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**Gesellschaft zur Förderung**  
**freundschaftlicher und kultureller Beziehungen**  
**zur VR China**

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**Betrieben von der Ludwig Boltzmann Gesellschaft im  
Zusammenwirken mit der ÖGCF**

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## CD – Edition „Herausforderung Asien“

Sechs Reportagen von Helmut Opletal

Von 10 % Wirtschaftswachstum kann man in Europa nur träumen. In Asien ist ein solches Tempo Realität, im kapitalistischen Hongkong oder Taiwan genauso wie in den kommunistischen Reformländern Vietnam und China. Und immer mehr wird Asien auch als kulturelle Herausforderung und weltpolitischer Faktor wahrgenommen, längst spricht man vom 21. Jahrhundert als dem „Jahrhundert Asiens“. Was sind die Rahmenbedingungen für einen solchen Aufschwung? Zieht ökonomischer Erfolg auch demokratischen Wandel nach sich? Und wie verändern sich Alltag und Kultur der Menschen? Das „Journal Panorama“, die tägliche Hintergrundbeilage des „Abendjournals“ im Ö1-Radio, hat regelmäßig aus der Region berichtet.

Neben aktuellen Anlässen wie der Übergabe der britischen Kolonie Hongkong an China am 1. Juli 1997 hat ORF-Asienexperte Helmut Opletal immer wieder auch historische und kulturelle Zusammenhänge beleuchtet, direkte Bezüge zu Österreich aufgezeigt oder einfach die Menschen sprechen lassen. Die interessantesten Reportagen aus jüngster Zeit werden nun vom ORF auch auf CD präsentiert – ideal für Leute, die in die Region reisen, sich beruflich oder privat interessieren, oder einfach in Ruhe nachhören wollen. Die Kassette mit drei CDs (insgesamt sechs Sendungen) sind ab sofort im ORF-Shop und im Fachhandel zum Preis von ÖS 450,- erhältlich.

Helmut Opletal, Jg. 1952, hat zwei Jahre in Peking chinesische Sprache und Geschichte studiert. Er arbeitet seit 1976 als außenpolitischer Redakteur im ORF und ist Gestalter zahlreicher Radio- und Fernsehreportagen aus Fernost und Afrika. 1980-85 war er China-Korrespondent für den ORF und mehrere deutschsprachige Tageszeitungen mit Sitz in Peking.



# INHALTSVERZEICHNIS

Anmerkung der Redaktion:

Mit maßgeblicher Unterstützung der Stadt Wien, der Sohlen-China-Stiftung, des Hong Kong Trade Development Councils und anderer Institutionen fand im Wiener Rathaus zwischen dem 6. Und 8. Juli 1998 eine große internationale Konferenz über „Hong Kong – One Year After Transition“ statt. Der China-Report veröffentlicht hier einige der Papers. Die Herausgabe der gesamten Beiträge mit Auszügen aus der Diskussion ist noch für dieses Jahr zu erwarten.

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## VIENNA CONFERENCE – OPENING STATEMENT

Dr. Helmut Sohmen

Excellencies, Ladies and Gentlemen,

First of all - thank you for attending this Conference. You show an interest in Hong Kong that is both flattering and supportive. As one of those who have encouraged the organisation of the Conference, I feel encouraged.

Hong Kong is a lucky place. Just today our new airport was opened to traffic, a US\$ 20 billion project that was many years in the making. The first non-stop flight from New York to Hong Kong also landed this morning. The Presidents of the world's most populous country, and of the world's most impressive economy, have both already used the new facility. I was delighted to hear that the last plane to land was a Dragonair flight from China, since I had a hand in setting up this airline. Symbolically, the last flight out was a Cathay Pacific plane to London.

Despite a lot of worries about the future in the run-up to the 1<sup>st</sup> July 1997 - which some of us thought were actually misplaced - Hong Kong has come through the experience with flying colours, and even the most vocal critics and greatest doubters now have to admit that the Sino-British Joint Declaration, and the principles which frame it, have stood up well to not only the change of sovereignty, but to the pressures we have subsequently experienced on the economic front.

