was developed on the foundation of the new fascia therapy to cure the bone and joint diseases<sup>[6]</sup>. It consists of the following steps and procedures: To ease the abnormal fascia ligament muscle; floating needle to stimulate the long-acting analgesic skin nerves, the purpose was to relax the muscles around the role of joints; patients enjoy the greatest degree of multi-joint activities; and then reset by way of making "tendon groove, bone injury repositioning" the body return back to the normal anatomical relationship, so as to achieve curing both the symptoms of the disease and the root causes.

In conclusion, clinical observation concluded that the New Self Needling Therapy treatment of cervical facet joint disorder achieved significantly curative effect. The treatment was proved to be safe with miserable side effects. It also provided supporting evidence for the research of fascia theory. The above treatment results for clinical validation enable new directions for further research to provide more clinical evidence.

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\* English translation by Dr. Simon Tam



## Treatment of paralysis hemiplegic by applying “Silver Needle plus Bone Repositioning 銀針加正骨” \*

Woo, Wing Cheung

Stroke often leaves behind paralysis and damaged/immobilized limbs that are difficult to recover. It also carries other side effects. Patients will lose their mobility, causing heavy psychological stress and burden to them and their family. Rehabilitation of stroke hemiplegia has always been an important issue of the medical profession. In Hong Kong, a registered Chinese medical practitioner Prof. Woo, Wing Cheung created a unique set of silver needles therapy. It helps stroke patients to restore their self-care ability and enable them to return to the normal daily lives. Recently, a “Life Times 生命時報” reporter, sitting face to face with Prof. Woo, listened to Prof. Woo’s true story of using silver needles therapy to cure paralysis hemiplegia.

### A Chinese Medical Practitioner from a Martial Arts Family

In the bustling commercial district of Hong Kong, Causeway Bay, the Life Times reporter interviewed Prof. Woo at his clinic. Prof. Woo with his meticulous silverhair, dressed in clean white coat, lined with gray Chinese robe, gave the first impression of carrying fairy bones. Prof. Woo was born in a Chinese medical and martial arts family. His grandmother and grand uncle were not only proficient in martial arts, but also help heal people’s bone injuries. Under such family influence, Prof. Woo’s childhood was immersed with medical knowledge and martial arts. Thus he developed a keen interest in the two subjects. Once he accidentally got injured and was treated by a doctor, who happened to be his grand uncle’s apprentice. The 12-year-old Woo, Wing Cheung then began to study under the doctor martial arts, bone repositioning and acupuncture, in which Prof. Woo has been practicing for over half a century.

In 1970’s, Prof. Woo studied under many well-known doctors during his orthopedic clinical practice in a number of Guangzhou hospitals. He then studied anatomy and Chinese medicine at the First Military Medical University System (now renamed as the Southern Medical University) for six years with great results. “Now I can assemble the skeleton of a human body with a thorough understanding of the bone structure and tendons,” said Prof. Woo. After trial and error in his medical practice, Prof. Woo invented a set of treatment method called “Tendon and Bone Alignment Method 易筋正骨法”. In acupuncture, Prof. Woo uses the stimulation of human fascia with his needles to find the pathological cause of the illness, with effective results, especially among stroke patients..

Usually, it is relatively difficult for patients suffering from stroke hemiplegia of over six months to recover. especially in the vast rural areas of the (Chinese) Mainland, where many patients could not receive systemic rehabilitation treatment. Therefore the sequela could be very serious. In view of this, Woo, Wing Cheung led a - doctorate - level medical team of the Southern Medical University to conduct academic exchanges and volunteer consultation for stroke patients, many of whom recovered and were able to conduct normal life, in Guangdong’s Jieyang 廣東揭陽, Shantou 汕頭, Heyuan 河源, Jiexi 揭西, Zhaoqing 肇慶 and Fujian’s Jinjiang 福建晉江. The key to Chinese

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medical treatment of stroke cases, said Prof. Woo, is to align the joints first, so as to increase blood circulation in the brain. He introduced that stroke can be divided into two major categories: the hard paralysis and the soft paralysis. About 3/4 of stroke patients suffer from hard paralysis -- with skewed hands and feet, and the hand-foot joints of one side seemed locked in crumble. This requires spinal adjustment to reposition the joints back to its original normal position. As for hemiplegia, long-term bed-ridden soft paralysis patients, rehabilitation is relatively more difficult.

### **Acupuncture plus bone-repositioning enable hemiplegia patients to stand up**

A 30-year old Mr. Ding of Jinjian, Fujian got a stroke a year ago, ending up hemiplegia in bed. After 3 months of rehabilitation treatment, he still could not stand up. With arms unable to lift up, he could not take care of himself and could only rely on a wheelchair for transport. He felt hopeless for his future, and even urged his wife to remarry. At the volunteer consultation site, Prof. Woo conducted a careful examination of Mr. Ding. He found that the left side of Ding's body totally lost control and fell into a disorderly state due to damage to the right brain. Prof. Woo explained that "the left and right sides of the human body were originally commanded by both sides of the brain as a harmonious whole. When one side of the body nerves loses direction from the brain, the balance of both body sides would be broken, resulting in twisted thoracic, scoliosis of the entire spine, or even damaged heart-lung functions. The lack of brain control on muscles would lead to the imbalance of internal and external lateral muscle tension, causing deformed joints, Varus hands and feet often found in stroke patients.

The first needle point that Prof. Woo picked is not the traditional chakra or vital point. Nor did he use ordinary needles or traditional inserting method. Instead, Prof. Woo placed the first needle in the patient's cervical back and forth, gauging the location of dural sac in the cervical. "Though this position is not an acupuncture point, it is a critical point of human nerve communication channels. With needle inserted, he used his hands to feel and touch on the one hand, and explore by poking his needle head at different depth, shallow or deep, on the other hand, in an effort to assess the overall condition of the internal tissues. Stroke patients with nerve damage in one side of the brain will leave the body of the other side with no "commander", explained Prof. Woo. This will cause nerve endings or capillary-rich fascia to become adhesive, inflamed or even cumulating in lumps. The affected areas are crucial to the proper functioning of the human muscles, ligaments and joints. Normal needle operations will be hindered if the above-named pathological conditions exist. Under such lesion circumstances, it is difficult to achieve quick recovery for patients using traditional acupuncture techniques. But if we were to use the needle as if it were a surgical knife to perform minor surgery on each lesion area by loosening up the adhesive fascia, restoring blood flow and nourishing the surrounding tissues, motor movement will slowly be resumed. Meanwhile, since the Dural sacs are no longer under pressure, the chronic headache, depression and the bad temperament will be eradicated.

Damage to lower limb activity is usually very serious for Hemiplegia patients. Prof. Woo attempted to reposition Mr. Ding's deformed bone and joints back to their normal position. He selected joints and ligaments as key targets of his needle treatment, coupled with physical therapy to set the dislocated joints back to normal position. After over an hour of acupuncture and bone-resetting



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treatment, the year-long Varus foot of Mr. Ding was corrected, giving him the confidence to try to move his numb limbs. In addition, eyesight restoration is also a difficulty in stroke recovery. Mr. Ho, a successful businessman in his 40s, suffered from a stroke a year ago. After discharge from the hospital, he could not move and see, hemiplegia, eye oblique with twisted mouth. His vision was limited to under 30 degrees and could not control his limbs. Prof. Woo started by treating his hemianopia (偏盲) first. The first acupuncture point he picked was Sanyinjiao 三陰交穴 at the shank. Prof. Woo explained that Sanyinjiao 三陰交 vital point is located in the interchange of the “three Yin Channels” of liver, spleen and kidney, which is the source of Qi and blood. According to Chinese medical philosophy, the stimulation of that vital point can bring vigor to the spleen, liver, kidney and blood. Prof. Woo repeatedly applied the needle onto the Sanyinjiao (三陰交) while observing changes on Mr. Ho’s face. “Usually, once the needle was applied, blood will go to the upper body, Qi 氣 will rise at the back with the face swelled up as blood supply fills the entire head. Once the head and face are gradually filled with blood and Qi, you can insert needles onto the vital points Sun (太陽), Qing Ming (睛明) and Bai Hui (百會) to re-ignite the meridians. Stimulating the acupuncture point Qing Ming (睛明) can improve the function of the visual nerves. The patient will then have hope to restore his eyesight after 20 minutes of acupuncture treatment.”

### A Spiral Expert Teaches You How to Protect Your Spine

Prof. Woo starts his day by practicing Tai Chi Chuan (太極拳) as he has learned martial arts since childhood. “People, whether in Hong Kong or China, work busily, exposing themselves to the computer all day long. The ‘smartphone addicts’, who usually hung their heads down looking at the phones, are easily vulnerable to spiral dislocation.” Woo, Wing Cheung used a human spiral chord model to explain further. “There are different range of mobility and functions of a spiral chord with 7 cervical, 12 thoracic and 5 lumbar. If problems occurs at the cervical, oxygen supply to the arterial blood-nerve vessels will become slow. Stagnation will gradually occur, which may lead to stroke and other illnesses. Once the neck bone is properly aligned, all neck and shoulder fatigue could be eliminated.”

For the protection of one’s spine, first, one must not be a “smartphone addict”, especially not to play with one’s phone during bus rides. It is because people’s neck must bear the tension of 1/10 of their own body weight during forward car movement, causing fatigue to the neck and shoulders as well as hindering cervical movement.

Second, the selection of suitable pillows is vital, Try not to sleep in sitting posture and avoid napping in cars. People, who sleep in forward-moving cars with their head dropped, will experience backward-pulling pressure that causes muscle imbalance and cervical non-alignment, resulting in scapula and peripheral muscle discomfort. The soundness of a good night sleep will also be affected.

Again, it is the best practice to carry knapsacks with two straps on the back, avoiding scoliosis due to uneven pressure on the back and related muscles.

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# 新自運針療法治療頸椎小關節紊亂症的臨床研究

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## 引言

頸椎小關節紊亂症屬一種慢性退行性骨關節關節病，多發生在青壯年人群<sup>[1]</sup>。是以頸部疼痛伴活動不利為主訴，同時體格檢查可發現頸椎有不同程度的側旋及局部壓痛的臨床常見病。引起頸椎小關節紊亂症的常見病因有外傷、長期的伏案工作、高枕睡眠等不良生活習慣<sup>[2]</sup>。臨床上常見的手法複位治療，是從關節力學的角度，糾正患處頸椎小關節的紊亂，使其局部關節力綫復原，從而改善臨床疼痛症狀。但遠期療效欠佳，復發率較高。這可能與手法複位後頸部肌力肌張力未能得到及時改善、頸椎小關節不穩有關<sup>[3,4]</sup>。筆者近年在自創新易筋療法<sup>[5]</sup>治療的基礎上提出新自運針療法治療本病，取得較好的近、遠期療效。

## 1. 臨床資料

在 2012 年初以 56 例患者，病程在 3 周以內，參照《實用骨科學》<sup>[6]</sup>中的有關診斷標準擬定，按照完全隨機分配原則分為治療組 28 例，對照組 28 例。經統計學處理，兩組患者具有可比性。

## 2. 研究方法

治療組：運用新自運針療法治療。通過針刺肩胛上角周圍異常的條索狀結節，提高機體應激能力，促進機體損傷修復，留針；浮針刺頸肩部附近皮神經鎮痛止痛，以達到徹底鬆弛關節周圍肌肉的作用；引導患者通過旋轉頭頸部及旋轉、屈伸、收展肩關節來最大限度進行肩頸部的活動，拉伸肩頸部肌肉韌帶；進行理筋手法複位病變肩胛提肌等肌肉痙攣所致的頸椎小關節紊亂症，3 天 1 次，3 次為一療程。

