

HKComment

HO LOK-SANG

Understand the basics of electoral democracy

In an earlier column I discussed the spirit and substance of democracy (June 25, 2013). I noted that the spirit of democracy lies in the responsiveness of the government to the needs of its people. The substance of democracy lies in the effective delivery of what people need. Whether the government is elected does not necessarily mean it is substantively democratic. An elected government which is corrupt, fails to uphold the law, protect its citizens from health hazards, provide education and decent infrastructure is not substantively democratic.

Nevertheless, electoral democracy, which the West considers the essence of democracy, is still desirable. Electoral democracy is government by the people. Substantive democracy, as I defined it, is government for the people.

When both electoral democracy and substantive democracy prevail then people will identify the government as a true government of the people. However, electoral democracy is based on several premises. The failure of any one of these will render it inoperative. First, electoral democracy requires a respect for rules and procedures. People must be ready to follow rules and procedures which have been established through accepted standards and procedures. You cannot have electoral democracy if people feel free to deviate from established rules and procedures. Second, electoral democracy requires a willingness to accept the consequences which follow rule-based processes. This means people should let whoever wins the

election use the power he or she legally obtained through electoral process. People must not arbitrarily challenge an elected government's rule before its term ends. In addition, given that the laws of a country have been enacted through due process they should then be respected. Thus, we have the third and fourth requirements: The elected government must govern according to the law. It must not arbitrarily deviate from the law. If the elected government fails badly in its task, people can impeach it — but only according to the law.

Unfortunately for democracy, all of these premises are routinely broken in many countries which claim to be democratic. Many elected governments routinely deviate from the law. Recently, a Japanese civil group sued at the Tokyo District Court over Japanese Prime Minister Shinzo Abe's controversial visit to the Yasukuni Shrine. They argued that Abe's move was unconstitutional. Abe even interfered with press freedom by reorganizing Japan Broadcasting Corporation (NHK) and appointing a conservative former businessman to head it.

In Taiwan, Ma Ying-jeou was elected and is still the island's leader serving out his term in office. But he has had to deal with students protesting against the passing of the Cross-Straits Service Trade Agreement without a clause-by-clause review. They stormed the Legislative Yuan and even the Executive Yuan, aided and cheered on by the opposition party.

In Thailand, Yingluck Shinawatra was elected prime minister. She was accused of abuse of power and corruption. But instead of following legal means to oust her from office, the opposition party chose to take their campaign to the streets. They attempted to "close down Bangkok" and use

mass protests to force Yingluck to step down.

The fact is: If everyone feels free to impose his own will on others, this is an expression of a dictatorial — and not a democratic — instinct. If we believe no one should have the right to dictate one's will upon us, why do we think we have the right to dictate our will upon others? Thai opposition leader Suthep Thaugsuban advocates an unelected "People's Council" to promote his version of political reform. But does this really reflect the political aspirations of ordinary Thai people? If people are not happy with the result, they will take to the streets and do things their way. This is clearly not democracy or the rule of law, but more like the rule of the jungle.

In a civilized society which accepts the rule of the law, everyone abides by the rules and procedures in accordance with the law. They should respect the results that follow such rules and procedures. The law is certainly not perfect. It is everybody's responsibility to help improve it. Yes, we need checks and balances to prevent the abuse of power by the ruling elites. But we also need checks and balances to prevent the abuse of power by interest groups. The law can and should be amended to adapt to changes in values, norms, technology and knowledge. But respect for every individual as an equal member of society must always be upheld. This is to protect minorities from the tyranny of the majority and also from mob rule. It must always be maintained and enforced.

I think Hong Kong is such a civilized society. Is this statement now to be used in the past tense?

The author is director of the Center for Public Policy Studies at Lingnan University.

LAU NAI-KEUNG

Labor Day tourist numbers worrying

It seems as if the message from many Hongkongers to mainlanders has finally been transmitted across the border. Hong Kong people are now getting what they want. Between May 1 and 3, according to data from the Hong Kong Immigration Department, some 388,070 mainland Chinese tourists entered Hong Kong. This was down 2 percent from the same holiday period last year — when 394,476 visited Hong Kong. The number of mainland holidaymakers crossing the border on the first day of the holiday, meanwhile, dropped 12 percent from last year.