China's Central government has meticulously carried out the promises it had made. The Central Government, through its every action, has shown that it understood the concerns and the sensitivities of the Hong Kong community. Local autonomy has become a fact, not remained a theory. The rule of law governs as before. There is political stability. There is freedom of expression. The judiciary remains independent and impartial. The anti-corruption body continues its outstanding good work, without fear of favour. The border

remains as it always was, with full immigration and customs controls in place on both sides.

Hong Kong does have problems at present: there is no way of denying that. During the next 3 days, several of the speakers - including myself - will address the issues in detail and I do not of course wish to pre-empt what will be said. What does need to be emphasised, however, is that our current problems are not the result of the Handover last year, and they are also not intrinsically made in Hong Kong. They are part and parcel of the Asian economic downturn. Hong Kong as one of the freest and most open economies in the world can of course not remain immune to the conflagration that has affected all the other East Asian economies.

It is somewhat ironic: the anxiety about China that was felt prior to reunification, has since the beginning of the economic crisis turned into a belief that China as the new sovereign can actually help Hong Kong and is doing so. In one word, the menace has changed into a crutch. That changed perception will no doubt be one of the main themes of the entire Conference - whatever the specific topic a particular speaker may talk about. The experiment of "one country, two systems" seems to be working not only in good times but in bad times as well.

Hong Kong is not only lucky, it is also very resilient. Beyond the present worry, people in Hong Kong retain a strong belief in their future, and keep working hard to ensure that a reversal to the current ills will come sooner rather than later. We have the will, we have the means, and we have the conviction. Please listen carefully to what the Conference participants have to say - especially those from Hong Kong.

I am grateful to Miss Cheung Man-yee, Mr. Lo King-man, and Sir Andrew Burns for having made a special trip to Vienna to share their views and their experiences with us. A number of other Hong Kong representatives wanted to come but were prevented for one reason or another - it has been a busy week for Hong Kong, as you will know. Our newly-elected Legislative Council is starting its sessions just



now, requiring the presence of senior government officials, as well as the members. But there is an excellent pool of expertise present in Vienna today, from Hong Kong and elsewhere, and I am sure you will not be disappointed.

It is no mean feat to conceive and organise such a symposium, particularly in the volatile environment we find ourselves. The award for best achievement must go to Dr. Kaminski, first and foremost, and his able collaborators.

Let me also acknowledge, with thanks, the help given to the Conference organisation with advice, with space, with personal commitment, or with funding by many sponsors. I will not name them all. I hope they will find the results not only useful but encouraging. To my fellow speakers, let me wish them stimulating discussions following their presentations, and to you all in the audience an interesting and thought-provoking few days.

Thank you again for coming.

## HONG KONG AND THE ASIAN TURBULENCE

Dr. Helmut Sohmen  
Chairman, World-Wide Shipping Agency  
Ltd., Hong Kong, and  
Chairman, Pacific Basin Economic Council,  
Honolulu

If it was not for the Asian economic crisis, there might not be that much to say about Hong Kong one year after the return to Chinese sovereignty. Despite the catastrophe scenarios often predicted by commentators prior to the 1 July 1997 handover, also in Europe, the process went very smoothly and fully in accordance with the intent and the procedures laid out in the Sino-British Joint Declaration of 1984.

Part of the problem for outside observers of the Hong Kong experiment was that they could not visualise how a "one country, two systems" principle could actually work in the real world. Even today we have friends from abroad insisting that they would not need a visa to travel to the Mainland of China from Hong Kong, since they did not need one to come to Hong Kong in the first place. After all, once in Hong Kong they thought they were already in China. But there is still the physical border with strict immigration controls between the Hong Kong Special Administrative Region (SAR) and the rest of China.

Other observers do not understand why Mainland visitors would need a permit to come to Hong Kong, even as tourists, since Hong Kong was now part of the same country. Or why Hong Kong does not remit a share of the local tax revenue to the Central Government as do all the other Provinces and Regions of China. Most visitors look in vain for People's Liberation Army soldiers on the streets of Hong Kong. They are likely to find more protesters on the streets complaining about high interest rates, or demanding compensation for the loss of chicken or fish affected by toxic agents.