對照組：採用單純手法治療，最大程度肩頸部關節的肌肉拔伸牽拉和關節旋轉。兩組患者均配合進行功能鍛煉，鼓勵患者做肩頸部鍛煉。





### 3. 結果

兩組患者采用 SPSS13.0 統計軟件處理，發現治療的總療效，治療組 28 例患者中，臨床控制率為 60.71%，總有效率為 96.43%；對照組 28 例患者中，臨床控制率為 42.86%，總有效率為 78.57%，兩組總療效經統計學處理， $P < 0.05$ ，有顯著差異；可認為治療組療效明顯優于對照組。

### 4. 討論

頸椎小關節紊亂症是由于頭頸部受到外力的撞擊或急驟轉頭等不協調動作造成的急性損傷，或因長期低頭、偏頭等不良姿勢造成慢性勞損，引致頸部組織平衡失調，發生頸椎小關節錯位，滑膜嵌頓，並繼發局部肌腱、韌帶、滑囊炎症等病理改變，臨床多以頸部局部疼痛，活動不利等為主要表現<sup>[4]</sup>。如病程遷延日久可因頸椎穩定性下降而繼發神經根型頸椎病、脊髓型頸椎病等疾患，嚴重影響患者生活質量。本病的發病機理主要為患處局部的動靜力失衡。靜力平衡系統包括椎體、附件、椎間盤、關節突關節及韌帶組織結構，為內源性結構。動力平衡系統包括附著于椎體及關節的肌肉組織，是椎體及關節運動的原動力，為外源性結構。頸椎的生理活動度大，平衡穩定性相對較差。正常情況下，動靜力性平衡兩者相輔相成；當平衡被打破時，兩者亦互相影響。頸椎小關節紊亂症的發病機制同時合並存在局部軟組織炎症損傷及頸部背伸肌群肌力下降這類動力失衡問題，而頸部背伸肌群肌力的下降，恰恰是造成頸椎不穩的重要因素，單純的手法複位對此作用不足<sup>[3]</sup>。

我們在臨床中用新自運針療法來治療頸椎小關節紊亂症的思路源于原林教授提出的筋膜學理論<sup>[9-10]</sup>。筋膜學認為中醫外治是通過以下幾個方面產生生物學效應的：產生損傷因子；機械牽拉效應；神經反射效應；局部損傷修復效應；機體應激效應。外治刺激具有：促進局部結締組織中幹細胞增殖分化加強，促進修復，提升整個機體的功能狀況；對內源性的神經信息產生屏蔽作用和對肌肉的張力產生反射性鬆弛作用；促進局部損傷修復；提高機體應激能力，促進機體增強。

新自運針療法是我們在筋膜學理論指導下，在新易筋療法<sup>[6]</sup>的基礎上，總結發展而成的一套骨關節疾病的治療方法，它包括以下幾個步驟：通過針刺緩解筋膜肌肉韌帶的異常點；浮針刺激皮神經長效鎮痛，達到徹底鬆弛關節周圍肌肉的作用；患者最大程度多關節活動；再通過手法複位使得“筋歸槽，骨傷位”，機體回到正常解剖學關係，從而達到對疾病既治標又治本的目的。

總括，臨床觀察新自運針療法治療頸椎小關節紊亂症療效顯著，且安全、副作用小，同時為筋膜學理論的臨床驗證進一步研究提供部分臨床依據。

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## 銀針 + 正骨，除痺治偏癱

胡永祥

中风常常会残留不易康复的肢体偏废等后遗症，使人失去自主活动能力，给病人造成沉重的心理压力和家庭负担。中风偏瘫的康复一直是医学界的难题。在香港，有一位注册中医师胡永祥博士，自创了一套独特的银针疗法，让很多中风病人恢复自理能力，重新回归社会。近日，《生命时报》记者与胡永祥博士面对面，听他讲述银针除痺治偏瘫的故事。

### 武术世家走出的中医师

在位于香港繁华商业区铜锣湾的诊室里，本报记者见到了胡永祥博士。一丝不苟的银发，整洁的白大褂，内衬灰色的中式长袍，给人的第一印象是仙风道骨。胡永祥生于中医及武术世家，他的祖母和舅公不仅精通拳术，还经常帮人医治骨伤。耳濡目染之下，胡永祥自幼对医学和武术产生了浓厚兴趣。有一次他不小心撞伤，去看跌打，看病的医生正好是舅公的徒弟。12岁的胡永祥随即拜他为师，学医习武，主攻正骨及针灸，悬壶济世至今已逾半个世纪。

上世纪70年代，胡永祥到广州多家医院临床实习骨科，拜多位名医为师。后又到第一军医大学（现为南方医科大学）系统学习解剖学和中医学。6年的学习让他大有收获，“现在我可以砌起人体的全部骨架，对全身骨骼及筋脉也了如指掌”。经过摸索，胡永祥在医治骨伤方面自创了一套“易筋正骨心法”；针灸方面，通过刺激人体筋膜，找到病源，有针到病除的功效，尤其对中风患者疗效显著。

通常，中风偏瘫超过半年以上，恢复起来就比较困难了。尤其在广大农村地区，很多患者无法接受系统的康复治疗，后遗症非常严重。胡永祥率领的南方医科大学博士医疗队在广东揭阳、汕头、河源、揭西、肇庆和福建晋江开展学术交流和义诊活动，让许多中风患者回归正常生活。他认为，中医治疗中风的关键是先纠正关节，以增加脑部的血液循环。胡永祥介绍，中风分为硬瘫和软瘫两大类，大约3/4的中风患者是硬瘫，患者手脚歪斜，一侧手脚关节就像被扭住了一样，这就需要通过脊椎治疗，将错位的关节复位。但对于半身不遂、长期卧床的软瘫患者，康复难度相对更大。

### 针灸加正骨，让偏瘫站起来

福建晋江的丁先生只有30多岁，却于1年前罹患中风，偏瘫在床。经过3个月的康复治疗，他依然无法站起来，胳膊也抬不起来，生活不能自理，平时只能坐轮椅出门。他觉得自己的未来没有希望，甚至催促妻子改嫁。在义诊现场，胡永祥对丁先生进行了仔细的检查，发现由于右脑神经受损，他的左侧身体像一个失去了统领的部队，进入了无序状态。胡永祥解释说：“人体左右两侧原本是被左右大脑统领的和谐整体，当一侧身体失去神经的领导时，左右的身体平衡就被打破，人的胸椎乃至整个脊柱都会侧弯，甚至影响心肺功能。失去大脑神经管理的肌肉，由于肢体内外侧肌张力不平衡，关节就会变形，形成中风病人常见的手足内翻。”

## 附錄

胡永祥用针的第一个点并非穴位，使用的工具也不是普通的针灸用针，运针也非传统手法。在患者的颈椎位置，他扎下了第一针，试探着在颈椎硬膜囊的位置来回划着。“这个位置虽非穴位，却是沟通人体神经通道的关键点。下针后，一边用手触摸试探，一边用针头由浅而深地进行弹拨，可以判断里面的具体情况。”胡永祥解释说，中风病人一侧脑神经受损，对侧肢体组织就会处于没有统帅的状态，从而使得人体神经末梢、毛细血管丰富集中的筋膜出现粘连发炎，甚至结成硬块，而这些地方对于人体肌肉、韧带、关节的运动起着至关重要的作用。如果有上述病变，针的运行就会感受到阻力。

面对这样的病变，传统针灸手法很难快速见效。但以针作刀，在每个病灶点进行一个个小手术，可以打开粘连的筋膜，让血液恢复流畅，又可以滋润周边的组织，慢慢恢复活动。同时，硬膜囊不再受压，其引发的慢性头痛、情绪低落、爱发脾气等症状也就可以根除了。

偏瘫病人下肢运动能力的损伤往往很严重。胡永祥对他进行变形骨骼关节的复位，同样是以关节、韧带部位为重点施针对象，再配合正骨物理治疗，进行关节错位的矫正。经过1个多小时的针灸加正骨治疗，困扰丁先生1年多的足内翻解决了，也可以试着控制原本没有知觉的胳膊了。

另外，视力恢复也是中风恢复的棘手难题。年仅40出头的何先生是一位事业有成的商人，1年前突发中风，出院后动不了、看不见、半身不遂、眼斜嘴歪，视角不足30度，无法控制自己的肢体。胡永祥先对偏盲下手，第一个针灸位置是小腿的三阴交穴。胡永祥解释说，三阴交位于肝脾肾三条阴经交汇处，是气血生化之源。中医认为，刺激该穴可以健脾益血、调肝补肾。他反复用针提插三阴交穴，并且观察何先生的面部。“通常，一针下去，血会往上走，气在后面，脸会肿胀起来，血会供应整个头部。等看到气血慢慢上升到头面部，再针灸太阳、睛明、百会三个穴位，刚好把经络打开。睛明穴扎下去就可以改善视觉神经。20分钟后起针，病人就有了视力恢复的希望。”

## 治脊圣手教你护脊柱

胡永祥自幼学习武术，他的一天是从太极拳开始的。“不论香港还是内地，人们工作繁忙，每天要长时间对着电脑，‘低头族’很容易脊柱错位。”胡永祥以一条人体脊骨模型作进一步解释：“一条脊骨，颈椎七节，之后是十二节胸椎和五节腰椎，活动功能各有不同。所谓上梁不正下梁歪，如果颈椎出现问题，动脉的神经血管供氧量就会变得缓慢，渐渐出现瘀塞不通的现象，于是有可能导致中风等疾病。只要将颈骨调整好，那么所有颈肩疲累就能一扫而空。”

要想保护好脊柱，首先要避免当低头族，尤其不要在乘坐公共汽车时玩手机。因为汽车前行时，颈部要承担1/10的身体重量拉力，并累及肩胛骨，影响颈椎的活动能力。

其次，睡觉时要选对枕头，尽量不要坐着睡，更切忌在车上打盹。人在车上睡，头向下垂，车速保持向前，人就要承受往后牵拉的压力，导致颈椎因肌肉牵拉不平衡而出现错位，使得肩胛骨及周边肌肉不适，连晚上睡觉都会受影响。

再次，最好背双肩包，避免脊柱和相关肌肉韧带被挤向一侧，造成脊椎侧弯。

# AusCode Worldwide Limited

Hong Kong is undergoing unanticipated turmoil due, fundamentally, to lifestyle and restructuring following from the influence of the internet in industries such as financial, tourism, retail, media and logistics, so most people will be under pressure and dealing with stress.

## Rising concerns in the community

As a result, the high levels of workplace stress and unhealthy habits (including sleep deprivation, lack of exercise and poor diets) are contributing to sub-health symptoms among 97% of Hong Kong citizens. Most common symptoms reported were aching and tired eyes (78%), back pain (73%) and chronic fatigue (73%). Interviewees between 30-49 years would suffer from an average of more than 9 symptoms as per a community survey by the University of Hong Kong in 2013.

Adding to that challenge, booming Silver hair population is driving tremendous demand for elderly care and putting pressure in public health system. According to the projections, Hong Kong's population will increase from 7.2 million in 2014 to a peak of 8.2 million in 2043. The proportion of elderly people aged over 65 and above is expected to rise remarkably from 15% in 2014 to 33% in 2064. So one th

Prevention is better than cure. So it's time to rethink how we should live our lives. Is it possible to live healthier and happier? In consideration of above issues, AusCode Worldwide Limited is established in 2015 to tackle above rising community issues, with the hope to build a better living environment, carrying the vision to provide **Aroma Care Anytime Anywhere**.

