

Inequality fuels mass protest in Hong Kong

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Mass demonstrations of up to 400,000 people in Hong Kong on July 1, the 15th anniversary of the return of the former British colony to Chinese rule, underscore the sharp social tensions developing not only in Hong Kong, but throughout China.

Chinese President Hu Jintao visited Hong Kong to inaugurate the territory's new chief executive, Leung Chun-ying, but quickly left the city following the official ceremony, before the main demonstrations began in the afternoon.

The Hong Kong media widely reported that the demonstrations were the largest since half a million people took to the streets in 2003 to oppose former Chief Executive Tung Chee-hwa and his proposed draconian national security law. (See YouTube)

The protests were fuelled by the continuing lack of democratic rights and also discontent over the widening gulf between rich and poor. A commentator, writing in *Asia Times Online*, summed up the sentiment: "Hong Kong's 3.4 million registered voters are fed up with the stratospheric wealth gap graphically expressed by multi-billionaires flaunting their wealth in contrast to people actually living in cages in Kowloon; income inequality has never been higher over the past four decades. They want serious measures against air pollution. They want proper pensions. They want adequate housing at reasonable prices. And most of all they want to vote."

Like July 1 protests in previous years, this year's demonstrations were organised by the Civil Human Rights Front, comprised of the official opposition parties, such as the Democratic Party and the Civic Party, as well as the trade unions, student unions, women's associations and churches. Also taking part were various parties of the exiled Chinese "democracy

movement," including the Hong Kong-based *China Labour Bulletin*, which advocates the official recognition of "independent" trade unions within China.

Despite variations in political colouration, the common role of these groups is to contain the growing discontent in the working class by sowing illusions that protests can pressure Beijing into making concessions for limited parliamentary reforms. They advocate pro-market restructuring that would only worsen the social divide.

By allowing "one-person, one vote," these parties suggest, the regime would allow market forces to more "freely" allocate economic resources on a "fairer" basis. These organisations represent no challenge to the profit system responsible for the widening social chasm between the billionaires and ordinary people. Rather they reflect the interests of sections of the corporate elite and middle classes, who are concerned that Hong Kong's role as an international financial centre will be undermined by Beijing's control over its internal affairs.

However, the higher than expected turnout is an indication of popular hostility to the political establishment, which is dominated by a thin layer of billionaire tycoons connected to the Stalinist bureaucracy in Beijing.

The huge turnout was in part triggered by anger over the recent suspicious death of a former Beijing Workers' Autonomous Federation activist Li Wangyang, who played a prominent role in the 1989 protests that were suppressed by the Tiananmen Square massacre. Li died mysteriously in a hospital shortly after he gave an interview to a Hong Kong television

channel calling on Beijing to provide democratic rights.

Intensive security restrictions were imposed on the demonstration to ensure that no protestors could get near President Hu during Leung's swearing-in ceremony. Nevertheless, a Civic Party member in the audience interrupted Hu's speech, shouting calls to "end one-party rule" and remember "June 4"—the 1989 massacre. Security guards immediately took him away.

In his speech, President Hu promised to protect the city's freedoms of expression and demonstration by upholding the "one country, two systems" system until least 2047—the date set as part of the 1997 British handover arrangements. In essence, this pledge by the Chinese Stalinist police-state regime is not to guarantee democratic rights but to protect the profit interests of the Hong Kong capitalists against the working class.

Hu reiterated Beijing's insistence that: "Harmony and stability underpin development." At the same time, he advised the new government in Hong Kong to "accurately gauge public opinion and take concrete and effective measures to properly address issues concerning people's livelihood and social tensions."

The Beijing regime is worried that any mass opposition in Hong Kong could spread to the mainland. On top of the sizeable Chinese military presence in the territory, the local police were reportedly reinforced by a convoy of 100 military vehicles for the July 1 protests.

The isolated character of Hong Kong's political elite was underlined by the undemocratic process by which Leung was appointed as the new chief executive. He was "elected" in March by a committee of just 1,200 people—consisting of real estate barons, bankers and professionals hand-picked by Beijing.

In his inauguration speech, Leung promised to "immediately" confront mounting social issues, by increasing land supply to lower housing costs and setting up a "Commission on Poverty." After the mass protests, Leung pledged to "seriously and humbly listen to the people's demands" and ensure that Hong Kong did not "belong to a small group of people."

These promises are completely fraudulent. Leung, a former multimillionaire businessman who served in previous governments, was directly responsible for terminating Hong Kong's public housing scheme in 2003. It was a measure designed to prop up the real estate market, as part of efforts to restimulate the economy in the wake of the 1997-98 Asian financial crisis.

Just last month, a government census report acknowledged that income inequality, already the greatest in any Asian city, had reached its worst level since records began in 1971. The Gini coefficient index, the official measurement of inequality, rose to 0.537 in 2011, up from 0.533 five years ago. By comparison, the Gini index for the US is 0.469 and for China is 0.47 [in 2005].

Hong Kong's "economically inactive households"—those in which no one is working—increased by 48 percent to 420,000 during the past five years, pointing to chronic unemployment flowing from the relocation of manufacturing to mainland China. The median monthly income of the poorest 10 percent of people fell to \$HK2,070 (\$US267) from \$2,250 in the same period, while the top 10 percent enjoyed an increase from \$76,250 to \$95,000.

The protest is another indication of the acute social and political tensions building up in the former British colony.



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