The Agreement setting up the Hong Kong SAR, with its own constitutional arrangements (the "Basic Law") giving it a high degree of autonomy, with its own independent courts



applying common-law principles, with its own currency and foreign exchanges reserves and its own Monetary Authority, its own immigration and customs rules, its separate membership in international economic organisations, its own shipping register, has in fact been shown to work. And it is working very smoothly.

A few things have changed, of course: most visibly the flags, the face of the head of government, the titles of some senior civil servants, the electoral make-up of the Legislative Council. There is greater awareness of Mainland politics and priorities.

One creeping change I do not welcome has less to do with the handover, and more with the social dynamics and the welfare policies introduced by the last British Governor: Hong Kong people recently have started to demand help from government at every turn when in the past they would have shouldered any adversity without complaints and got on putting their shoulder to the wheel. Today the people seem to expect government to make good any adversity they face, or to provide compensation for any hardship. The more government complies, the greater and the more frequent these expectations for public financial support obviously become. Hong Kong is moving towards a situation where government involvement, however well meant, is breaching the traditional postulate of non-intervention. Once this process starts it is very difficult to arrest, as European nations have found out some time ago.

But other core elements of the Hong Kong success story have not changed: the policies of encouraging enterprise and free trade, a minimum of import duties, low taxes, a level playing field for domestic and foreign businesses, a commitment to fight corruption, a hard-working and flexible population, a strategic location, and a great harbour.

What does continue to change very visibly is Hong Kong's skyline. On 6 July the world's newest airport was put into operation, ultimately destined to accommodate ten times the population of Austria annually, or some 80 million passengers. A large new extension to

the HK Convention and Exhibition Centre was added to the existing facilities in 1997. New tunnels, new subway lines, new roads, and spectacular new bridges have been built just in the last few years.

New landfills create space for additional residential complexes. New office blocks are shooting up on both sides of the harbour. Once the Kai Tak airport site has been freed for redevelopment, the area around it in Kowloon will become unrecognisable. More border crossings to China and more container terminals are planned to physically strengthen Hong Kong's gateway and entrepot functions. With 14.5 Million TEU containers being handled, Hong Kong is the world's largest container port although annual volume growth has now slowed down somewhat.

With 361 licensed financial institutions doing business in Hong Kong, the SAR continues to be a financial focal point. Hong Kong maintains its position as an information, communications, and transportation hub for the region, including the Mainland. Hong Kong commercial interests persevere with investments in China.

At the same time, Hong Kong is becoming of greater attraction to Mainland enterprises for stock listings and other funding exercises, for overseas operations, or as the professional services centre par excellence. Hong Kong's stock market is still one of the largest in the Far East although it has recently taken hard knocks, like all other markets in the region.

A less fortunate change for Hong Kong has been the fall-off in tourist numbers to the SAR since the handover. The loss of Hong Kong's quaintness as a foreign place on the coast of China, new restrictions on visitors from the Mainland after 1 July, the weakness of the Japanese economy, and the massive devaluations of various currencies in Southeast Asia during the summer and autumn of 1997 have all played a part.

The downturn in tourist numbers should have been the first indication that Hong Kong would not remain immune to the ill winds blowing through the region. Tourist arrivals from Japan alone are down by some 50%. After the boom



years for tourism just prior to the handover, the shock of losing the local appeal to overseas tourists was that much greater. Hong Kong will need to make strenuous efforts to win them back, not least by trying to lose its infamous ranking as the world's most expensive city.

There is an old argument whether now that Hong Kong is part of China, it will face increased competition for pre-eminence from other cities in China. Of course it will.

China's economy is still growing. Per capita incomes and living standards are improving. China is developing many more links with the outside world in an effort to diversify its export markets. Chinese manufacturing has become more quality-conscious and its products are seen as good value for money. China is improving its own skill levels on every front. China is currently trying to reform its administrative bureaucracy and its State-owned industries, and is moving to liberalise wider sectors of the economy. China has nuclear capability and puts rockets in space. Chinese academic research in certain fields is among the world's best.

My own argument about future Mainland competition to Hong Kong is as follows. If other cities in China, especially Shanghai, are said to have real potential to reach Hong Kong's standards of excellence in commercial and financial dealings, then this presupposes that all of China continues to develop strongly and successfully. In that case, and given the size and diversity of China, and its infrastructure and skill needs for many decades, the country will likely require more than just one Hong Kong or one Shanghai in future. Hong Kong may end up with a smaller slice of the action, but of a much bigger cake.