The AusCode Worldwide Limited is setup with the missions below:

- To provide top quality organic aromatherapy products and treatments for **better healthy living and happy office space**.
- To be Asia's **leading training institute** of professional aroma therapists
- To provide **business opportunities** for the needed (including minority groups, middle-aged housewives and disabled) to start career as distributors or practitioners.

Auscode has three major business units, including:

- 1) **Education:** Aromatherapy Specialist Institute (ASI)
- 2) **Products:** SecretCode
- 3) **Service:** aCarer

## (1) SecretCode: Organic, health and Sharing

Our whole subsidiary brand is called SecretCode, which includes a series of 100% organic essential oils and blended oils imported from Australia. Its exclusive blending recipes is designed by founder Jessica Chan, based on her 20 years of experience.

Currently the products are being sold via its showroom, classroom and online. Shortly distribution will be extended to selected retail points such as health stores and professional specialist outlets.

Two product lines have just been released and already got plans to extend to personal care and pet care line in 2017.

### Product lines:

<p><i>The Magic Six:</i></p> <ul style="list-style-type: none"> <li>• Convenient roll-on bottles are available for use in office, home or travelling.</li> <li>• Perfect for parents and working adults</li> </ul> 		<p><i>Professional Kit:</i> contains 16 essential oils and 4 base oils, whose functions are recognized by National Health Service</p> 
<p><i>Features 6 blended oil for ensuring a healthy life, namely A,B,C,D,E,F:</i></p> <ul style="list-style-type: none"> <li>• APAINGO (soothe pain)</li> <li>• BESLEEP (destress for better sleep)</li> <li>• CEVIGOR (increase focus and energise)</li> <li>• DEGERM (disinfection and deodorant)</li> <li>• ENWELL (health and detoxification)</li> <li>• FORHEAL (beauty and wellness)</li> </ul>		

## (2) aCarer: Aroma Care Anytime Anywhere

aCarer provides on-demand Aromatouch service to workplaces, residential and elderly homes, by a team of certified International Federation of Aromatherapists (IFA) aroma care practitioners.

## What is Aromatouch?

The IFA Aromatouch Carer Course teaches people about touch and massage as a language to communicate caring and understanding. The strokes are done with only the flat of the hand and only to the back, hands and feet. The strokes describe creative shapes and stories are made up to accompany the massage sequence. The massage can be done anywhere, standing, sitting or walking. The course has especially been formalised taking into account that most of the client groups who might benefit from this method of massage are not able to tolerate a standard massage on a couch.

Together in use with SecretCode products, a 15-min treatment is already effectively in soothing pain and relieving stress, making it perfect for elderlies who frequently suffers from muscle ache and stressful working adults.

AusCode puts community care in priority, and dedicated to send teams of volunteers to elderly home services. Therefore its first training centre is built in Kowloon Tong, in connection with Hong Kong Baptist Mr and Mrs Au Shue Hung Rehabilitation and healthcare Home. Students can specialized in handling elderlies and provide complimentary service to elderlies as part of their training.



As shown in many research, aromatherapy has been proven effective in enhancing the cognitive capabilities of elderlies and UK elderlies would receive treatment up to 3 times a week. The management of AusCode has visited numerous elderly homes and day care centres in Macau and Hong Kong together with IFA CEO Ms Pauline Allen, for better understanding of the current alternatives treatments available. It seems that dementia patients are receiving treatments far less than those in UK or maybe not even got a chance to try aroma therapy. Therefore AusCode plans to collaborate with Pok Leung Kuk to conduct research in the impact of aromatherapy in pain management and dementia. Also AusCode is in discussion with numerous Hong Kong and Macau charitable organisations about introducing aromatouch services as part of alternative treatment.



## (3) ASI: Professional Aromatherapy training

With the objective to offer high standard aromatherapy services, ASI is striving to deliver top quality certified training with well-known institutions. ASI will be launching Aromatouch Practitioner Certificate courses in Hong Kong and Macau, jointly with The Open University of Hong Kong Li Ka Shing Institute of Professional and Continuing Education and Macau University of Science and Technology, School of Continuing Studies respectively.

Furthermore, the course would also empower women and minority groups to increase employability and become a professional aromatherapist.

Hong Kong	Macau
 <p>Contract signing ceremony between AusCode founder Ms Jessica Chan and The Open University of Hong Kong Li Ka Shing Institute of Professional and Continuing Education Director Dr Kris Wong, in witness by IFA CEO Ms Pauline Allen</p>	 <p>Aromatouch Practitioner Certificate course is confirmed to be co-organised by AusCode and Macau University of Science and Technology, School of Continuing Studies.</p>

# AusCode Worldwide Limited

## Dynamic Management Team

Although AusCode is a young and new company, its directors and members of senior management have lengthy experience in business and charitable operations, and are knowledgeable in aromatherapy training and products.

Ms Jessica Chan (Executive Director, Principal Tutor, Co-Founder)

**Ms Jessica Chan**  
(Executive Director, Principal Tutor, Co-Founder)



Ms. Jessica Chan has an interest in and a passion for aromatherapy.

Therefore, she continued her aromatherapy education after formal schooling and becoming a qualified and licensed principal tutor. She not only has an in-depth knowledge of essential oils but also has a good nose for telling the difference between real organic and non-organic essential oils.

### Qualifications

- Specialist of Hong Kong Council for Accreditation of Academic & Vocational Qualifications (HKCAAVQ)
- Beauty Industry Training Advisory Committee of Education Bureau (EDB) - Qualifications Framework (QF)
- Tutor of HKU School of Professional and Continuing Education (HKU SPACE) -(Aromatherapy Course)
- President of International Federation of Holistic Aromatherapy (IFHA)
- Advisor of Women Service Association
- Committee of Rotary Club of BRAEMAR HILL(3450)
- Executive President of Hong Kong Wah Ha Medicine Association
- Committee Members of Vocational Training Council (VTC) :-
- Beauty & Hairdressing Training Board (2009-2015)
- Beauty Industry Professional Competence Assessment Team (2009-2015)
- Recognition of Prior Learning (RPL) Board (2009-2015)
- Intense Pulsed Light Training Board (2009-2015)
- Judge of WorldSkills Hong Kong Competition – Beauty Care (2009-2015)

### Awards

- Merit Award for Trainees of “The 4th Employees Retraining Board (ERB) Manpower Development Scheme”

### International Assessor Award of City & Guilds

**Ms Alvina Chan**  
(Business Development Director, Co-Founder)



A seasoned strategist in business development, marketing and PR, Alvina carries over 15-years' experience in a broad range of industries, including Business Consultancy, IT, Telecom, Retailing and Hotel and corporate training. Her passion for community and youth development has built up an extensive connection and reputation in governmental bodies and non-profit organisations, leveraging her professionalism to contribute to a better community.

### Qualifications

- TICETA International Business Etiquette Trainer
- Bachelor of Commerce and Bachelor of Information Systems, The University of Melbourne, Australia
- JCI Trainer
- Blogger

### Participation Highlights in Business Associations and NGOs

- Co-opted member of Commission of Youth, Home Affairs Bureau
- PRC YanBianZhou Special Appointed Commissioner 吉林省延邊州特邀委員
- VQ Foundation Vice Chairman 2013 – 2017
- Y.Elites Association, Director 2016-17
- JCI Peninsula 2016-2017 Chapter Advisor
- JCI Peninsula 2010 President
- Junior Chamber International Asia Pacific Development Council Officer 2015-16
- Federation of Australian Alumni Associations Chairman (2011-2015)
- Alumni Association of The University of Melbourne Hong Kong President (2007-2011)

### Awards

- JCI Most Outstanding Local Chapter President 2010 (Over 100 members)
- JCI Hong Kong Most Outstanding Member 2016

## Care for the community in Action

AusCode is actively engaging with charitable organisations of various sectors to promote health and wellness, which is in fact named as Sustainable Development Goal #3 by United Nations.



On 13th November 2016, AusCode was invited as the event partner to provide aromatouch training to over 300 volunteers, who served 1000 elderlies together with 2016 Awardees of JCI Ten Outstanding Young Persons Selection (TOYP) and senior students of OUHK.



Volunteers had to learn theory and practice, then assessed before starting servicing.



Aromatherapy students and tutors were excited to service the community with their expertise, caring by hands. AusCode plans to organise or participate in community service on a monthly basis.



Our belief marks a perfect echo to the slogan of TOYP, "Creating the future by the hands of youths".

## Empower the youths

In collaboration with Centre for Sustainability and Innovations of Hang Seng Managerial College, AusCode will provide training to youths with regards to design thinking and sustainability business models, in the hope to extend the social responsibility commitment to the next generation.

With a strong community focus, Aroma hopes to build up a sustainable brand that can create a better community. Care in actions, care by hands.





# Cheung Kong Infrastructure Holdings Limited

Cheung Kong Infrastructure Holdings Limited ("CKI") is a global infrastructure company that aims to make the world a better place through a variety of infrastructure investments and developments in different parts of the world.

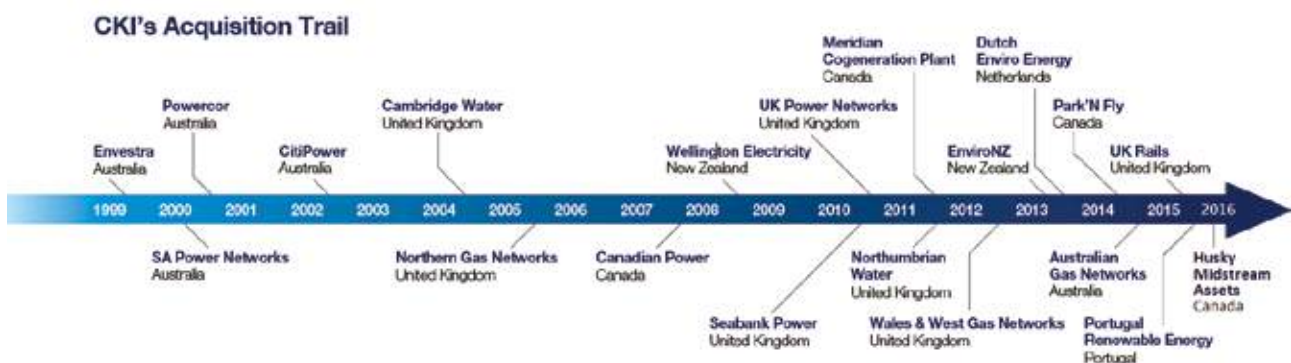
CKI has diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure, Waste Management, Waste-to-energy and Infrastructure Related Businesses. Its investments and operations span Hong Kong, Mainland China, the United Kingdom, the Netherlands, Portugal, Australia, New Zealand and Canada.

CKI's portfolio of projects includes electricity generation, transmission and distribution; gas distribution; water and waste water services; waste management; renewable energy; rail transportation; off-airport car park; toll roads and bridges, as well as infrastructure material businesses which encompass the production of cement, concrete and aggregates.

## Acquisition Trail

Upon its listing in 1996, CKI primarily focused on its materials business in Hong Kong, as well as power plants and toll roads in Mainland China. In the following year, the Group acquired a controlling stake in Hongkong Electric Holdings Limited (now known as Power Assets Holdings Limited).

In 1999, CKI made its first overseas foray outside of Hong Kong and Mainland China, through the acquisition of a strategic stake in Envestra (now known as Australian Gas Networks) in Australia. From 2000 onwards, CKI has embarked on a course of globalization and diversification which has enabled the company to grow its portfolio in size and scale to become a leading global infrastructure investor.