But the first drop in mainland tourist numbers since 2003, when individual tourists were first allowed to visit, is worrying. In the past, we were used to double-digit growth. Is this the beginning of a reversal of the established trend of evermore mainland tourists and sales? More importantly is Hong Kong losing its charm as a "unique city" — a place where people all over the mainland traditionally wanted to visit because of its "hospitality" and "civility"?

With limited data, the jury is still out on our city's fate as a tourist attraction and shopping paradise. We are, in fact, witnessing some confusing signs.

First of all, although we have the numbers of people entering and leaving the city, we do not yet have accurate information on how much they spent. If we rely on anecdotal evidence, the picture can be both rosy and scary, depending on how you select the evidence.

The Standard reported that Sun Hung Kai Properties said it enjoyed higher sales at its shopping malls during May 1-3, compared with a year earlier. At apm in Kwun Tong, total sales surged 18 percent year-on-year to HK\$38 million while the number of customers rose 13 percent to 1.5 million. At the same time, however, Lukfook Jewellery's sales in Hong Kong dipped during the Labour Day holiday, as the Shanghai Business Daily reported recently.

If retail sales in general (and much of this has always been supported by mainlanders in recent years) have gone down, it wouldn't come as a surprise. It would just be confirmation of an emerging trend, as retail sales figures have fallen for three consecutive months since January.

Apologists for our tourism sector will blame external factors, such as the shortening of the Labor Day holiday on the mainland and the slowing economy. But tourism spots across the mainland received record numbers of visitors over the Labor Day holiday. According to Xinhua, the railway authorities recorded an all-time-high of 37 million train journeys by travelers during the Labor Day holiday, up 16 percent from last year. The news agency also said the increased number of privately owned cars and the lifting of toll charges on highways for the Labor Day holiday helped boost the popularity of short-distance holidays by the public.

On the mainland, consumer confidence is showing signs of improvement in the first quarter. The rapid wage growth, approximately 14 percent in 2013, is continuing to support consumer sentiment even as GDP growth has cooled to around 7.5 percent per annum. The rebound of passenger

car sales by double digits in April is one of the notable indicators of the continued growth of purchasing power in the hands of the public. It is true that sales growth in brick-and-mortar stores has eased. But this must be considered alongside the excitement for e-commerce space.

All these confusing, contradictory signs point to a larger transformation happening on the mainland. Whereas cultural conflict is a parochial explanation of what is happening here, the bigger picture is that Hong Kong retailers face slowing growth due to the mainland's anti-extravagance rules. These have deterred luxury consumption in Hong Kong.

As the mainland's economy is reformed and incomes are distributed more evenly, the consumption patterns of mainland visitors will inevitably change. While luxury stores in traditional districts, such as Causeway Bay, are affected, retailers in the northern districts will benefit from mainland visitors who are now smarter, more confident, and less gullible about brand advertisements.

If we look at the numbers of mainland visitors entering Hong Kong, the discrepancy between the 12 percent decline on the first day of the holiday and only 2 percent in the three-day period suggests the numbers are supported mainly by mainlanders in and around Guangdong province. As Hong Kong is no longer a "big deal," people are now happy to come here for a day or two, not necessarily using the entire duration of the holiday. And of course, they are not buying a Gucci every time they are here.

The author is a veteran current affairs commentator.



TO THE POINT

STAFF WRITER

No filibustering on DSD

The government's efforts to curb property prices could be thwarted should its Double Stamp Duty (DSD) proposal be further delayed or even blocked in the Legislative Council.

As an additional measure to help cool the sizzling real estate market, the government in February 2013 proposed to double stamp duty on all second home purchases. Upgraders, or home owners who sell their existing flats within six months after buying a new one, will be exempt from this penalty tax.

Unfortunately, the relevant legislative bill has been delayed by some interest-driven lawmakers who have been using filibustering tactics ever since the proposal was tabled.

In an apparent attempt to push through this proposal before the Legislative Council recess, the government is reportedly considering relaxing the terms of the penalty tax. In particular, it is said to be allowing upgraders more time and leeway in disposing of their existing flats.

Opposing lawmakers should take the government's latest concessions seriously and stop further delays of the bill.

Despite all the restrictive measures taken by the government over the past few years, real estate prices in the city remain forbiddingly high and way above the affordability of average buyers. The government has every reason to continue to proactively push through the DSD measure.



