

# Opposition grows in Hong Kong to Beijing's big business administration

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Three years after the incorporation of Hong Kong into the mainland Peoples Republic of China and two months before elections for the island's largely powerless Legislative Council, there are growing protests against Tung Chee-hua, the Chief Executive Officer of the Hong Kong Special Autonomous Region. Far from the promise that reunification would bring “a future of excellence and prosperity for all,” Tung's administration has proven to be as autocratic, remote and subservient to Hong Kong's powerful business tycoons as the previous British colonial governors.

Tung, a shipping magnate himself, was appointed by a 400-member Election Committee in a deal between Britain, Beijing and the Hong Kong elite. The overriding concern of his administration and the Chinese regime has been to shore up Hong Kong-based big business from the impact of the Asian economic crisis and to protect the island's position as a leading financial and trade centre in Asia. Since 1998 it has laid out over \$US17 billion to purchase stocks and prop up stock market values, and at the same time drawn up plans for the restructuring of the public service and the slashing of government expenditure.

The past month has seen large-scale protests by teachers, doctors, social workers and public sector employees as the cutbacks are implemented. Doctors face a salary cut of up to a 30 percent as part of a restructuring of employment conditions designed to lower public health costs by 5 percent. Social welfare workers and organisations have engaged in protests against the replacement of needs based funding with an annual grant. Tomorrow, up to 30,000 public servants are expected to protest in a mass rally against the corporatisation and privatisation of government departments such as public housing, water and surveying.

The concern of public sector workers over their employment is fueled by the ongoing impact of the 1998 downturn. Unemployment, though falling, was still officially 5.1 percent during the March-May quarter and underemployment increased to 3.2 percent. Despite a recovery in Hong Kong's economic growth rates, living standards for the working class have not returned to pre-crisis levels. Since 1998 wages have been reduced with the official support of the government. Over 10 percent of Hong Kong citizens, some 700,000 people, are currently living below the poverty line of \$US1,155 per month.

Protests are also continuing against last year's request by Tung that the Beijing government “reinterpret” a Hong Kong Court of Final Appeal ruling that would have granted residency in Hong Kong to large numbers of mainland Chinese with family ties to Hong Kong citizens. The Standing Committee of the National Peoples Congress overturned the court's decision and stripped an estimated 1.3 million mainland Chinese of eligibility for Hong Kong residency. Hong Kong authorities supported the decision in part to avoid having to provide housing, healthcare, education and social welfare.

Hundreds of mainlanders and their supporters have taken part in protests against being deported to China. Economists, lawyers, democratic activists and even high court judges have denounced Tung for calling into question Hong Kong's political and legal autonomy from the mainland.

The perception that Tung is concerned only with the wealthy was further heightened by last week's announcement that a government policy of developing 85,000 new homes per year “no longer exists”.

The policy was adopted in 1997 and, according to Tung, secretly shelved in 1998. It was intended to

attract popular support for the newly formed administration by increasing housing supply and pushing down property prices and rent. Over 50 percent of Hong Kong residents are in rental housing as they cannot afford home ownership. A further 25 percent can only afford a mortgage with the assistance of government subsidies.

Tung has publicly repudiated the housing policy in direct response to the demands of property developers and upper-middle class homeowners, 2,000 of whom demonstrated on June 25 against the housing scheme. Property values slumped by an average of 50 percent in 1998, leaving a number of homeowners with outstanding mortgages greater than the value of their property.

Tung's public approval rating has plunged from 60 percent in January 1998 to only 38 percent this April. Describing popular sentiment, Lau Siu-kai of the Hong Kong Institute of Asia Pacific Studies at the Chinese National University told the *Washington Post*: "We do not have an inclusive government. We have an elitist government—an 'I know what's best for you government'. Everyone in Hong Kong knows we need reform. But small and middle players feel they must take to the streets because they have no other way to assure their interests are protected."

The limited parliamentary avenues to express opposition to the administration are without question one element behind the turn to street protest. Apart from 24 seats in the 60-seat Legislative Council that will be elected on September 10 from geographical constituencies, the Hong Kong political system is based around "functional constituencies"—based on industries or professions—from which the mass of workers and middle class are effectively excluded.

Elections will take place tomorrow for 482 of the 800 "functional" delegates on the Election Committee—the body that will elect the next Chief Executive Officer in 2002. Only 168,000 people, drawn from Hong Kong's elite, especially the business community, are eligible to cast ballots. Another 182 delegates have already been elected, unopposed. Hong Kong's churches will provide 40 delegates. The present Legislative Council and Hong Kong delegates to the National Peoples Congress make up the remaining 96.

This narrow stratum will most likely re-appoint Tung to rule Hong Kong until 2007. In June, Chinese

president Jiang Zemin convened a high profile meeting in Beijing with a group of leading Hong Kong tycoons to harness their backing for Tung. After the meeting Zemin told assembled reporters: "I hope the business community will back Tung Chee-hwa's administration. We're satisfied with his performance."

As growing numbers in Hong Kong become hostile to the political domination of big business and Beijing and are questioning the very legitimacy of the Tung administration, the main opposition Democratic Party is seeking to prevent any open confrontation with the authorities. Unveiling its election campaign last Thursday, the Democrats pledged not to agitate for Tung's resignation. The party is calling for a gradual reform of the electoral system, so that the Chief Executive Officer is elected by universal suffrage by 2002.



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