So the SAR does not need to fear competition provided it maintains its resourcefulness, its entrepreneurial drive, its international network of connections, and its global outlook.

But in addition, Hong Kong will need to be conscious of the ongoing need to invest in people. The previous reliance on cheaper costs of production in Southern China alone will not

suffice. If skill levels in Hong Kong drop, and there are signs of that happening which worry me, then it will be difficult to maintain Hong Kong's competitive edge.

The many good years in the recent past, with low unemployment rates and almost automatic annual pay increases have created a laid-back attitude among the Hong Kong people which contrasts sharply with the keenness with which individuals on the Mainland pursue their personal objectives. Even foreign language skills seem to be improving on the Mainland, while Hong Kong's English standards are rapidly deteriorating: again and very specifically *not* the result of the handover, but the consequence of an antiquated education system at primary and secondary levels, and spreading nonchalance among the younger generation which has grown up not ever experiencing real hardship.

In light of what has transpired in the East Asian economies since last summer, and by comparison, Hong Kong fundamentals however still look pretty good.

The government is functioning well. Hong Kong has a very open and transparent economy that in more than one sense offers a model for other Asian countries. We have good management and strong supervision of the financial system. We have many strong banks which have always lent prudently. The Hong Kong SAR has foreign exchange reserves of over US\$ 98 billion, providing some 800% backing for the Hong Kong currency. We have a currency board in place which has safeguarded the stability of the Hong Kong dollar ever since its introduction in 1983, despite a number of political jitters and significant domestic economic adjustments in the interim.

But being an externally-oriented economy, one of the freest in the world, creates its own exposure. Determined at the same time to defend currency stability, the government has a more limited range of policy alternatives available.

Hong Kong's economy is integrated with those of the neighbouring countries, through direct



investment, trade and services, local manufacture, tourism. The tremors of any shocks experienced by our neighbours naturally are quickly felt in Hong Kong as well. The maintenance of currency stability through the link with the U.S. dollar in turn means higher interest rates, tight liquidity, and falling asset values.

In Hong Kong, whose domestic economy is driven largely by the property market and which has a significant number of homeowners with outstanding mortgages, asset depreciation and high interest rates can create a lot of pain. Sizeable problems with the property sector also can impact quickly and negatively on the financial institutions and undermine even very strong foundations. This is why the Hong Kong government two weeks ago rather risked criticism of market interference by announcing a freeze in new government land sales until March next year, rather than letting property values dive even lower.

The Hong Kong government has also been emphatic about its intention to defend the linked currency, although some observers believe that devaluation might be a more correct remedy under the circumstances. This argument is of doubtful validity: Hong Kong's need for imports of most of what it consumes and produces suggests that a devaluation of the Hong Kong dollar would not necessarily solve the high interest problem. Inflation would go up or stay up, and any possible loss of faith in the currency among the local population will lead to further capital outflows. The experience of other Southeast Asian countries following their devaluations last year suggests as much. If Hong Kong wishes to remain a preeminent financial centre and an externally-oriented economy, currency stability in particular must remain a high priority.

It is certainly generally accepted that a re-pegging of the Hong Kong currency at a different level, should de-linking ever become unavoidable, would not be a good solution. The Hong Kong dollar would rather have to be allowed to float and seek its own market levels. A devaluation scenario is only then likely, mainly for psychological reasons, if the

Chinese Renminbi was to be devalued-- a possibility which is consistently being denied by the Chinese leadership, most recently again during President Clinton's visit to China. A weaker Renminbi would of course result in further competitive devaluations in the region and in even more economic and political instability and China would not gain.

What may happen in China is in turn to some extent predicated on what transpires in Japan in the short term, and how the Japanese Yen will fare. Recent events in Japan have not given the rest of the region, or the world, much hope that things will get better before they get worse in that country. Given the dire predictions in the period before Hong Kong's reunification with the motherland, it is somewhat ironic that China is seen today as the only island of stability in this sea of turbulence washing over the region.

How bad are things in Hong Kong as a result of the Asian economic turbulence? They are pretty grim.