The government should make it unmistakably clear that its latest concession does not signal any imminent relaxation on its measures. These are aimed clearly at curbing speculative activity in the property market — in case speculators who have been defensive over the past year make a comeback."

It has rightfully denied demands for exemption of the DSD to other buyers — such as long-term investors and charity and religious groups — as well as the suggestion that the window for exemption for home upgraders be extended to up to 24 months. Too many exemptions could only create room for exploitation.

The government should make it unmistakably clear that its latest concession does not signal any imminent relaxation on its measures. These are aimed clearly at curbing speculative activity in the property market — in case speculators who have been defensive over the past year make a comeback. It must stand firm on its stance and mean business — or speculators won't take it seriously.

Now that the government has made concessions on its proposal, lawmakers are obligated to do their part by passing the bill soon. This is not only for the sake of enhancing social harmony by preventing the wealth gap from widening further and improving home affordability but also preventing the real estate bubble from swelling further to catastrophic levels.



LETTERS

Splish splash, what's new?

By my calculations, 10 times more printers' ink has now been splashed across Hong Kong's newspapers than the total amount of pee from a few kids outside designated areas. Isn't this what's called overkill?

We were all kids once — and at one time or another we all crept behind a bush or the wall of an alleyway when we absolutely "had to go".

Please give us a (toilet) break!

SO MAN-SHING, *Sheung Wan*

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N. BALAKRISHNAN

Taipei as a place to escape from Hong Kong, especially for the young

People in Taiwan are even more worried about economic stagnation and income inequality than Hong Kong people. The ratio of affordability for a residence in Taipei is even worse than in Hong Kong. In other words, though the price of an apartment in Hong Kong is more expensive than in Taipei, the incomes in Hong Kong are higher which means that an average wage earner in Taipei has to work longer to afford a place to live than his counterpart in

Hong Kong. But the grass is always greener on the

other side. A prominent Taiwan financial professional told me that after he gave a public talk recently about Taiwan he was surprised to find that a young person from Hong Kong came to him after the speech to tell him he was thinking of migrating to Taiwan. When asked why, he told the Taiwan speaker that his dream was to start a small coffee shop or a farm in Taiwan, something that he could not realistically or profitably do in Hong Kong!

It is easy to dismiss such thoughts as a young person suffering youthful follies. But after a recent visit to Taipei, I must say that I can sympathize with the views of those young people. While walking around central Taipei I was struck by the large number of cafes. There was of course the obligatory

Starbucks, but there were also many other local cafes, including one chain which calls itself Cafe Philo. The Cafe Philo had earnest people with laptops, books and black boards with drawings of French writer Albert Camus and also Albert Einstein.

Even the bar scene in parks such as Huashan 1914 Creative Park of Taipei looked cheaper, more innocent and filled with younger people. In Hong Kong places such as Lan Kwai Fong are not only more expensive, but filled with older people carrying fatter wallets. Young people in Lan Kwai Fong seem to be reduced to buying cheap beer from 7/11 and then hanging out in the streets. The atmosphere in Hong Kong seems more frenetic in contrast to the innocent feeling in Taipei.

What accounts for the difference between Taipei and Hong Kong youth culture, or the lack of this, is no doubt due to many historical and cultural reasons. But the cheaper rents in Taipei do allow the young people to experiment with the knowledge that if they don't succeed with their cafe or a shop selling unique T-shirts, they can pick themselves up and try again.

In Hong Kong many young people are pressured into the financial sector, or to become an accountant or a real estate agent. But the sad fact is that not many people end up making a lot of money selling real estate or managing other people's investments in the financial sector. So the risk-reward ratio in the so-called "safe" jobs may be no better than those opening cafes in Taipei. The

same number of young people may "fail" in both Taipei and Hong Kong, but those in Taipei may be having more fun while they are failing. More importantly, they may learn something from the failures, regroup and go on to succeed the next time.

So if a Hong Kong young person and a young person from Taipei were to meet at the "Philosopher's Cafe", I am sure that the person opting for a career he dreams of doing will win over the person whose options are much narrower and constrained by pure monetary considerations.

The author has been living and working in Hong Kong for the past two decades. He is currently the CEO of a company listed on the Hong Kong Stock Exchange.



N. Balakrishnan