## Global Portfolio

- CKI holds a 38.87% interest in **Power Assets Holdings Limited** ("Power Assets"), a global investor in power and utility-related businesses with investments in electricity generation; transmission and distribution; renewable energy; energy-from-waste; and gas distribution. In Hong Kong, Power Assets through HK Electric Investments and HK Electric Investments Limited holds 33.37% of **The Hongkong Electric Company, Limited**, which has been providing electricity to the city for more than 125 years, to more than 570,000 homes and businesses on Hong Kong Island and Lamma Island.



*The Hongkong Electric Company, Limited provides electricity for more than 570,000 homes and businesses on Hong Kong Island and Lamma Island.*

- In the United Kingdom, CKI has a comprehensive portfolio of investments in gas and electricity distribution; water and waste water services; electricity generation as well as rail transportation. They include **UK Power Networks**, one of the United Kingdom's largest power distributors supplying electricity to London, South East England and the East of England; **Northern Gas Networks**, a gas distribution business that serves the North of England; **Wales & West Gas Networks**, a gas distribution business that serves Wales and the South West of England; **Seabank Power**, an electricity generation plant located in Bristol; **Northumbrian Water**, a water supply, sewerage and waste water company which serves the North East of England and South East of England; and **UK Rails**, one of the three major rolling stock companies in Great Britain.



*UK Rails is one of the three major rolling stock companies in Great Britain.*

# Cheung Kong Infrastructure Holdings Limited

- In Australia, CKI has investments in electricity and gas distribution as well as renewable energy power transmission. It owns **SA Power Networks**, a primary electricity distributor in the state of South Australia; **Victoria Power Networks** which holds Powercor and Citipower: **Powercor** is the largest electricity distributor in the state of Victoria, and **Citipower** is an electricity distribution network that serves the central business district and inner suburban areas of Melbourne; **Transmission Operations Australia**, a renewable energy power distribution business in Victoria; and **Australian Gas Networks**, one of the largest natural gas distributors in Australia.



*Victoria Power Networks is the holding company of Powercor, the largest electricity distributor in the state of Victoria; and CitiPower, an electricity distribution network that serves the central business district and inner suburban areas of Melbourne.*



*Wellington Electricity distributes electricity to New Zealand's capital city and the surrounding area.*

- In New Zealand, CKI has shareholding in **Wellington Electricity**, which owns and operates the electricity distribution network in the capital city of Wellington, as well as Upper Hutt Valley, Lower Hutt Valley and Porirua. CKI also owns **EnviroNZ**, a leading waste management company with national coverage in the country.



- In the Netherlands, CKI has interests in **Dutch Enviro Energy**, which owns **AVR**, the country's largest energy-from-waste company. AVR operates five waste treatment plants in Duiven near the German border, and Rozenburg in the Port of Rotterdam area.

*Dutch Enviro Energy owns AVR, which operates five waste treatment plants in Duiven near the German border, and Rozenburg in the Port of Rotterdam area.*



- In Portugal, CKI has interests in **Iberwind**, a wind energy company, which is held by **Portugal Renewable Energy**.

*Iberwind is one of the largest wind power companies in Portugal.*

- In Canada, CKI owns **Canadian Power**, which has interests in six power plants that are located in the provinces of Ontario, Alberta and Saskatchewan; and **Park'N Fly**, which is the largest off-airport car park provider in Canada. CKI also has interests in Husky Midstream Limited Partnership, which holds a portfolio of oil pipeline assets in Canada.



*Park'N Fly is the leading off-airport car park provider in Canada that provides parking solutions to business and leisure travelers coast-to-coast.*



*CKI has a shareholding in six toll roads and bridges across Mainland China.*

- In Mainland China, CKI has a portfolio of investments in toll roads and bridges that span approximately 260 kilometres in the provinces of Guangdong, Hebei and Hunan.
- CKI has a leading market position in Hong Kong's infrastructure materials market with operations in cement, concrete and aggregates. The Group also owns cement production facilities in Mainland China as well as a limestone quarry in the Philippines.



中滔環保集團有限公司董事局主席徐湛滔

## 環保先鋒再創輝煌 — 中滔環保集團有限公司

中滔環保集團有限公司（01363.HK）2013年在香港聯交所主板上市後，各業務板塊快速增長，經營效益大幅提升，給廣大投資人創造了豐厚的回報。2015年與2012年比較，經營收入增長率360%，年平均增長率為66%，經營利潤增長率為300%，年平均增長率為59%。

### 着力提升環境保護業務的綜合服務能力

中滔環保從工業廢水集中處理業務開始起步，經過十多年的發展，已成為行業的領先者。而正當社會及公眾十分重視對水體污染控制、而對污泥的危害普遍認識不足之時，徐湛滔統率中滔環保把握機遇、敢為人先，介入包括污泥處理在內的固體廢物處理處置領域，採取減量化、無害化等處理方式大大降低了污泥的數量和毒性，並通過堆肥、製成生物燃料、燒製環保路磚和輕質陶粒等方式實現污泥的再利用。同時，經過大手筆的併購，強勢進入工業固體廢物處理及危險廢物處理，成為廣東省大型的固體廢物處理企業及危險廢物處理品類最多的舉足輕重的危險廢物處理企業，並利用一帶一路的發展機遇，打造華南最大的海洋環保基地。



順德港匯污水處理廠

從工業廢水集中處理、工業供水到污泥處理，從固體廢物處理到危險廢物處理，從一線治污業務到環境檢測、諮詢乃至技術和設備的研发業務，中滔集團的業務範圍業已涵蓋環保設施的規劃、建設、運營和維護的全過程，構建了完整的環保產業鏈條，形成了具有核心競爭力的發展模式。



广州市增城永和污水处理厂厂景



污泥压滤车间

作为广东省最早进行工业污水集中处理的企业之一，是广东省最大的工业废水集中处理企业，是全国领先、广东规模最大的污泥处置企业，是广东省规模较大的危险废物处置处理企业；具有污染治理设施运行服务能力评价证书（生活污水处理一级及工业废水处理一级）、固体废物（含严控废物）处置处理许可、多种危险废物处置处理许可；是高新技术企业及资源综合利用认证企业。

## 环境治理与经济协同发展

中滔环保集团不再单纯关注单一项目，而是从环境治理与经济协同发展的视角来发现项目、组合项目，从而实现环境治理先行并引导经济跨越式发展，环境治理与经济发展协同发展的目标，环境治理不再是纯粹的支出项目，而成为经济发展的加速器。

中滔环保与玉林市人民政府所签订的南流江流域环境综合治理与经济协同发展战略合作协议就是这一理念的践行项目。其主要内容包括工业污染综合治理、农业污染综合治理、城乡生活环境综合治理、河道生态保护与修复和环境保护能力建设运营等五大部份。在合作方式上将根据项目的不同性质采取不同投资方式，如全额投资、PPP 投资、专职运营以及其它投资方式。以这种理念落地的项目已有玉林节能环保产业基地，它主要由工业集中供水、工业废水集中处理、热电联产联供、统一基础设施建设等，将周边的分散企业全部引入园区进行升级改造，并提升产能和市场，效果非常明显。



广西玉林节能环保产业基地项目施工现场



广西玉林节能环保产业基地项目施工现场

# 中滔環保集團有限公司

中滔環保在廣東惠州建設的龍滔循環產業基地，也是這種理念及模式的踐行項目，它以城鄉生活垃圾無害化無縫對接處理為基礎，建設循環產業基地，將“避鄰”效應變為“利鄰”效應，在解決環境治理問題的同時，快速發展當地的經濟，實現協同發展的目标。

中滔環保的發展，也為集團推行環境治理與經濟協同發展提供了資金、技術、運行能力等多方面條件，我們相信，這種發展模式將迸發強大的生命力，強有力地推動集團核心競爭力的提升。

## 設立獎學金，推動環保人才的培養

在發展自身業務的同時，自覺履行企業社會責任、推動文體事業發展，是徐湛滔和中滔集團孜孜不倦的追求。集團從2011年開始設立中山大學中滔環保獎學金，到今年已是第六屆，資助了180名學生，這些人才已開始在不同領域為環保事業貢獻力量。中滔環保在北京大學設立的北京大學中滔環境教育基金，已將獎勵的領域拓展到了獎勵學生完成學業及環境科學研究等方面。中滔環保在華南理工大學設立“中滔環保獎學金”，也旨在支持環保專業學生更好地完成學業，為行業的未來培養更多人才；而在廣東環境保護工程職業學院開設“中滔環保班”，則是重點培養工匠類人才。據統計，中滔環保集團每年將支出數百萬元，用於環保人才的培養，集團並不計直接的经济回報，而是培養全民的環保意識及盡集團的社會責任。



2016年度中山大学中滔环保奖学金颁奖仪式



第一届北京大学中滔环境科学奖学金颁奖典礼

## 热心公益，回报社会



徐湛滔先生一贯热心公益，回报社会。除长期以来任各种公职，并向社会大量捐赠外，近期又有大手笔的捐赠，如赞助2015年香港国庆烟花汇演晚会、2015年香港除夕烟花倒数活动、2016年范

赞助2016年香港除夕烟花倒数活动

长江行动、2016年香港创科博览、2016年齐惜福慈善筹款晚宴等。他现任的公职有：中国人民政治协商会议广州市增城区委员会常委、广东省见义勇为基金会副会长、香港广东社团总会会长、香港越秀各界联合会第一届执行委员会荣誉会长、荃湾各界协会第五届委员会名誉会长、香港义工联盟第一届董事会常务副主席、广东省环境保护产业协会副会长、香港理工大学荣誉永远会员等。



赞助 2015 年香港国庆烟花汇演



赞助 2016 年范长江行动



赞助 2016 年香港创科博览



冠名赞助 2016 年齐惜福慈善

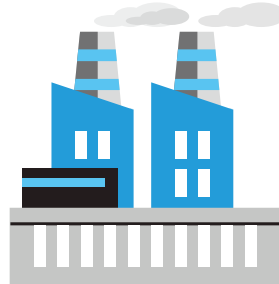
## 创新发展，再创辉煌

展望未来，在徐湛滔带领下的中滔环保将以环境治理与经济协同发展的理念为引领，不断开拓进取，强化核心业务，大力发展创新业务，全面提升科技创新能力、核心竞争力及中滔环保的综合服务能力，使中滔环保成为一家不断创新发展的环保综合服务企业。



中滔（南沙）海洋环保中心





**1963**

Osaka Kinzoku Kogyo Co., Ltd. is renamed Daikin Kogyo Co., Ltd.

Kanaoka Factory is established in Sakai Plant, where full-scale production of commercial air conditioner begins

**1973**

Multi-split type air conditioner is developed

**1958**

The heat-pump type packaged air conditioner is developed

**1951**

Japan's first packaged air conditioner is developed

**1924**

Akira Yamada founds the Osaka Kinzoku Kogyosho Limited Partnership in Osaka

**2016**

Launched 420 window-type split series specially designed for Hong Kong residences with limited spaces on window-type air-conditioning platforms

## **DAIKIN INDUSTRIES, LTD.**

Our mission, and the essence of our existence, is to identify and realize our customers' future needs and dreams, even those that they themselves may not yet be aware of. We can accomplish this goal by paying careful attention to changes in social trends and conducting extensive marketing to win the hearts and minds of customers. It is essential that we offer customers optimum convenience and comfort that are always one step ahead of our competitors by providing customers with the highest quality products, materials, and services for which we, as a manufacturer, will be absolutely responsible. Moreover, we will continue offering products and services that provide customers with fresh excitement and continued enjoyment.

