

Post-Occupy political and social solutions

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How should the Chief Executive be elected, to come closest to the pan-democrats' aspirations, and yet be acceptable to Beijing? How can social reforms resolve the grievances at the root of the protests?

Civic nomination, i.e. letting candidates for Chief Executive to be nominated by one person, one vote, is what the pan-democrats demand, but is unacceptable to Beijing. Under "one country, two systems", the internal governance of Hong Kong is like the running of a large ship, which the owner, Beijing, stays out of, except for using a mechanism in the election of the captain, to try to prevent the ship from ever being hijacked. Civic nomination entails the bypassing of that mechanism. If Hong Kong were just another Chinese city electing its mayor, Beijing would more readily accede. In that case, Hong Kong would be like just a cabin in a ship which is run by Beijing herself.

That mechanism which Beijing relies on is the Nominating Committee. It is based on functional constituencies, an important checks-and-balances mechanism. Many democracies deploy checks-and-balances mechanisms not based on one person, one vote; one example is the non-elected UK House of Lords.

As a framework, the decision of 31/8/2014 by the Standing Committee of the National People's Congress allows for significant liberalizations. For instance, the following changes could flow from features that Beijing's emissary Li Fei, speaking on 1/9/2014, referred to as open for discussion. Nomination could be in two rounds. The first round requires endorsements by as few as 5% of Nominating Committee members. Voting in the second round is presumably by secret ballot. When casting their votes, Committee members need to consider that, to win the election, their candidate would have to command the support of the most voters. They also need to consider, as Li Fei said, the consequences if none of those nominated receives broad enough support from society.

For stronger persuasion on the Nominating Committee to admit a wider range of candidates, one pan-democratic proposal was to recognize blank votes as valid. If the candidate line-up appears to unreasonably exclude popular aspirants, an angered public might cast so many blank votes that no candidate gets enough votes to win. According to Li Fei, apart from stipulating one person, one vote, the NPCSC decision has not imposed any framework on the specific mode and vote-counting method of the election after candidates are nominated; of those features there can be full discussion.

Correspondingly, to directly allay Beijing's paramount concern, it might be clearly

stipulated that all candidates and Chief Executives elect have to affirm their upholding of the “one country” national wholeness, solidarity and security interests, including full implementation of the Basic Law. At the same time, the forthcoming legislation under Basic Law Article 23 should ensure that there are adequate safeguards for personal freedoms.

Occupy protesters should realize, however, that political solutions would not necessarily help to cure the social and economic ills that bred their discontent. Globalization, a continuing trend, has caused high income disparity in various developed economies as well as here, and scarcity of land, high local property prices. Neither outdated *laizzez-fairism* nor traditional liberal *largesse* offers adequate solutions.

Society should and can provide the remedy. Three current schemes – Comprehensive Social Security Assistance, subsidized housing and minimum wage – should be remodelled into an expanded system of payments of income supplements, so as to maintain a socially protected, minimum standard of living. The standard incorporates a housing standard valued at market prices; hence, with the supplements, all will be able to afford to buy homes.

The socially protected standard of living will be expressed as a percentage of the median household income. The percentage applicable to each household would depend on the number, ages, disabilities etc., as well as earned incomes, of the household’s members. Low-income working and elderly households will especially gain in living standard. Yet incentive for self-advancement is maintained. For every \$100 increase in earned income, the supplement might reduce by only, say, \$40, so that the household’s protected standard of living rises by \$60.

The amount of supplement is the shortfall of the household’s earned income from its socially protected living standard. As subsidies to individual households will exactly match their needs (i.e. income shortfalls), replacing subsidized housing with income supplements would save public funds. Moreover, the government will no longer build housing, but will sell more land; it will also sell or let existing public rental housing units at market prices/rents. Thus, despite the increase in subsidies for the most needy, a substantial net surplus would accrue to the Treasury

The Occupy movement shows that these reforms are needed urgently. Later, the government can focus on economic development, so that young people have better job prospects. An economic solution, however, may prove more elusive than the political and social ones.

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