

INSIGHT

It's all about face

Curtis Chin says after his about-turn on Syria and the cancellation of his trip to Asia, Obama is discovering how damaging conduct that neglects to convey respect and dignify others can be in the region

In English, it's "face". In Korean, it's *chae myun*. And, for those of us who work in China, we know it as *mianzi*.

US President Barack Obama's cancellation of a planned trip to attend the Asia-Pacific Economic Cooperation forum's summit in Indonesia and the East Asia Summit in Brunei got me thinking about diplomacy and the Chinese concept of "face".

Contrast Obama's shrinking and now cancelled return trip to Asia with President Xi Jinping's (习近平) ongoing first trip to Southeast Asia since taking office in March. With great fanfare, Xi, not Obama – who spent part of his childhood in Indonesia – became the first foreign leader to address Indonesia's parliament.

That's some serious "face time" for Xi. Should Obama have made it back this week to Indonesia and Brunei, as well as to Malaysia and the Philippines, he would have been welcomed with the appropriate respect and ceremony that Asian hospitality and diplomatic protocol would dictate for any American head of state.

Yet, the view from Asia of recent American leadership is not necessarily a positive one. That does not bode well for the so-called pivot, or rebalance in US policy, towards Asia.

This is, after all, a region where there remains tremendous respect for not just thoughtful but also strong and decisive leaders. Singapore's senior statesman Lee Kuan Yew, who as prime minister took his nation from third world to first world in a few decades and who just celebrated his 90th birthday, is a leading example.

Ironically, as foreign businesspeople continue to take steps to understand China's shifting landscape and the implications of recent leadership changes in what is now the world's second-largest economy, Obama has provided an unfortunate "teaching moment" about what is arguably, along with money and power, one of the three great motivators in modern China. That is the concept of "face".

In Chinese, as in English, the definition of face includes that space between a person's forehead and chin – one's eyes, nose and mouth. But as Scott D. Seligman, a historian, former Fortune 500 business executive and author of *Chinese Business Etiquette* explains, for Chinese and many others in Asia, face also describes a somewhat intangible concept that is tied to notions of personal dignity and respect. Losing face in Asia can have a lot more



consequence than a bit of momentary embarrassment. Credibility erodes, and power, prestige, influence and even expectations of your abilities can decline.

Just more than a year ago, Obama drew his line in the sand for Syrian President Bashar al-Assad.

"We have been very clear to the Assad regime, but also to other players on the ground, that a red line for us is we start seeing a whole bunch of chemical weapons moving around or being utilised," Obama



If the US can be outmanoeuvred by Russia, what about by an increasingly assertive China?

said. "That would change my calculus. That would change my equation."

So what happened? Chemical weapons were used. A non-response would have been a huge loss of face for the US president. But as the American public and numerous members of the US Congress made clear, the president failed to make a strong enough case for the US to enter into another military action so soon after Libya, Iraq and Afghanistan.

And so, the president did an about-face on whether he needed to have Congress authorise what seemed to be a potential strike of ever-shrinking size. That was before he welcomed a decision to delay a possible vote. All of this may well have been seen by Obama and his defenders as a face-saving way out of a dilemma of his own making, but the view from Asia was of a leader who was far from decisive.

Make no mistake though. Russian President Vladimir Putin was not practising the Chinese concept of "giving face" – described by Seligman as "enhancing someone else's esteem through compliments, flattery or a show of respect" – when Russia shrewdly stepped into the breach by taking advantage of a seemingly offhand comment by US Secretary of State John Kerry as the basis for a proposed agreement that would avert an American military strike. Putin has helped keep Assad in power in the near term and reasserted Russian influence in the Middle East.

If the US can be outmanoeuvred by Russia when it comes to Syria, what about by an increasingly assertive China in Southeast and East Asia? As much of the region comes to terms with China's economic and military growth, a US that moves beyond budget impasses and issues of face, and complements defence and diplomacy with greater commercial, educational and cultural engagement would be welcome in Asia. A "soft power" pivot if you will. Why will a Chinese manager stick stub-

bornly to an announced policy, even when subsequent events prove it to have been irretrievably misguided, when a Western boss would have long since reversed himself? The answer, Seligman says, is the concept of face. And in the case of Obama and Syria, we may well have the worst of East and West – stubborn insistence by Obama that he does have a consistent, thought-through policy when the world sees otherwise.

Seligman writes that "no one can say how much money has been wasted, how many people toppled from power or how many friendships have been destroyed" over the abstract concept of face. But as those of us who live in Asia know, and the people of Syria may ultimately find out, face can also be a deadly serious business.

Obama might yet again change his mind on Syria, congressional positions may evolve on budgets, and regime change might come once again to the Middle East. The flow of history towards greater economic and individual freedom may be slow and uneven, but it is inevitable, whether Myanmar today, or Syria or North Korea tomorrow. Budget crisis or not, there is no loss of face in holding fast to that belief, whether or not Obama shows up any time soon in Asia.