We furthermore believe that these activities are an important source of increased profit and business expansion for the Group.

# Corporate Partners

**1978**

"SkyAir" air conditioner for shops and small offices is marketed

**1984**

Daikin Airconditioning (Hong Kong) Ltd. is established as an air conditioning system sales company

**1987**

A VRV system enabling individual control for each floor is installed in the Umeda Center Building

**1994**

ISO9001 certification for all air conditioner production factories in Japan

**1997**

A VRV system employing the R-407C refrigerant that does not damage the ozone layer is developed

**2003**

**1** Daikin has achieved top market share of residential air conditioners throughout the fiscal year of 2003

**2006**

Major global air conditioning manufacturer O.Y.L Industries (Malaysia) is acquired



**2011**

Daikin becomes first Japanese company awarded "Best Employers for Workers Over 50 Award" by the AARP (former the American Association of Retired Persons)

**2012**

Goodman, Major U.S. residential unitary company is acquired to build a solid base for positioning Daikin as the leading company in the global air conditioner market



**2014**

The "Forests for the Air" project starts as a Daikin social contribution celebrating the 90th anniversary of its founding





The next generation

# Refrigerant

that efficiently carries heat and has lower environmental impact

Although there are various types of refrigerants, R-32 is a new refrigerant currently receiving the most interest. Because R-32 efficiently conveys heat, it can reduce electricity consumption up to approximately 10% compared to that of air conditioners using refrigerant R-22. Furthermore, compared to the refrigerants widely used today such as R-22 and R-410A, R-32 has a global warming potential (GWP) that is one-third lower and is remarkable for its low environmental impact.



## Dialogue with Environmental and Air Conditioning Experts around the World

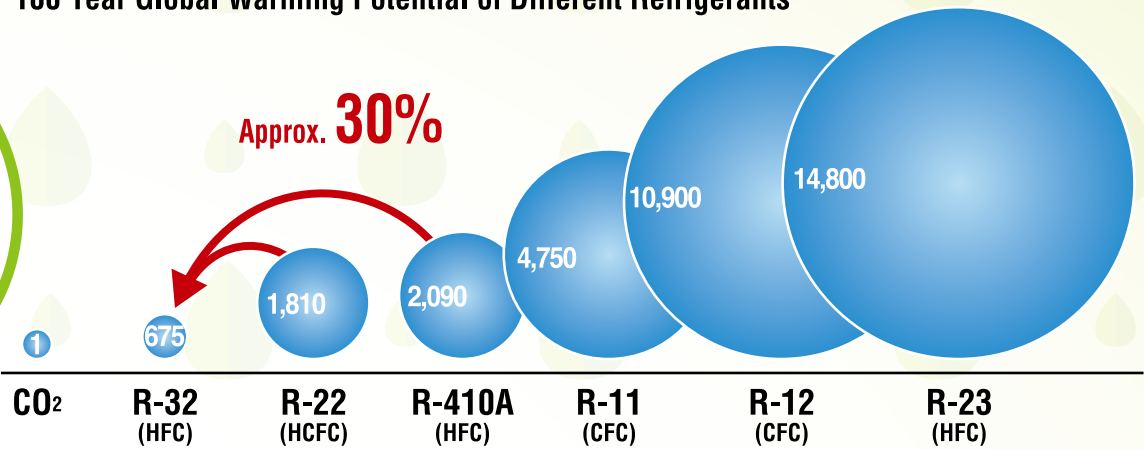
The refrigerant circulates inside the air conditioner and carries heat: it is, for all practical purposes, the “lifeblood” of the product. At the same time, it is also the cause of problems like ozone depletion and global warming. As the world’s only company making both air conditioners and refrigerants, Daikin has adopted a new refrigerant for air conditioners, R32, that has just one-third the global warming potential of conventional refrigerants. To create greater understanding of the significance of this fact, we engaged in dialogue with environmental and air conditioning experts at numerous international conferences.

### Environmental Impact of Air Conditioner Refrigerants and Trends

	Ozone Depletion Potential (ODP)	100 Year Global Warming Potential of Different Refrigerants*
<b>R12 (CFC)</b>	<b>1.0</b>	<b>10,900</b>
<b>R22 (HCFC)</b>	<b>0.055</b>	<b>1,810</b>
<b>R410A (HFC)</b>	<b>0</b>	<b>2,090</b>
<b>R32 (HFC)</b>	<b>0</b>	<b>675</b>

100 Year Global Warming Potential of Different Refrigerants\*

Approximately  
**10%**  
Reduction in Electricity Consumption



As the only manufacturer that develops and manufactures both air conditioners and refrigerants, Daikin launched the world's first residential-use air conditioner using R-32

## Refrigerant Trends

Various refrigerants have been used in air conditioners until now. Regulations have increasingly become stricter from greater consideration for the global environment because of the Montreal Protocol in 1987 and the Kyoto Protocol in 1997, resulting in a shift to refrigerants with even lower environmental impact. Although the mainstream refrigerant R-410A has an ozone depletion potential (ODP) of 0, its global warming potential (GWP) still remains an issue. While R-32 also has an ozone depletion potential of 0, the refrigerant has only approximately 1/3 of the GWP of R-410A. Consequently, investigation of this promising next generation refrigerant has increased.

However, because R-32 had been an extremely difficult refrigerant to handle, its use was not practical until now. Daikin became the world's first company to succeed in applying R-32 to air conditioners by leveraging its expertise as the only manufacturer that develops and manufactures both air conditioners and refrigerants.



\*Source: Values for 100 year global warming potential (GWP) from IPCC Fourth Assessment Report. Comparative 100 year GWP: HFC410A, 2,090; HFC32, 675.

## 通力電梯歷史悠久 與時並進



通力電梯集團成立於 1910 年，在機械工程界享負盛名。通力（芬蘭語 KONE）的意思是指機械，代表品牌建基於生產電動馬達及各式機械設備，是百年悠久歷史的經典品牌。過去逾百年里程中，通力電梯發展迅速，業務範疇多元化，更遍及紡織製造、醫療技術及液壓管路系統的設計，當中主要焦點業務是升降機和自動梯。

隨著時代發展，通力電梯一直與時並進，為迎合這個日新月異的世界，持續創新產品、提升技術及服務質素，為公司創建商機開拓業務，同時發揮團隊合作精神，持續壯大，鞏固家族四代以來的發展路向，成為一間可持續發展高端技術的跨國大企業。

通力電梯的願景是締造完美的客流體驗，讓客戶在升降機及自動梯有良好印象。通力電梯在日益城市化的環境中，通過建立嶄新的客流解決方案，設計創新技術系統，為客戶創造最舒適、安全和優質的客流體驗，除了得到客戶讚賞外，亦要令公司在業界脫穎而出，成為專業卓越的升降機和自動梯的領導者。此外，通力電梯亦持續優化管理系統和溝通機制，以加強公司的營運流程，快速回應客戶的緊急需求，從而提升公司在市場的競爭力。

2015 年，通力電梯在全球每年淨銷售額達到 86 億歐元，並持續聘用約 50,000 名員工。通力電梯公司的 B 級股在芬蘭以 NASDAQ OMX Helsinki Ltd 之名掛牌，在全球約 60 個國家設立了 1,000 多個辦事處，並在芬蘭、德國、印度、意大利、中國和美國均設有高端升降機及自動梯技術研發中心。

## 通力電梯安全優質 締造暢順可靠客流體驗

通力香港一直貫徹芬蘭母公司堅守「安全」和「質量」之核心理念，專注發展升降機及自動梯的策略方案，締建良好的客流體驗。為積極配合港鐵各新增及延線工程，包括西港島線、南港島線、觀塘延線和高速鐵路的運輸建設，通力香港正以全新優質的升降機和自動梯設備，迎接日漸擴大的客流量，致力為乘客創造舒適、安全、流暢及無障礙的載乘印象，以擁抱廿一世紀香港龐大基建發展的機遇。

通力電梯的品牌承諾為「Dedicated to People Flow™」，作為全球升降機和自動梯行業的領導者之一，在過去一個多世紀中，通力電梯一直努力於滿足客戶需求，為各行各業的客戶提供行業領先、安全優質的升降機和自動梯的產品，在維修保養業務方面，創建新型的解決方案，實現每一天為數以百萬計的市民大眾提供順暢的客流體驗。通力電梯（香港）有限公司董事總經理夏文書稱：「我們的專業團隊對參建各大型建設或策略性項目，例如港鐵的大型新線項目深感自豪。以最優質的專業精神為香港市民貢獻最暢順可靠的乘客流「Dedicated to People Flow™」，這就是通力電梯的座右銘。通力電梯

建基於全球逾百年的創新服務文化，多年來持續在不同市場為乘客流動帶來既環保又先進的新安裝設備方案。我們亦致力於保養及更新業務，承諾為客戶提供最安全可靠的乘搭體驗和最專業的服務。」夏文書指出，通力香港與香港城市建設發展息息相關，很多大型發展項目如基建設施、港鐵配套、商業設備、住宅大廈、旅遊景點等，都有通力香港的專業參與。

通力電梯的服務涵蓋建築物整個生命周期的各個階段 — 從規劃、設計和樓宇建造到建築物的維修保養以至更新改造。事實上，對通力電梯而言，確保所有的產品和服務保持最高質量至為重要。定期監測各產品和設備的質量，確保設備安裝後的性能，乃通力電梯戰略的核心理念之一。

### 創新解決方案

#### 通力 UltraRope™ 超輕質碳纖維曳引繩



通力 UltraRope™ 實現最新的技術突破，為高速升降機技術樹立了新的里程碑。超輕質通力 UltraRope™ 曳引繩技術提供了前所未有的升降機節能效益、可靠性和耐磨性，同時也提高了升降機的性能。通力 UltraRope™ 曳引繩技術彌補了普通鋼絲繩的缺陷 — 高能耗、易延伸、隨行重量大及容易因大樓搖擺引起停機。此外，該技術可將升降機的行程提升至 1,000 米。

#### 通力 MonoSpace® 無機房升降機



1996 年，通力電梯推出全世界第一台適用於中低層建築的通力 MonoSpace® 無機房升降機，當時掀起了一場升降機工業革命。2012 年，通力電梯又推出了新系列的 MonoSpace® 升降機，全新的解決方案更為高效節能，提供行業領先的乘坐舒適感和屢獲殊榮的轎廂設計。

#### 通力智能客流解決方案



通力電梯全面而靈活的智能客流解決方案，是專為滿足現代建築的不斷變化求而設計的。基於業界領先的技術，通力智能客流解決方案包括 Access 門禁控制系統、目的選層系統、信息顯示系統和升降機及自動梯遠程監控系統。

#### 通力 EcoMod™ 自動梯更新改造方案



EcoMod™ 是一套完整的自動梯更新方案，特別適合受種種建築限制的場所，以最先進和人性化的工程考量，切入客戶的實際需要，讓業主可以享受到最有效的更新工程以改善外觀和載客量，但又免除大規模建築改動的需要。整體工程費用及時間也因此而大大降低。

## 提供培訓 吸納高質技術專才

從過去多年發展經驗中，夏文書認為：「行業競爭激烈，業主及公眾的期望也越來越高，因而業界需要持續增聘專業和熟練的技師，但業內熟練的技術人員短缺及入行青年人較少，所以我們需要正視和解決這問題。同時，業界亦需要自行加強監管措施，致力提升安全意識，持續培訓及提升註冊員工、技術員及工程師的專業水平，以迎合乘客及業主對服務的要求。」