The general mood in Hong Kong is therefore somewhat less euphoric than it was at the time of the handover in 1997. Simply put, Hong Kong has exchanged political anxiety for a clouded economic outlook. But we must keep in mind that Hong Kong still has more flexibility than some of the other economies. I am not alone in believing that Hong Kong will for this very reason bounce back a bit sooner. One should never be more gloomy than is strictly necessary.

The SAR government is also no longer hiding the fact that it was taken by surprise about the extent of the downturn. The Hong Kong government now forecasts two successive quarters of no economic growth: the traditional definition of an official recession. GDP growth over the whole year is forecast to be either negative, or show growth of some 1.5% against 6% during the previous year. It all depends in whom one wants to believe.

Local property values have seen reductions of between 25% and 40%, depending on category and location. Many privately-developed new apartments are being marketed



at below cost. Unemployment last year was 2.5% and is now pushing 4.5%.

The stock market index has fallen from 14,900 last summer to around 8,000 points at present, and the daily volume has shrunk to a third of what it was one year ago. The Hong Kong Jockey Club has seen its first decline in betting turnover ever in the 1997-98 season, although it is still at a respectable HK\$91.5 billion. Load factors for airlines on regional routes, and occupancy rates in hotels have been falling quite dramatically.

Instead of selling 300 Mercedes cars a month, the distributor now sells about 40. People no longer line up to get into the Gucci shop in the Central District where Japanese visitors used to wait patiently in queues to get admitted. Daimaru, the oldest of the Japanese department stores in Hong Kong, and one of the most up-market local store, Lane Crawford, posted a profit of less than HK\$ 2 million for the last financial year. Banks are pulling in their horns, especially overseas banks whose rapid expansion in recent years without an adequate local deposit base has left them very vulnerable to the high interest rates in the interbank market.

There is some pressure on the government to use part of the SAR's fiscal reserves to make up for some of the hardship. But given the land premium foregone because of the government's announced policy on land sales, and the expected reduction in government revenue from taxation and stamp duty because of lower transaction volumes, a budget deficit for the current year is already predicted. The Financial Secretary in Hong Kong is understandably reluctant to widen it.

However, extreme times sometimes demand brave measures, and the most important political responsibility today is to try and restore public confidence. This is true as well in Japan, Korea, Thailand, or Indonesia. Without that confidence, it is difficult to stimulate or re-stimulate consumer demand and avoid the sort of deflationary spiral that East Asia is facing today.

Of course, falling property values and rental costs, and a workforce prepared once again to

accept a reduction in income in exchange for greater job security, will reduce overall costs. Hong Kong's problem in recent years has been that it had priced itself out of the market, and has lost its glamour as a shopping paradise. The regional devaluations have only served to put this situation into sharper focus. Lower prices will make Hong Kong goods and services more competitive again: perhaps the longer-term blessing to be derived from the present crises.

I am not proposing in this Conference to give you a case-by-case account of what triggered the loss of confidence throughout the region, and subsequent developments in each country following the original currency crisis in Thailand last summer.

The immediate and main cause for the problems was that governments in Southeast Asia failed to give up their fixed (or quasi-fixed) exchange rates for more flexibility when markets became concerned about overvaluations as a result of rising current account deficits. The mounting debt through the financing of these current account deficits by short-term foreign borrowing, which latter exceeded the international reserves held by a number of these countries, undermined their governments' credibility to be able to sustain the fixed-rate regimes. The fragility of many of the domestic financial institutions did the rest. These institutions were encouraged in their easy lending by implicit government guarantees which however finally did not materialise. In retrospect, these matters look obvious and it is naturally easy to be smart in hindsight.

What remains difficult to explain in connection with the Asian crisis is the speed and wide reach of the resultant loss of confidence among investors and consumers alike. What is also frightening is that in several countries government and business groups are still in denial, or at least are not agreed as to what to do, and prefer to look for scapegoats or for solutions from outside their national boundaries. Rather than looking into the mirror, there is still a predilection among certain politicians to blame outsiders for policy failures.



But the present economic turmoil, after decades of rapid economic growth in most of the affected economies, and after a lot of talk about the Asian miracle underpinned by so-called "Asian values", is *not* just a currency or a liquidity crisis.