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Pledge choke

Tiffany Leung says the government must honour its original timetable to ban polluting vehicles because any delay can be counted in lives lost

At the beginning of the year, the chief executive announced that HK\$10 billion would be earmarked for replacement of pre-Euro IV diesel commercial vehicles. Now, the government has announced changes to the related programmes, including an increase in the subsidy to HK\$11.71 billion and deferring retirement deadlines for Euro I, II and III diesel commercial vehicles by one year.

The proposed extension of a year to the schedule to phase out these polluting vehicles is a grave matter, given the repercussions for public health. Under the new timetable, pre-Euro IV vehicles would not be banned completely until 2020. The public stands ready and willing to shell out the necessary funds, so is it not up to the government to set a strong bottom line and give them what they want – clean air to breathe – as soon as possible?

The government has stated that, even with the new schedule, the oldest, most polluting vehicles of pre-Euro standard will still be removed by the original date of 2016, but has neglected to address the issue of lives lost in the extra years while Euro I, II and III vehicles continue to run on our roads.

During the first half of this year, according to the Hedley Environmental Index, air pollution led to 1,606 premature deaths. That compares with 1,459 premature deaths in the same period last year.

How do these figures measure up against other causes of mortality in Hong Kong? The death toll due to air pollution in the first six months of this year is almost five times higher than the total of 299 deaths from severe acute respiratory syndrome in Hong Kong in 2003. The figure is even more alarming when compared to the number of traffic-related fatalities in Hong Kong – in 2012, that figure was 119. It seems that the city's air pollution, largely generated by vehicles, kills more people than vehicles do themselves.

The new delay in the schedule was attributed to trucking industry concerns that the original deadlines would have created a rush to buy new vehicles, allowing dealers to raise prices far above their market value. However, with an increased subsidy already proposed, it is time for polluters to take responsibility for the harm they are causing and act quickly, instead of dragging it out. The polluter-pays principle applies to sewage treatment costs and will soon apply to waste disposal. It should apply to emissions generation, too.

The implementation of the original schedule to phase out all pre-Euro IV vehicles would have reduced emissions of respirable suspended particulates and nitrogen oxides from vehicles by 80 per cent and 30 per cent respectively. This would have resulted in a 14 per cent drop in the number of premature deaths due to long-term exposure to these pollutants, as well as a 50 per cent reduction in cancer risk due to exposure.

If we continue to let short-term economic considerations take priority over public health, we will never grow to be a city that can set a green example for all others in Asia. The government should show its commitment to upholding the principles behind the Clean Air Plan, released earlier this year, and move the original timetable up by a year, so that the vision outlined of Hong Kong as a clean living community can become a reality.

Tiffany Leung is programme development manager at Clean Air Network

Don't spare parks just for nature-loving bullies

Balakrishnan Narayanan says future policy must favour poor, not a self-entitled chattering class

While following the debate about whether Hong Kong should build homes in country parks, I am reminded of one of the most touching films I have ever seen, *The Tree of the Wooden Clogs*, by Italian director Ermanno Olmi, which tells the story of a peasant family in 19th-century Lombardy.

The peasants lead a precarious existence on the fringe of a huge country estate and, one severe winter, the father dares to cut down a tree to make clogs for his barefoot son. For this crime, the family is thrown out of the estate while the lord of the manor continues to enjoy all his trappings.

Hong Kong owes its country park policy to rule by the British, whose "feudal lords" at home made sure large sections of land were cordoned off for their hunting activities. In fact, many were originally known as "deer parks" and were surrounded by hedges to keep the deer in and people out. England remains an overcrowded island where the aristocracy still makes a living as renters of real estate. Walking and picnicking in the park make sense in temperate climates but I am not sure about parks in hot, humid climates.

Not all British policies are bad but Hong Kong has to follow its own priorities. The worship of nature has become the new superstition among the chattering classes of the world, who use their "natural, organic" beliefs as a tool for distinguishing themselves from the "great unwashed". I dare say

that Hong Kong's country parks are used mostly by the well-heeled, while the poor people of Sham Shui Po drown their sorrows in the mahjong parlours or the "new country parks" – shopping malls.

If some of the space in the country parks were used for housing, poor people would be vastly better off and Hong Kong need not become any uglier, provided planning is carried out well and the homes are designed to please. Sticking a tree in a podium of glass and chrome does not make it "sustainable" or beautiful. Those who have seen the beauty of St Mark's Square in Venice know that you can build beautiful public squares without a blade of grass. Nature worship is not morally superior per se. It was practised by German Romantics and a section of Japanese Shinto people, who in turn passed it on to the fascists of Japan and Germany. Hitler liked to holiday amid "nature" in his Eagle's Nest and was a vegetarian. It did not prevent him from sending people to death camps.

Hong Kong's policymakers should take a clear look at how they are going to use the limited land supply for the benefit of the poor, instead of being bullied into a position that if they do not reserve a large section of country parks and golf clubs for the pleasure of the elite, then somehow they are committing an environmental crime.

