

## FEATURES

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# The view from HONG KONG

Leung Chun Ying, convenor of Hong Kong's Executive Council, is expected by many to run for the position of chief executive in 2012, a rumor he neither confirms nor denies. He spoke last week to staff reporter Noah Buchan about changes in the territory since 1997, Beijing's role on the international stage and President Ma Ying-jeou's proposed economic cooperation framework agreement with China

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PHOTO COURTESY OF LEUNG CHUN YING

Leung Chun Ying (梁振英) has enjoyed a long and distinguished career in public service. From 1985 to 1990 he was one of 19 members of the consultative committee charged with drafting the Basic Law, Hong Kong's mini-constitution. As vice chairman of the preparatory committee, he was charged with working out the details of how Hong Kong would be governed under Chinese rule and was later appointed to the provisional legislative council. He was appointed to Hong Kong's Executive Council in 1997 and has been its convenor since 1999.

After graduating with a degree in Estate Management from Bristol Polytechnic (known today as the University of the West of England), Leung joined Jones Lang Wootton, a real estate consultancy firm, and eventually became an equity partner — the youngest in the firm's 200-year history.

Leung, 55, has extensive work experience in China, beginning in 1979 when he traveled to Shenzhen to teach officials about market economy practices. In the late 1980s he traveled to Shanghai and Beijing, among other cities, to consult the governments there on ownership and land-use rights. In the 1990s he was the first non-People's Republic of China citizen to open a real estate service company in China. He is currently the largest shareholder of DTZ Holdings Plc, for which he serves as chairman of the Asia-Pacific region.

He will be in Taipei on Aug. 15 to give a lecture for the Lung Ying-tai Cultural Foundation (龍應台文化基金會). The lecture will be moderated by news commentator Tsai Shih-ping (蔡詩萍) and will feature a screening of *Young and Restless in China*, a documentary by Sue Williams that explores the lives of nine young Chinese facing change in a rapidly developing country.

Staff reporter Noah Buchan recently spoke via phone with Leung about changes in Hong Kong since 1997, President Ma Ying-jeou's (馬英九) proposed economic cooperation framework agreement (ECFA) with China and the 2012 chief executive election in Hong Kong.

**Taipei Times:** In 1985, you were elected as one of the 19 executive committee members by the Basic Law consultative committee. At the time what were your major goals and what difficulties did you encounter?

**Leung Chun Ying:** We were in a rather unique situation in that there was no precedent in the implementation of the concept of "one country, two systems." So we were working without the benefit of other people's experiences. And there was a loss of confidence in the future of Hong Kong for various reasons.

You recall that after two years of negotiations, China and Britain signed the Joint Declaration, which is an international treaty regarding the future of Hong Kong in 1984. The Basic Law drafting process started in 1985 and it was going to be a five-year process. In parallel to the Basic Law Drafting Committee, which was a committee of the National People's Congress of China, a consultative committee comprising members from all walks of life — 180 of them — was set up in Hong Kong. And this committee had a five-year term between 1985 and 1990 and we were charged with the process of channeling — collecting and enlarging — the views of Hong Kong people through the drafting committee in Beijing. I was secretary general of this consultative committee.

Many people in Hong Kong, particularly

the ones who were looking to emigrate, did not have much interest in the drafting processes. So the first thing to do was to get people involved and to overcome this cynicism or loss of confidence in the future of Hong Kong.

Just to give one or two examples illustrative of the difficulties that we had. Hong Kong maintains a separate currency, the Hong Kong dollar, from the [Chinese] renminbi, and the issuance system of the Hong Kong dollar is different from [that of] the renminbi ... I went about the consultation process — going through the neighborhoods of Hong Kong, and as soon as I finished outlining the contents of the drafts — we had two drafts, one in 1988 and the other in 1989 — the Basic Law was promulgated in 1990 by the election of the People's Congress.

As soon as I finished outlining the contents of the drafts very often the first question asked of me by people in the neighborhoods was this: Mr Leung, this is all very well, but please tell us what money will we use on July 1, 1997? I pointed to the draft and showed that the Hong Kong dollar will be Hong Kong's legal tender. And people said: Well you are too young, you were not around when the Communist Party took over the mainland of China and the first thing they did was to change the currency ... We just can't imagine how Hong Kong can continue to use the Hong Kong dollar when the country's currency is the renminbi.

I gave my reasons why Hong Kong needed to maintain its own separate currency, and people said: Be that as it may, tell us who is going to be issuing these Hong Kong dollar notes. I said if you read this article in the draft you realize that the intent is for the note-issuing banks to continue the issuance of these bank notes. And people said: You really mean the Hong Kong Shanghai Bank, which is now known as HSBC, and Standard Chartered Bank. And I said right, that is the intention. And people said that Standard Chartered Bank has never registered itself in Hong Kong, it is a British-registered bank ... and as far as Hong Kong Shanghai Bank is concerned it just removed its place of promissory from Hong Kong to the UK. That, in the 1980s, was seen as a vote of no confidence in Hong Kong's future.