One can argue with some justification that it is an adjustment crisis: a painful but necessary adjustment to the effects of globalisation forced on economies that had tried to keep their domestic political systems and bureaucratic structures in place despite opening their markets for trade and being quite successful in attracting foreign investment. By not cleaning up institutional weaknesses, by failing to effectively regulate domestic financial markets, or by the unwise management of foreign debt, these governments put the sustainability of external financing at risk. In the wake of a loss of credibility came the speculative attacks by international mobile capital.

In the light of ongoing economic globalisation, instead of blaming international mobile capital for internal economic and financial problems, there should be more of an acceptance of the fact that international capital - in the competitive effort to increase returns and lower risks - is now setting higher yardsticks in measuring the behaviour and performance of national economies.

These large funds in fact are acting as policemen vis-à-vis national governments. Current calls for regulation of these funds and of the investment decisions of their managers will not be easy to achieve. They sound more like suggestions for quick political fixes. Even assuming that global consensus and effective world-wide enforcement mechanisms could be found in the first place, an attempt to regulate international capital flows would ultimately prove to be the wrong cure. It could well lead to a new era of protectionism and should be dealt with extremely carefully.

International capital does follow a herd instinct and admittedly tends to overshoot in the short term when expectations about country risks turn negative. It thereby can create or exacerbate the social cost of economic or

financial turmoil. But the solution cannot in my view lie in an attempt to weaken market forces, even if collectively agreed; the solution should rather be sought in greater domestic efforts in the affected countries to clean up their own act. Never shoot the messenger, certainly not before hearing what he might have to say.

Ten years from now we may come to regard the Asian crisis as a blessing in disguise, rather than the curse it appears today. It will sweep away some of the hubris that has built up around the Asian miracle in recent years. More importantly still, it will hopefully break down many of the domestic traditions and operating practices that still stand in the way of more open, more transparent, and more accountable macro-economic management.

Globalisation means adaptation to and enforcement of best international practice. The present crisis is necessarily forcing the pace of developments towards modernisation. Those countries which grasp the nettle will re-emerge faster from the doldrums.

During the next three to five years, the Asian crisis will also create new opportunities. Falling asset values, a greater readiness to allow foreign participation in all sectors of the national economies, the need for capital, the forced restructuring of enterprises and a renewed wave of privatisation, will individually and collectively provide better chances, and at a much lower levels of risk, for all those willing to make new investments in the region.

Once again, it is important to emphasise that generalisations are misleading and that in the East Asian context one must make careful distinctions between the various economies, their specific problems, and the remedies that are pursuable or are being pursued.

Quite a number of American corporate interests and a few European companies are seeing the signs and are taking action to establish a presence in the Far Eastern markets now, or to enlarge it. Rather than engaging in *Schadenfreude* or just worrying about the possible negative fall-out from the Asian crisis in Europe, it may again be a very good time to



take stock of the situation, to avoid running the risk of missing the boat.

There is no doubt in my mind that the Asian economies will bounce back in a few years' time with a vengeance, and that the current turbulence and its cleansing effects will see them all emerging chastened but much stronger: in fact better prepared to accept the global challenges. The large populations of the nations of East Asia are still well motivated, hard-working, and inclined to save - although saving in today's environment appears more a curse than a virtue. The people in East Asia are still very keen to improve their standard of living. Huge infrastructure needs still require to be met. There is no doubt that the 21st century will see the Far East as the world's largest consumer market, as well as its biggest producer.

As the Conference speakers have explained during the past three days when discussing their specific areas of engagement in or with Hong Kong: since the handover on 1 July 1997, Hong Kong and China have proven to the world that solutions to even very difficult problems can be agreed upon, and can be made to work efficiently and smoothly in practice. If other potential troublespots could be handled as successfully and as rationally, the world would be a better place.

One year after, this is the real message we should take home from the tremendous social and political experiment that began with the reunification of Hong Kong with its motherland.

## WHAT HONG KONG TELLS THE WORLD AFTER ITS RETURN TO CHINA

Wang Jiaji, Senior Research Fellow  
China Institute of International Studies

As a former diplomat who had been very much involved in the transitional arrangements for Hong Kong, I am most grateful to Sohmen-China Foundation and the other organisers of the symposium for providing me the opportunity to present my view on Hong Kong one year after transition.