為建立團隊合作精神及改善熟練技師短缺的問題，他提到：「通力電梯採取積極態度強化內部的人力資源，為員工建立良好的管治架構及公司文化，通過一系列的培訓和發展機制，有理想的晉升階梯和發展機會。公司為員工提供系統性的培訓課程，包括客戶服務、壓力管理支援、工作激勵及銷售技巧等，目的是吸納有能力的技術人員和頂尖人才，以及成為行業的優秀僱主及卓越企業。」

## 安全至上 優化與客戶溝通技巧

為配合發展需要，通力電梯對安全為最優先的考慮因素。公司重視升降機及自動梯的安全水平，亦注重公司員工、供應商，以及使用產品和服務的所有人員和乘客的安全，這是通力電梯營運的重要基礎。通力電梯所有技術人員須配備合規格的個人防護裝備，並執行嚴格的內部安全審核，以確保 100% 符合安全標準的法規。同時，他們要經過專業嚴格的培訓，並採用最先進的工具和技術支援，以及優化與客戶接觸的技巧和人際關係，即時溝通以提供妥善服務。

通力電梯為堅守「安全為先」的宗旨，確保每天使用通力電梯產品的公眾都能安全順暢地通行。每年公司都會通過舉辦年度「安全週」 Safety Week 來提升安全舉措，讓客戶和合作夥伴有機會了解升降機和自動梯的運行原理以及安全的乘搭方法。

## 通力電梯全球獎項

通力電梯連續第六年被世界知名商業雜誌《福布斯》評選為全球最具創新力企業。2016 年在上榜的 100 家企業中通力電梯名列第 56，在所有歐洲企業中排名第 8。同時，通力電梯也是唯一一家上榜的升降機和自動梯企業。



## 積極履行社會企業責任

通力電梯在發展業務的同時，亦注重社會企業責任及可持續發展，每名員工除了互相尊重和信任外，也積極參與社會公益活動、關顧環保和長幼需要，致力促進經濟發展，使企業在創新及競爭優勢下得以穩健發展。此外，公司亦關注建築物的無障礙通道和設備的需要，積極與乘坐輪椅的人士進行交流和磋商，力求協助行動不便的人士、攜帶行李的旅客及嬰兒車使用者的家庭，提供無障礙的生活體驗。

通力香港自 2004 年起獲得「商界展關懷」認證，並長期主動參與一些具意義的社區慈善活動，例如寰宇希望長者防跌安全日和多行一步義工活動、苗圃挑戰十二小時、長者居安協會賣旗日、香港愛護動物協會賣旗籌款活動及愛飾動物日。通力香港的員工與公司融為一體，多方面照顧社區，回饋社會，正是公司的社會責任目標。



長者居安協會賣旗日



寰宇希望之長者防跌安全日



香港愛護動物協會賣旗籌款活動

通力香港投放大量資源，以保障員工健康及工作與生活的平衡，如增設侍產假及生日假，舉辦各式各樣的康樂活動及康體運動，讓員工互相聯誼，增加認識。



通力長跑隊



通力足球隊



通力籃球隊



通力BBQ嘉年華活動





# Kowloon Development Company Limited

## Corporate Background

Kowloon Development Company Limited ("**KDC**") (stock code: 34), a member of the Polytec Group, was established on 24 January 1961 and was listed on the main board of The Stock Exchange of Hong Kong Limited on 4 July 1995. Since its establishment, KDC has chiefly engaged in property investment and investment holding with the operation of its business mainly in Hong Kong in the early years. KDC has substantially broadened the areas of activity since the Polytec Group gained control of it and management reshuffled in 2002.

In 2006, KDC attained strong presence in two other property markets, Macau and Mainland China, through a number of strategic acquisitions. This also set a strong base for the Group's future development in these three property markets. The Group has been pursuing a three-zone development strategy with exposure in the three major property markets in the Greater China region, Hong Kong, Macau and Mainland China since then. KDC focuses on its activities in Hong Kong and Mainland China and as a holding company, through its 73.4% owned listed subsidiary, Polytec Asset Holdings Limited ("**PAH**") (stock code: 208), for its interests in Macau. This strategy enables KDC to maintain strategic focus and set a platform for KDC to readily access the best investment opportunities in three property markets, providing greater investment flexibility. Indeed, it has built a sizeable and quality development landbank across these three markets over the past decade and its major focus to date has been residential development.

In Hong Kong, the Group currently owns 100% of a number of residential/residential & retail/commercial development projects, with total gross floor area of approximately 3 million square feet as at 30 June 2016. In Mainland China, the Group started to acquire development land/projects in 2005 and over past 10 years its development projects, both wholly-owned or joint-venture, cover in Shenyang, Tianjin, Wuxi, Foshan, Huizhou and Zhongshan, with total gross floor area of exceeding 60 million square feet as at 30 June 2016. In Macau, KDC has largely been capitalised on extensive experience and a strong brand of its ultimate holding group, Polytec Group, which started its property development in Macau in the early 1980s and has been one of the leading property developers in Macau. KDC currently holds through its subsidiary PAH 80% interest of two mega residential and commercial development projects in Orient Pearl District of Macau.

## Group's latest property development projects

### Hong Kong



Cadogan  
(Kennedy Town)



MacPherson Place  
(Mongkok)



South Coast  
(Aberdeen)



Upper West  
(Tai Kok Tsui)

### Mainland China



Le Cove City (Shenyang)



The Gardenia (Shenyang)



City Plaza (Tianjin)



Le Cove City (Wuxi)



Le Cove Garden (Huizhou)

# Kowloon Development Company Limited

## Macau



Villa De Mer

## Group's major investment properties



Pioneer Centre (Hong Kong)



Macau Square (Macau)

## Group's Major Businesses

KDC is essentially a property developer. However, its businesses are extended to property investment, property management and some other non-core fields.

### Property Development and Sales

The whole process of property development is sophisticated including development feasibility study, land acquisition, land lease/land use planning, building design, plans submission procedures, tendering and construction and it involves extensive inputs from different areas of expertise and professionals including architects, engineers, surveyors and builders. Therefore, when various issues arise from this complicated development process, in-house professionals from lands and business development team, project development team, design team, legal team, cost control team, procurement, engineer and mechanics team and quality assurance team, together with our appointed professional

consultants, use their collective wisdom and respective field knowledge to resolve those issues. Therefore, undoubtedly, people are the greatest asset of the Group.

The Group is committed to producing quality products and services. With this mandate in mind, the project management team is required to genuinely understand every aspect of the project under management, to pay attention to all details and to closely monitor the progress in order to better resolve problems arising from the development process while the on-site team is required to ensure that construction is always on schedule and on budget without sacrificing quality. The designers and architects are required to always make their best efforts in design and planning, making our products user-friendly and people-oriented, with the Group's product design always being long lasting, elegant and modern. The marketing and sales team is required to always has a good understanding and sense of prevailing conditions of the local property markets and other macroeconomic elements which enable it to form better marketing and sales strategies and hence to achieve successful sales.

Indeed, as property development is such a complex and high risk business due to various uncertainties in costs, government policies etc., good risk management is especially important. While cost control and risk mitigation measures are always in place, the judgement on the timing of the land purchase and the sale of completed projects also essentially determines the profitability of a development project.

### **Property Investment**

In addition to the residential development portfolio, the Group's landbank contains significant retail developments in Hong Kong, Macau and certain cities in Mainland China, which is intended to retain for long term investment purposes in order to grow and broaden the Group's portfolio of recurrent income producing properties to complement the present principal investment assets in Hong Kong and Macau.

### **Property Management**

The Group also offers a full range of high quality property management services to home buyers of the Group's development properties and residents of other properties.

### **Vision and Mission**

In addition to aiming to generate best returns for its shareholders for many years to come, KDC is focusing on building a strong brand as a thoughtful property developer producing quality products and we realise this requires a united team working together with passion and a drive for excellence in the products and services which the Group produces. By realising the inherent value of the landbank, we believe this will enable a great enterprise to be built and to last.

# Millennium and Copthorne Hotels

## Millennium and Copthorne Hotels' CSR Efforts

As a leading hotel chain, Millennium and Copthorne Hotels (M&C) remains committed in our efforts to operate business in an economically, socially and environmentally responsible manner.

Our aim is to develop new and better ways to build and run our hotels that create sustainable value for our brands, business and stakeholders as well as addressing our social and environmental responsibilities.

To support our commitment to corporate responsibility, the M&C Board supports a number of policies, (referred to as 'Responsible Hospitality') which are designed to recognise and manage the Group's wider impact on the communities which we operate in.



### Building our team

Employees are an essential part of our business and we aim to foster an inspiring, diverse and collaborative work environment where our people know they are appreciated, valued and respected. Upon commencement with the Group, new colleagues are provided with an extensive induction which gives them an update on the business and introduces them to our unique company culture and brands.

Suitable training and personal development opportunities are provided to our employees and we use a number of ways to engage them, which helps promote team building and create a better understanding of the Company.

### A safe workplace

Providing a safe and secure environment for M&C guests, employees and subcontractors is essential. To ensure their protection and well-being, our health and safety functions ensure that comprehensive processes and procedures are in place at all properties and comply with relevant legislation. Such measures also support our hotels to identify hazards, assess risks and implement appropriate controls to reduce occupational injuries, accidents and fatalities.

Health and safety is a principal risk and as part of our risk management effective training, supervision and regular communication on health and safety matters is regularly provided to our employees. To support this, a comprehensive schedule of audits, inspections and drills is carried out internally and by independent bodies to check awareness, compliance and readiness to deal with emergencies.

### Caring for the environment

M&C understands that sustainability impacts nearly all aspects of its hotel operations, so we embrace it as a means to preserve our environment, to provide increased guest comfort and to engage and inspire our colleagues. We encourage our hotel managers to seek new ways to reduce and manage emissions and energy use across our Group by adopting

environmental best practices and optimising efficiency.

For example, as part of an ongoing process, our hotels have been converting incandescent light bulbs to LED. As LEDs are extremely energy efficient, consuming up to 90% less power than incandescent bulbs, significant benefits are being derived in terms of reduced power and savings on maintenance and replacement costs due to their longer lifespan. Other energy saving projects have included installation of new energy efficient equipment, using renewable energy technology and optimising the performance of existing equipment.

The Group's overall carbon emissions decreased by 5% compared to 2014 across its UK-based properties. Emissions per unit floor area have decreased by 15% since M&C first started reporting greenhouse gas emissions in 2010. In 2015, M&C's carbon footprint was 389,257 tonnes.

### Supporting local communities

We fully embrace the communities in which we operate and are committed to conducting our business in ways that have a positive impact on society. We encourage every hotel to get involved in its community in ways that make the most of their skills and for causes about which they are passionate. Our colleagues are encouraged to participate directly, whether through volunteering, fundraising or coordinating events for local charitable causes.

Several community initiatives from our hotel colleagues worldwide have contributed to help make a brighter future in their communities. Here are some examples:

For example, a number of our hotels in Asia and the US have participated in a soap recycling programme set up through a non-profit organisation called Clean the World that collects partially used soaps and other hygiene amenities. Collected items are then hygienically recycled and distributed globally to communities in need.