And then people said: Well, if you are talking about these two banks, it is not a question of whether the Basic Law authorizes the two banks to issue notes. It's a question of whether people have the confidence to remain in Hong Kong to issue notes.

**TT:** How has Hong Kong changed since British rule ended, and how has it remained the same?

**LC:** The freedoms — the freedom of speech, the freedom of gathering, the freedom of travel — have remained exactly the same. But naturally with the development of the mainland compared to the situation say 20 years ago when the Basic Law was being drafted, there is a much higher degree of integration between Hong Kong and the mainland. But that's not so much a result of Hong Kong's return to China. I have a feeling that if Hong Kong, for whatever reason, had remained a British colony to this day, the degree of integration with the mainland would still be higher than the degree say 20 years ago when the Basic Law was being drafted.

**TT:** Do the people of Hong Kong have a strong sense of who they are as a people?

**LC:** Hong Kong was a colony under British colonial rule for 155 years and we were probably one of the longest-standing colonies in modern world history. Hong Kong people

did lack a very strong sense of nationality or belonging to Hong Kong and I think this is a differentiating factor between Taiwan and Hong Kong. So Hong Kong people are now gradually regaining their sense of identity as residents of Hong Kong in the sense of the wider nation of China. That's happening steadily but slowly.

**TT:** How do you feel about the phrase "the rise of China" and if China is rising, what role should it play on the East Asian and international stages?

**LC:** China has been developing and developing at a pretty fast rate. By that I don't just refer to the rate of economic development. Social changes [and] political changes have all been developing pretty quickly. But I do not see China in the same light as some observers outside the country see it. China has a long way to go before it could become some kind of a world power. Today the country is far more influential compared to the country 30 years ago, but if you look at GDP per capita, energy consumption per capita and look at China's military capabilities and so on, China is way behind countries like America, Japan, Germany, [and other members of] the European Union and so on.

I don't think there is any point in referring to China as a possible threat to the Western world. I don't see that at all in my generation — even if China wanted to pose a threat to the Western world. China has been rising and there are a lot of internal questions that need to be addressed — including poverty in the countryside and inequality of wealth — and it has a long list of things to do.

**TT:** Do you think China has an important role to play on the East Asian stage or international stage?

**LC:** It definitely does. It ranges from climate change to other environmental issues to the question of the global state of the finance industry [and] the question of the possibility of creating a new currency for international settlement. And I think the single most important task for the country is to really keep a stable and reasonably prosperous country because we all know what happens in the rest of the world — particularly to countries in the East Asian region — if China cannot feed its own people for example.

**TT:** I'd like to turn to Taiwan. There has been much discussion over the past few months about the economic cooperation framework agreement (ECFA) with China. First, I'd like to know how Hong Kong has benefited from its Closer Economic Partnership Agreement (CEPA) with China.

**LC:** I have been involved with the development of the CEPA concept, particularly the main agreement in 2003. Every year since 2003, we have had an annual supplement to the main agreement. Hong Kong has benefitted a great deal under CEPA, whether you are looking at the banking finance sector, the tourism sector or the professional services sector or trade or manufacturing ... CEPA is an important part of fostering economic integration between Hong Kong and the mainland.

**TT:** What are the disadvantages, and where does the agreement require work?

**LC:** The second question first. There are two parts to my answer. Firstly, in areas where we have an agreement with the mainland or central government, we need to make sure that all the details of implementation work. We are talking about a large country and we want to make sure that whatever the central government intends to [make the

provincial and municipal governments] give Hong Kong under CEPA ... it actually implements. So there are quite a few areas of implementation to work on. The second part to my answer to your second question is that there are still areas, professional services for example ... [that are] still waiting for the central government to give them access to the mainland market, for them to gain professional qualification.

Now, disadvantages. I can't really see any. If there were one, it would be the question of competition. While we enjoy the lowering of barriers in entering the mainland market we have also been allowing mainland residents to gain Hong Kong professional qualifications. And that could pose competition for Hong Kong residents.

I read a Taiwanese paper every day [the *China Times*]. I've been doing this for the last 15 years, and I realize that from CEPA to ECFA there has been quite a few apprehensions expressed by the Taiwanese community, which in my view is unnecessary.