Balakrishnan Narayanan is a company director who has lived in Hong Kong for more than 20 years

Business has a responsibility to empower the city's youth

Cliff Choi says focused training schemes can lift them out of poverty trap

It is no cliché to say young people are our future. Their creativity, vibrancy and energy allow them to learn, transform and contribute an enormous amount. However, with over 200,000 youngsters officially living in poverty, rarely do any get the chance to unlock their potential.

Society used to be full of opportunities for entrepreneurs but it has become a place where only academic achievement and solid corporate experience count. Individual talent is seldom discovered and appreciated without a good academic background.

Unfortunately, access to good secondary schooling and subsidised undergraduate programmes is inadequate. Less than 20 per cent of secondary school graduates are admitted to university degree programmes. With such keen competition, youngsters in vulnerable social groups, such as ethnic minorities and those in poverty, face even bigger hurdles to succeed.

At present, more than 10 per cent of our youths are jobless, triple the general unemployment rate. Young people from poorer families find it harder to move up the social ladder, and are often trapped in the vicious cycle of poverty.

Tackling poverty is everyone's responsibility. As one of the most important stakeholders in society, the business sector can make a significant contribution to alleviating poverty through active involvement. The development of young

people tops the UN agenda. A UN Population Fund report says the implementation of "youth employment strategies focusing on youth entrepreneurship training, micro-credit schemes, the development of vocational training and career guidance services, youth leadership training, youth targeted labour-intensification programmes, and the acquisition of ICT skills" could create more job opportunities



To really make an impact, corporate social responsibility must understand community needs

and ensure young people's participation. This could stimulate economic growth and halve poverty by 2015.

In recent years, the concept of corporate social responsibility has gained substantial support in the business sector. Not only can it help build a company's positive image, but innovative practices aimed at tackling social problems can profit both society and the company. The skills shortage in the labour market is a major challenge for many companies. Corporate social responsibility managers can therefore help provide a future workforce with the right skill sets for a particular sector, while building a healthy community

where the company is located. Poverty alleviation generally focuses on giving direct subsidies to people in need; however, this views people as passive recipients and undermines everyone's potential. Companies worldwide are seeking new corporate social responsibility projects aimed at youth empowerment.

Locally, one hotel company, together with the Council of Social Service, has launched a six-week internship programme for youngsters from ethnic minorities. The optimism of the first batch of eight has impressed managers and helped change preconceptions. Meanwhile, the interns have developed an interest in hotel management and some have applied to study hospitality as a career.

To really make an impact, corporate social responsibility must genuinely understand community needs. That comes from communication with various stakeholders in society, including non-governmental organisations, employees and the government.

Ultimately, tactfully implemented projects add value to a company and help create a more caring society.

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US should look to China's industrial-policy vision

Robert Grieves argues special economic zones and five-year plans are just what America needs

The recent launch of a Shanghai free-trade zone and the development of Shenzhen's Qianhai special economic zone to facilitate freer trading of the yuan and greater convertibility of the currency for investment purposes serve as reminders of what the US can learn from China.

"Industrial policy" is anathema to some Americans, but all it really means is putting some focused thinking and long-term planning into solving the country's most intractable challenges, particularly regarding manufacturing. As long ago as 1791, Alexander Hamilton argued in favour of such thinking in his *Report on the Subject of Manufactures*.

While US lawmakers fret over how much to allow China to invest in the US, they might consider how to adopt at least two of China's more successful long-term policies.

First, special economic zones. While crumbling Detroit slides into bankruptcy, possibly to be followed by other American cities, US officials would do well to review the spectacular success of China's first special economic zone, Shenzhen. A special economic zone for Detroit could bring much needed investment and jobs back to the Motor City. That prescription might also help the New York City boroughs of the Bronx and Brooklyn, as well as districts in New Orleans, the south side of Chicago and South Central Los Angeles.

Second, strategic infrastructure investments.

China has invested in roads, bridges, high-speed rail lines and even whole communities built from scratch. While some analysts argue that it has overinvested in such projects, the fact is that the US has not undertaken most of the infrastructure investments promised by President Barack Obama that the country needs for economic growth.

For example, it must improve port facilities to accommodate new supertankers that will begin to pass through the Panama Canal once its expansion is completed in 2014.

As Republicans and Democrats lock horns in Congress over spending ceilings and budget deficits, health care, energy policy, gun control and immigration reform, not to mention the shutdown of the entire US government, the main lesson they should learn from China is the need to develop a multi-year strategy that takes into account the country's infrastructure and employment needs in much the same way as China's five-year plans, which provide a comprehensive outline of where the country needs to go in its economic and social development.

Such planning is not incompatible with liberal market capitalism. For the sake of increasing the US employment rate, boosting gross domestic product and rebuilding its economy, the US should not ignore these valuable lessons.

Robert T. Grieves is chairman and CEO of Hamilton Advisors Limited