Recently, **JW Marriott Hong Kong** helped clean 450kg of soaps. Other examples of the hotel's community outreach



# Millennium and Copthorne Hotels



efforts include partnering with local Hong Kong charity Foodlink to bake and distribute homemade cookies and buns to reduce food waste, and being a regular volunteer at Hong Chi Association, another local non-profit organisation that helps people of all ages with intellectual disabilities. The hotel also took part in the annual Youth Outreach Flag Day 2016 to raise funds to support the Youth Employment Start-up Programme, Crisis Residential Centre and All-night Outreaching Team operation.

**New World Millennium Hong Kong** is a recent recipient of the Certificate of Merit (ISO 14001 certification) at the "GREENPLUS Award" programme 2016 by CLP Power Hong Kong, which recognises the property's continuing efforts in energy conservation.

**Orchard Hotel Singapore** supported the 'Adopt a Wishing Star' foundation by collecting handwritten wishes from children of low-income families of Thye Hua Kwan Moral Charities Limited and Sengkang Family Service Centre and encouraging hotel staff and guests to fulfil the wishes.

**Millennium Hotel Sirih Jakarta** held in 2015 a golf tournament in conjunction with the Jakarta Hotels Association which raised nearly £ 8,000 for Habitat for Humanity Indonesia. The money was used towards building homes for five families with children at Desa Bojongkoneng, Sentul in Indonesia.

**Millennium Corniche Hotel Abu Dhabi** joined hands with Brightpoint Royal Women's Hospital during the month of October, known internationally as Breast Cancer Awareness month, to raise awareness of the disease. Ladies who attended a coffee morning session at the hotel's bar Cristal were given a 50% discount card for a mammogram test. Representatives from Brightpoint Hospital explained the importance of routine examinations and early detection to beat the disease that remains a global killer.

**Millennium Hotel Cincinnati** employees have been collecting children's books for Adopt-A-Book, a non-profit organisation dedicated to providing underprivileged children with books of their own. The target was to collect 500 books; however the hotel team were so passionate about the cause that they exceeded the target with a total of 1,539 children's books.

**The Heritage Hotel Manila** sponsored 30 runners to participate in the Million Volunteer Run organised by the Philippine Red Cross to raise funds for those affected by disasters.

**Copthorne Hotel London Gatwick** continues to support the local community by providing desserts for a homeless shelter on Christmas day. This contribution was part of a local Operation Santa appeal by the local press in Crawley and involved businesses contributing items to help feed over 70 homeless people at Crawley Open House in Stephenson Way, Three Bridges over Christmas. The hotel's pastry department baked over 70 desserts for the shelter. Other staff at the hotel also helped by collecting toothbrushes and toiletries to give as Christmas gifts for the homeless.

**Copthorne Hotel Rotorua, New Zealand** organised a 'Can for Can' initiative which involved colleagues donating a canned food item and the hotel matching the total number of cans donated which were divided equally between a local woman's refuge and the Salvation Army food bank charity.

Our hotels also help young people from disadvantaged backgrounds by providing employment skills training and vocational opportunities. For example, our **ONE UN New York** hotel provided training and hands on work experience to students from the New York University.

More recently, **Millennium Hotel Durham** volunteered with global non-profit Christian housing organisation, Habitat for Humanity, and built two homes in the Durham city of North Carolina in an effort to help alleviate poverty housing.



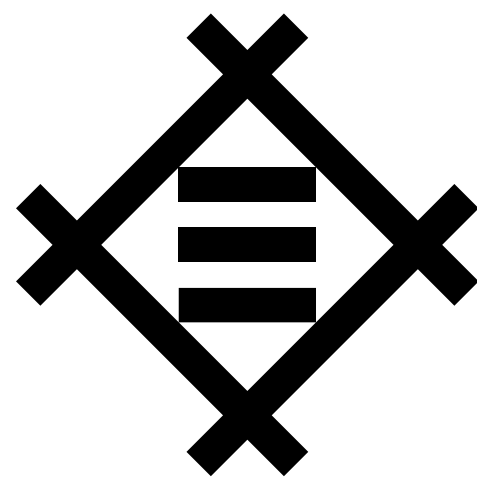


# 360° business innovation.



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2016

**MITSUI & CO.**

## MITSUI & CO. (HONG KONG) LTD. 三井物産（香港）有限公司

Address: 25/F & 26/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Tel: (852) 2823 8777/ 2823 8888

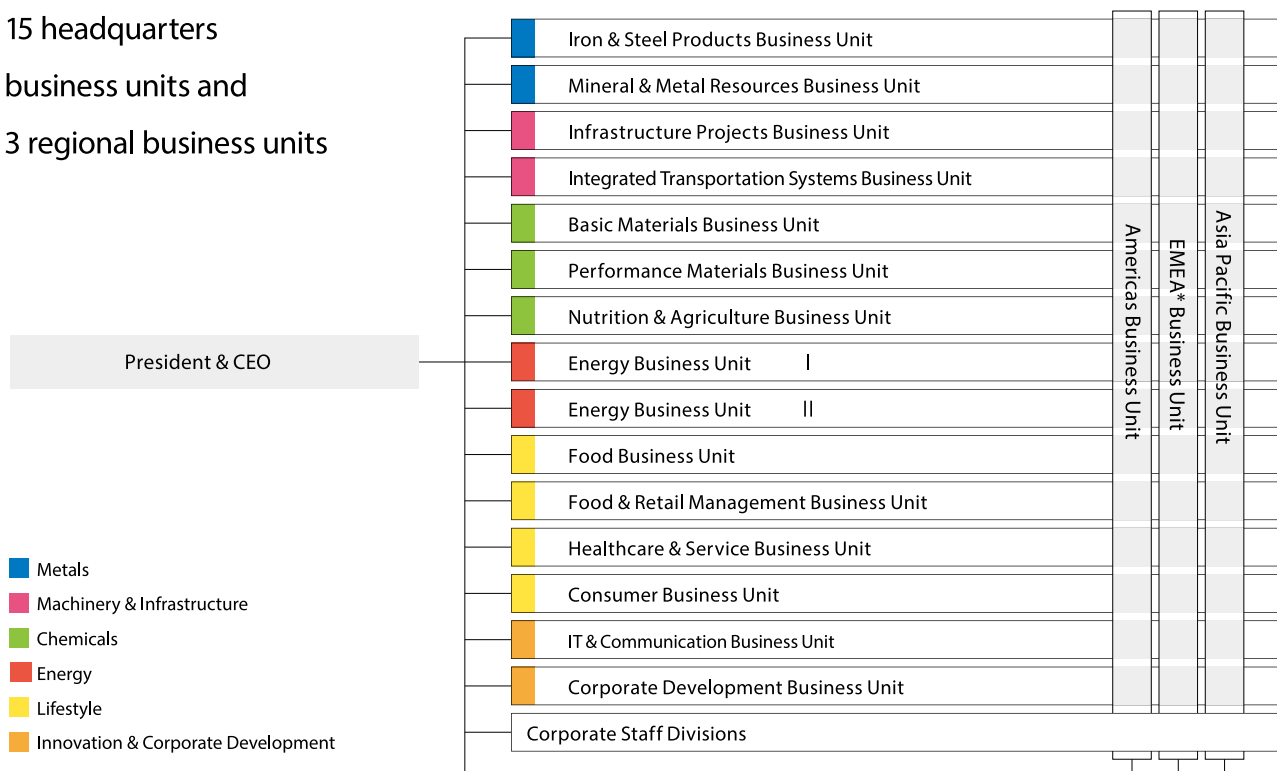
## Mother Company: MITSUI & CO., LTD. 三井物産株式会社

Company Name	MITSUI & CO., LTD.		
Date of Establishment	July 25, 1947		
Common Stock	¥341,481,648,946		
Number of Employees	5,905 (43,611 on consolidated basis)		
Number of Offices and Overseas Trading Affiliates	139 offices in 66 countries/regions	Japan: 12 offices	Overseas: 127 offices in 65 countries/regions
Head Office	1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan Nippon Life Marunouchi Garden Tower (registered head office location) 3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan JA Building TEL: 81(3)3285-1111 FAX: 81(3)3285-9819 URL: <a href="http://www.mitsui.com">http://www.mitsui.com</a>		
Number of Affiliated Companies for Consolidation	Subsidiaries:	Japan 68	Overseas 207
	Equity Accounted Investees*:	Japan 34	Overseas 153
	Total:	462	
Stock Information	Stock Exchange Listings: Tokyo, Nagoya, Sapporo, Fukuoka Number of Shares Authorized: 2,500,000,000 shares Number of Shares Issued: 1,796,514,127 shares Number of Shareholders: 400,805 shareholders		

(As of March 31, 2016)

\*Associated companies and joint ventures

15 headquarters  
business units and  
3 regional business units



(As of April 1, 2016)

\*EMEA: Europe, the Middle East and Africa

Note: China, Taiwan, South Korea, and the CIS region report directly to the Head Office

# 5 functions

Providing services and solutions that meet the diverse needs of customers around the world.

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## Marketing

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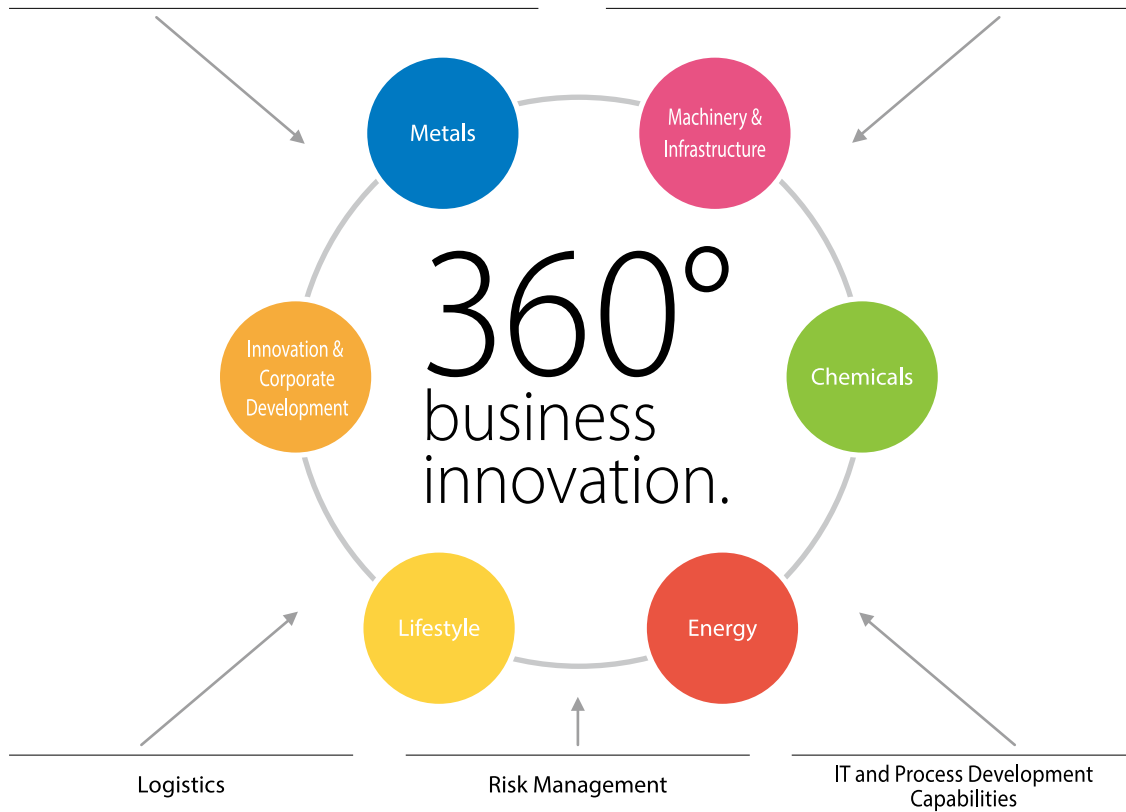
Successful business necessitates gathering and carefully analyzing in-depth market information. Through our global marketing networks and extensive business experience, we support our customers by gathering and analyzing information pertaining to business trends, market conditions and various financial products, and providing advice about legal systems and business customs in different parts of the world.