**TT:** Why would China not want to sign a free trade agreement (FTA) with Taiwan?

**LC:** [A] free trade agreement would normally be used to describe such an agreement between two sovereign states. And therefore we didn't use an FTA between Hong Kong and China. And China has signed an FTA with countries like Singapore. So it's very much a question of sovereignty.

**TT:** Many critics in Taiwan have focused on that particular issue, that if an ECFA were signed right now, Taiwan might lose its sovereignty or economic autonomy.

**LC:** [This] is a political part. I think that one has to be pragmatic. I just can't see how and why the mainland would agree to use an FTA to describe the treaty or agreement to be signed with Taiwan. That is a question looking at it from Taiwan's point of view, whether Taiwan wants it or not. But our experience in Hong Kong — and I know that Hong Kong is different from Taiwan in many ways — but our experience in Hong Kong is that CEPA for us has been very beneficial to Hong Kong's economy. And it's not just about money. It's also a question of career prospects.

**TT:** Many have suggested that the process has not been transparent enough, that Taiwan's citizens have been left in the dark. What are your feelings about that in terms of the government in Taiwan giving people a voice in the decision-making process on ECFA?

**LC:** If you look at the Hong Kong experience, the Hong Kong public, particularly sectors that would be covered by CEPA, expressed views and wishes, and every year we get a wish list from the various business sectors and the professions and we use that as a basis of our negotiations with Beijing. But you cannot involve everyone in the process itself. It's hard enough to negotiate on and draft an agreement like CEPA by committee. It's impossible to have 7 million people talking at the same time. So I think, yes, by all means the business sector should voice opinions and expressions and so on, but in the end it will be a question of the Taiwan side and the mainland side sitting down at a table hammering out the contents of the agreement.

**TT:** What are your views about Taiwan's democratization over the past two decades, and are there any aspects of it that can serve as a model for Hong Kong?

**LC:** Hong Kong is very different under "one country two systems." We finished our colonial status in 1997 and became part of the mainland under "one country two systems." We have a high degree of

autonomy but not complete autonomy and we are definitely not independent. We do not have the same disagreements with the mainland that Taiwan has, particularly over sovereignty issues — whether Taiwan is an independent state or whether Taiwan is part of the Republic of China, which includes the mainland — so the political preconditions are very different and the conditions for democratic development again are different from Taiwan's. We never had our own government until 1997 so the high degree of autonomy of the Hong Kong people is a short-term phenomenon. Before that we were a colonial government.

**TT:** Much has been made of universal suffrage in Hong Kong, what are your feelings about that?

**LC:** Although this may not be so politically correct in Hong Kong to highlight this point, but this is the point that we do not have a self-contained democracy in Hong Kong in that the democratic process in Hong Kong doesn't end in Hong Kong itself. When we have the first universal suffrage in 2017 to elect our chief executive according to our Basic Law, the elected person has to be appointed by the central authorities in Beijing, and this appointment is a substantive appointment as well as ceremonial. It is through the appointment of this elected person by Beijing that Beijing [grants] this high degree of autonomy to Hong Kong. So again, the situation we have in Hong Kong is not just different from the situation in Taiwan, it is pretty different from many other parts of the world too.

**TT:** I'd like to turn to the election for chief executive in Hong Kong in 2012. How do you see the election playing out?

**LC:** It's too early to say and as people say, a week is a long time in politics. We still have three years to go and a lot of water will have to go under the bridge.

**TT:** There have been rumors that you will run for chief executive in 2012.

**LC:** This rumor has been around for the last 20 years — since 1988 really. My own guiding principle is simple. I have been serving the public of Hong Kong for at least 20 years in various positions. And whatever I can do for Hong Kong I'll try my very best to do. It isn't a question of what official position I want to hold for my own personal glorification. It is a question of what I can do in that position. And my understanding of the nature of and demand of public office is very similar to what Dr Sun Yat-sen (孫逸仙) said in 1923. I think it was, namely, you want to make achievements [and] you don't want to be a big government official just for the sake of it. It's a question of what you can do for the people, not the title you can gain for yourself.

*This interview has been condensed and edited.*

#### LECTURE NOTES:

**WHAT:** Taipei Salon (台北沙龍): China in a New Perspective/Rising and Restless (飛躍、躁動—看中國的新眼光), a lecture by Leung Chun Ying (梁振英)

**WHERE:** Yuehan Hall (月涵堂), 110 Jinhua St, Taipei City (台北市金華街110號)

**WHEN:** Aug. 15. The screening of *Young and Restless in China* (in English with Chinese subtitles) begins at 1pm; Leung Chun Ying's lecture begins at 3pm

**DETAILS:** The lecture will be conducted in Mandarin without translation. Admission is free but those attending must pre-register by calling (02) 3322-4907, or online at [www.civictaipei.org](http://www.civictaipei.org)