

Sham election in Hong Kong reveals sharp social tensions

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Leung Chun-ying, a figure closely associated with big business and the Chinese bureaucracy, was formally elected as Hong Kong's new chief executive last Sunday. A 1,200-person election committee, hand-picked by Beijing from professional groups and business leaders, gave 689 votes to Leung as compared to 285 for his nearest rival, Tang Ying-yen. The candidate of the opposition Democratic Party, Albert Ho, won 76 votes. More than 100 committee members from the opposition camp either deliberately cast an invalid ballot or refused to vote at all.

The "election" is widely viewed in Hong Kong as a charade. In an effort to create public support, the three candidates for the first time conducted a "campaign", complete with candidate visits to speak with local people and TV debates. Of course, no one in the TV audience had the right to cast a vote for the candidates.

The election outcome was largely determined by backroom manoeuvres in collusion with Beijing. The greatest fear in ruling circles in Hong Kong and China was a split vote in which none of the candidates won outright in the first round. A second round had the potential to create political turmoil and obstruct the formation of a new administration before the current chief executive Donald Tsang retires in July. Conveniently, Leung won in the first round.

On election day, thousands of people took part in protests against the anti-democratic character of the poll. Last Saturday, Hong Kong University staged a simulated "one person, one vote" election, in which more than 220,000 people took part—four times higher than expected. In that vote, more than 54 percent voted for none of the three candidates; Leung received 17.8 percent, Tang 16.3 percent and Ho just 11.4 percent.

Beijing was acutely aware that the post of chief executive is the focus of widespread popular hostility. In 2005, Tung Chee-hwa was forced to step down without finishing his second term after he attempted to push through anti-subversion legislation—as demanded by Beijing—provoking a huge demonstration of half a million people. If enacted, the law would have criminalised organisations banned in mainland China and enabled the prosecution of Hong Kong residents for inciting treason and subversion against the Beijing regime.

On taking over the former British colony in 1997, Beijing had promised to hold a direct election for the chief executive in 2007, but then postponed it until at least 2017. Tsang, who took over from Tung, was "re-elected" in 2007. The "pan democratic" opposition camp gave legitimacy to the electoral fraud by fielding its own candidate who was duly defeated in an election committee of just 800.

For last Sunday's "election", Tang was initially regarded as Beijing's main candidate. He is the son of a major textile business family that supported Mao's regime in the 1949 revolution and made its fortune after the Stalinist bureaucracy turned to capitalist restoration from 1978. Tang's family established close ties with the "Shanghai gang" headed by former president Jiang Zemin.

With such connections in Beijing, Tang quickly came to political prominence in Hong Kong, serving as the chief secretary—the No.2 position in the Hong Kong administration. Tang was openly backed by Hong Kong's "Big Four" real estate tycoons headed by Li Ka-shing—the richest man in Asia—as well as by major banks and financial institutions.

The real estate barons have welcomed Tang's policies during the past decade, including his abolition of the heritage tax and his rejection of calls for the government to provide subsidised flats. Cheap public housing would have sent property prices down and undermined the profits of developers and the banks.

By contrast, Leung made populist appeals, promising to address the issues of poverty and housing. The real estate tycoons accused him of "welfarism". Li Kai-shing even leaked rumours that he might cut his investment in Hong Kong if Leung were elected.

Despite the bogus character of the election campaign, discussion of these pressing social issues raised the danger of wider public opposition. Social inequality in Hong Kong is glaring. Since 1997, the median monthly income has remained unchanged at \$HK20,000 (\$US2,567), even as the economy expanded by 62 percent. More than one million of the seven million residents are now living below the poverty line. At the same time, Hong Kong has the largest number of dollar billionaires of any Asian city and is fourth in the world behind Moscow, New York and London.

The high cost of housing is a particularly explosive issue. In 2003, Tung ended the Home Ownership Scheme that had provided subsidised flats to working people. As a result, workers and small businesses spend most of their incomes on rent and mortgage payments. They are at the mercy of a handful of big businesses that dominate every aspect of social life, from telecommunications to retail stores and transport.

Hong Kong was hit by a flood of speculative investment fuelled by Beijing's huge stimulus packages following the eruption of the global financial crisis in 2008. The speculative bubble, which has driven the cost of top-end property to \$10,550 per square foot, has greatly exacerbated the housing crisis for working people. The poorest live in "coffin homes" no bigger than the size of a twin-bed, with only enough room to sit up.

Popular anger over the "real estate bullies" was expressed in a protest of around quarter of a million people last July—the largest demonstration since the mass protests that forced Tung to resign.

In this context, Tang was hit by major scandals, including the revelation that he had illegally built a luxurious basement in his mansion. Tang suffered another blow when the current chief executive Tsang publicly apologised for receiving holidays and other benefits from the real estate tycoons, apparently in return for undermining Leung.

Beijing had little choice but to switch its backing to Leung, who rapidly toned down his rhetoric on social reforms. Leung is part of the same super-rich stratum as Tang. Until last November, he was the Asia-Pacific chairman of London-based multinational real estate consultancy DTZ Holdings. As a member of Tung's Executive Council, he was widely believed to have been instrumental in ending the Home Ownership Scheme. Leung is also an advisor to the Beijing regime, in the National Standing Committee of the Chinese People's Political Consultative Conference.

By participating in the "election", the Democratic Party gave a thin veneer of political legitimacy to the sham. Its candidate Albert Ho called for public pressure on Beijing to implement direct elections, claiming that an elected government would address social inequality by "balancing" conflicting social interests. In reality, the Democrats represent sections of business that have been marginalised by the pro-Beijing billionaires. They fear that Beijing's interference with Hong Kong's "high autonomy" will undermine its position as a global financial centre.

The fact that social inequality emerged at all as an issue in the contrived "election campaign" has highlighted the worsening social crisis in Hong Kong that will inevitably fuel further political turmoil in the coming period.



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