

A glimmer of hope going into a new year

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2007 – 12 -30 SCMP

It's been a landmark year for Hong Kong. The avalanche of media coverage in the lead-up to the 10th anniversary of the handover, and the events of the past 12 months, were a reminder of the breathtaking changes we have seen in the past decade.

Continuing a recovery that began in 2004, the economy has recorded impressive growth this year.

Property prices, at least in the high-end market, have bounced back to the peak levels seen in 1997. Inflation, seen by some as a welcome sign of economic prosperity, has started to have a greater influence on our daily lives, especially with respect to pork and other meat prices.

The good news is that unemployment has fallen to 3.6 per cent. Following years of zero wage growth - even pay cuts - most major companies have given, or plan to give, employees a modest pay rise this year.

Chief Executive Donald Tsang Yam-kuen pledged to lead Hong Kong into a golden era in his second term, and trumpeted 10 massive infrastructure projects in his policy address in October. Extensions to the MTR's Hong Kong Island network have been given the green light, heralding the launch of a string of huge developments not seen for many years.

After the protracted economic downturn precipitated by the East Asian financial crisis of 1997-98, the boom in the financial, property and job markets this year provided a fresh start.

Mr Tsang harped on the theme of "a new beginning" as he began his second term, and acted swiftly to find an ultimate solution to the drawn-out bickering over universal suffrage. Following a consultation launched in July, he submitted a report on constitutional reform to Beijing in the middle of this month.

Yesterday, the National People's Congress Standing Committee issued a statement ruling out universal suffrage for the chief executive and all legislators in 2012.

But it allowed room for changes to electoral methods in 2012 and the possibility of electing the chief executive and all legislators by universal suffrage in 2017 and 2020 respectively.

Less than six months into Hong Kong's second decade under "one country, two systems", the battle over universal suffrage has taken a new turn. Electing the chief executive by one person, one vote in 2017 is no doubt a long time from now. Yet the reality - bitter to many - is that it is the best Hongkongers can hope for.

In a newspaper advert published on the eve of the NPC Standing Committee's decision, middle-class group The **Professional Commons** gave a stern warning on the need to avoid stalling on democratisation for "decade after decade" from 1997 to 2017.

"When a government lacks credibility and no longer commands the respect of its citizens, the society will lose direction and the government will run from one crisis to another," the group said.

That is by no means alarmist talk. Signs abound that the development of Hong Kong's political institutions has fallen far behind its social and economic development.

Faced with a globalised economy, fierce competition from other regional economies and sharp social contradictions, the Tsang administration faces tough and complicated challenges - hurdles which have only grown higher this year.

They include how to boost the city's economic competitiveness in the face of the mainland's economic rise; how to resolve the heightened tensions over the poverty gap; heritage and environmental conservation issues; and how to build a new governance system and a workable relationship with the legislature to cope with rapid political change.

If the NPC Standing Committee decision has given a glimpse of hope as people bid farewell to 2007, it is because Beijing and Hong Kong society have belatedly woken to the reality that managing change head-on is key to the city's stability and prosperity in the long run.