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## Financing

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Procurement of funds is necessary for launching, maintaining and expanding new businesses. Using various types of financing methods, we propose transactions to customers requiring significant financing or customers doing business in countries and regions in which credit transactions are difficult. Transaction method examples include trade financing through letters of credit and other means, sales on credit for buyers, and underwriting of payment-on-delivery for sellers.




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## Logistics

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Our logistics expertise is a major source of support for our customers' business. We propose the best solutions from the perspectives of both transportation efficiency and cost management. We also undertake transportation of products to all regions of the world, delivering the right products at the right time, in line with our customers' requirements.

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## Risk Management

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A lack of information relating to country risk or the creditworthiness of business partners can be an impediment to doing business. We undertake pre-assessment of business risks, devise methods for managing or mitigating risks we have identified, and based on this provide customers with tailored solutions. We have a particularly important role to play in determining and managing the creditworthiness of business partners, so that our customers can conduct their business with financial peace of mind.

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## IT and Process Development Capabilities

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Business efficiency can be improved by optimizing business processes using IT. We are exercising our business engineering capabilities by increasing the sophistication of four key functions—marketing, financing, logistics and risk management—using our IT and process development capabilities. In this way we can provide our customers with optimal solutions.

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# 6 business areas

Providing new value across a broad range of business domains, leveraging our business engineering capabilities and diverse experience.

<p>Metals</p>	<p>Through business development, logistics and trading of mineral and metal resources, metals and steel products, we reinforce a comprehensive value chain to secure a stable supply of the resources, materials and products necessary for both industry and society. We are also active in metal recycling and other initiatives to develop industrial solutions to environmental issues.</p>
<p>Machinery &amp; Infrastructure</p>	<p>We contribute to creating better lives through the long-term, reliable supply of social infrastructure such as electricity, gas, water, railways and other logistics infrastructure. We provide sales, financing, lease, transportation and logistics, and project investment in a wide range of machineries, including large-scale plants, marine resource development facilities, ships, aerospace, motor vehicles, construction/mining machinery and industrial machinery.</p>
<p>Chemicals</p>	<p>Our chemicals business encompasses trade and investment in a range of industries, from upstream chemicals such as basic chemicals and fertilizer resources, through to downstream chemicals such as functional materials, electronics materials, fertilizers, agricultural chemicals and specialty chemicals. We are also pursuing new initiatives such as green chemicals.</p>
<p>Energy</p>	<p>Through upstream development, logistics and trading of energy resources such as oil, natural gas/LNG, coal and uranium, we contribute to the stable supply of energy vital to both industry and society. As part of efforts to achieve a low-carbon society, we are also actively involved in next-generation energy and environmental businesses.</p>
<p>Lifestyle</p>	<p>Adapting to changes in consumption and lifestyles while meeting consumers' diverse needs, we provide value-added products and services, develop businesses and make investments in the fields of food resources, food products, retail support business, medical and healthcare, fashion, forestry plantation resources and real estate-related business.</p>
<p>Innovation &amp; Corporate Development</p>	<p>Through our ICT, Finance and Logistics business, we work on a diverse range of projects aimed at developing innovative business and expanding our business field. At the same time, we aim to strengthen our company-wide earnings base by pursuing strategic projects and new opportunities and providing specialized functions that contribute to the whole Mitsui &amp; Co. group.</p>



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Address : 24/F., SUP Tower, 75-83 King's Road, North Point, HK.

## 用心服務 Service with the Heart



### 服務設施 Our Clients

- 商業大廈  
Office Buildings
- 大型屋苑及豪華住宅  
Residential Complex &  
Serviced Apartment
- 大型高級商場  
Shopping Arcades
- 酒店及會所  
Hotels & Membership Club
- 公共交通服務  
Public Transport Service
- 公共設施及政府物業  
Public Facilities &  
Government Property

### 服務範圍 Our Services

- 全面清潔管理服務  
Environmental Service
- 專業害蟲控制服務  
Pest Control Service
- 酒店房務部工作  
Housekeeping Service
- 廢物處理服務  
Waste Management Service
- 玻璃外牆清洗服務  
Curtain Wall Cleaning Service
- 石材保養處理及翻新服務  
Marble Protection & Restoration Service
- 敏感及保密文件銷毀服務  
Secure & Confidential Waste Destruction



## CAR COATING

專業汽車鍍膜服務

-  保護車漆  
Paint Protection
-  撥水性  
High Hydrophobic Effect
-  車漆更亮麗光澤  
High Glossy
-  易於打理  
Ease of Maintenance
-  效果持久  
Durable
-  防刮  
Scratches Resistance



## CAR DETAILING

汽車美容

-  三重特亮水晶車漆護膜  
Paint Sealant Service
-  蒸氣清洗車廂  
Car Compartment  
Steam Cleaning
-  皮革護理  
Leather Treatment
-  清洗車身  
Car Wash
-  臭氧車廂空氣淨化  
Ozone Air Purifying
-  車廂吸塵  
Vacuuming



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寶聯汽車服務有限公司 E-car Auto Services Limited  
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大光集團（控股）有限公司成立以來，在全體同仁的共同努力和社會各界的關心與支持下，逐步發展到集房地產、金融投資、煙草、中藥業為一體的國際性集團公司。公司一貫採用以誠信為本、努力進取、智、仁、信、嚴、勇的管理概念、個人與企業共同發展原則、從關心社會、回報社會、造福人類為宗旨，共創企業的發展。憶往昔，崢嶸歲月，展望未來，商機無限，同仁共攜，再創「大光」輝煌。天地萬物以人為大，五湖四海映日之光，「大光」精神永遠發揚光大，大光集團明天更美好、更光輝燦爛。

## 房地產

大光集團於 1997 年開始進入中國房地產市場，先後在大連、廣州、深圳、江蘇及湖南等地開發投資，項目包括“大連星海灣花園”、“大連大世界廣場”、“廣州大展雅苑”及“深圳泰福倉”等。

目前正在開展中的項目遍佈全國，如“江蘇昆山市 BOVO 商墅”、湖南之“懷化國際生態中心暨現在商貿物流園”及湖南之“大光龍泉湖禦園”等。

### 江蘇昆山市 BOVO 商墅

大光集團正在江蘇省昆山市打造一個國際級水準的商務綜合體，新上海後花園的國際的中小企業行銷基地。本項目佔地 169000 平方米，以低碳環保節約能源的概念來構建出一個未來綠色生態商墅新典範。BOVO 商



墅位於昆山市花橋國際商務城核心地段，乘坐 11 號輕軌 30 分鐘可達上海市中心。距離虹橋機場約 25 公里，距離上海浦東國際機場約 65 公里，距離吳淞港口，集裝箱碼頭約 30 公里，距離昆山市區約 16 公里，距離蘇州約 50 公里，區位優勢十分明顯。

BOVO 商墅設計集花園式辦公，別墅，商業一體的自由組合式總部基地，整體規模和檔次在全國乃至世界同業中居於領先地位。專案商務環境及其優越，盡展現今天上海後花園，明日的中國新矽谷之尊貴特質，是廣大中小企業總部基地的必據之地。

### 懷化國際生態中心暨現在商貿物流園

大光集團在湖南懷化的“國際生態農業博覽中心暨現代物流產業園”專案規劃地 3000 畝，是融合商流、物流、資金流、資訊流於一體，集體展示、交易、



CBD、電子商務、生物工程技術、商業推廣、商貿物流、成果轉讓及新聞發佈等多種功能於一身的“一站式”大型現代化國際生態農產品博覽中心與商貿基地。本項目是懷化市農副產品一站式交易與物流示範基地，全國最大型的國際農產品食品交易中心之一和具有國際影響力的世界性生態食品中心。

### 大光龍泉湖禦園

佔地 362000 平方米的懷化第一大盤 – “大光 – 龍泉湖禦園” 具備全國一流品質的原生態別墅級住宅區，地處懷化市新興 COD，CLD 雙核心地帶河西中心區，以國際級的高水準的藍圖設計規劃，開創懷化樓市新紀元。大光集團用心鑄就懷化超越時光的世襲經典，在開發規劃，建築設計的每一個細節都精工考慮，由內而外雕刻全新的名宅風貌，打造完美理想居所。



目前，大光集團在全國各地還有多處大型房產投資項目正在緊鑼密鼓的運作籌備之中，從大連，廣州，深圳到昆山，懷化，大光集團一路走來，始終以“構建理想城市生活”為己任，矢志不渝的鍛煉中國建築精神。在往後的日子裏，大光集團將一如既往的以不惜工本的反復打磨締造一個又一個經得起時間歷練與褒獎的傳世建築典範。

### 中藥業、保健食品

雲南金不換（集團）有限公司是大光集團旗下一核心業務發展公司，致力於開發和製造中醫藥及保健產品。金不換集團目前是全球最大的三七生產商和供應商之一，是通過了國家食品藥品監督管理局 GMP、GAP 認證的藥品生產和經營企業。

金不換集團以第三代心腦血管藥物“血塞通滴丸”和“三七冠心寧膠囊”為重點產品，以三七原料類藥品及普藥為基礎產品，形成了豐富的產品鏈，開發了相關保健食品，如獨特不添加任何鎮靜劑配方的睡眠改善產品“眠樂”，並生產了“活樂”、“活心素”、“三七液”、“三七精華素”及“金不換袋泡茶”等系列的食品系列。

金不換集團的產品在國際上頗受歡迎，現已暢銷於中國大陸，澳門泰國，日本，馬來西亞市場，將逐步覆蓋新加坡，台灣，印尼，菲律賓，南韓，北美等市場。捍衛全世界更多人的健康。





# 大光集團（控股）有限公司

## 煙草業

煙草業是集團核心發展業務之一，特富意煙草集團是大光集團旗下一核心業務發展公司，乃全澳門最大煙草製造商，產品遍佈歐美，非洲和亞太區包括中國大陸。

集團擁有專業的生產加工基地，2010年落成之新廠房大樓生產場地，配以先進的生產設備，採用精細化，科學化的高品質管理，銷售網絡遍佈世界各地，一貫奉行“品質第一，信譽至上”的經營原則，為廣大消費者提供多個系列的高品質濾嘴香煙。集團擁有特富意（紅），特富意（金），特富意（薄荷），特富意（精裝紅），特富意（精裝藍），金香港，金澳門，濠運系列，幸運貓，德裏克，超級等香煙品牌，暢銷國際市場，受到全世界各地廣大吸煙人士的大力推崇。經過十餘年的穩紮穩打和不懈努力，特富意集團在國際和國內市場均佔據了重要的地位。在未來的日子裏，集團將秉持“做精，做大，做強”的堅定信念，持續提升公司在品牌、管理、科技、製造及團隊，五方面的核心競爭力，努力打造中國式捲煙代表品牌，成為世界頂級的煙草製造商。



## 金融投資

憑借本集團實力及豐厚的商業資源與社會公共資源，良好的信譽度，主要經營範圍有項目投資（能源、交通、礦產），資產收購，兼併重組。使閑置資產和不良資產煥發活力。同時，我們協助國內優質的企業與項目在香港的資本市場籌集所需的資金。

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