1997 was an extraordinary year for Hong Kong. July 1st saw the smooth return of Hong Kong to China, thereby ending 156 years of colonial rule. Just as President Jiang Zemin declared in the handover ceremony held by both Chinese and British governments, it is a great event for the Chinese nation and in 20th century's world history as well, that China resumes the exercise of sovereignty over Hong Kong. Some 6,500 foreign and local media were in Hong Kong to cover the transition, and a world-wide television audience of hundreds of millions, witnessed the ceremony and the establishment of the Hong Kong Special Administrative Region Government (HKSAR).

The successful transition and the consequent development have clearly proved wrong those critics who predicted a doomsday scenario after July 1st, 1997.

During the year after Hong Kong's return, China's policy of "one country, two systems" has been successfully put into practice. Hong Kong is charting its own course, with exception of foreign affairs and defence. The HKSAR's mini-constitution - the Basic Law - guarantees that the capitalist systems and the way of life in Hong Kong remain unchanged. Hong Kong is exercising a high degree of autonomy and continues, among other things, to manage its own economic policies and finances, issue its own currency, implement a low and simple tax regime, maintain its own laws and common law legal system, employ its own civil service and remain a separate customs territory.



During his high profile overseas visits, Mr. Tung Chee-hwa, the Chief Executive, told the world it is "business as usual" in Hong Kong. Half a year after transition, a US Congress "Task Force Report on Hong Kong" assessed the situation in Hong Kong as "so far so good". At the beginning of this year, the British Foreign Secretary Mr. Cook said the UK was satisfied with the social and economic development of Hong Kong since last June. We are delighted to see the implementation of "one country, two systems", he went further.

Foreign journalists have stressed the unchanged way of life in Hong Kong. A report in the British newspaper 'the Observer' by its reporter from Hong Kong wrote on October 5th, 1997: "nearly 100 days after the Royal Yacht Britannia left Hong Kong and China resumed the exercise of sovereignty over Hong Kong, stranglehold from the north has not taken a grip, demonstrators continue to demonstrate, the newspapers continue to print criticisms of Beijing, the lights of Hong Kong's famous skyline have not dimmed, nor have the hotels lost their five-star glitter. Horses are still racing and gamblers are filling the offers of the Jockey Club."

Then, what is the significance of HK's transition? What does Hong Kong tell the world after its return to China? In my view, it is significant to the social development of mankind in at least four aspects:

Firstly, the successful resolution of the Hong Kong question has set an example for peaceful settlement of international disputes.

The Hong Kong question was a question that had been left over from history. When it was time to place the question on agenda, Deng Xiaoping ingeniously came up with the concept of "one country, two systems" to settle this question with a view to ensuring both the return of Hong Kong and the maintenance of its prosperity and stability. The Joint Declaration on the Hong Kong question was signed by the Chinese and British governments after two years negotiation. Then came the 13-year transitional period followed by the smooth transfer of government. There were divergence and co-operation between the

two sides in the long process of transition. Yet, it is in the interest of both sides and also of the Hong Kong compatriots to practice the concept of "one country, two systems" and to maintain its prosperity and stability. This is the main reason why the Hong Kong question could have been so satisfactorily settled.

The return of Hong Kong conforms to the historical trend to world peace and development. Its significance and impact go far beyond the national boundary to the Asian-Pacific region and the world at large. Mr. Domingo Saison, the Secretary of Foreign Affairs of the Republic of the Philippines, said in his speech at the Asian Investors' Forum held before Hong Kong's return that "Freed of our colonial past, East Asians now have the historic opportunity to decide by ourselves which road our region will take. The return of Hong Kong and then Macao to the motherland will give us, people in China and other Asian countries, a strong sense of national self-respect and one of setting strong on our own. Asian countries, that suffered a great deal from the imperialist aggression, will undoubtedly value the rare historic prosperity in the 21st century."

Secondly, facts prove that Hong Kong people are capable of administering Hong Kong by themselves.

I remember that, before China and Britain started their negotiations on Hong Kong, the then British Prime Minister had tried to persuade the Chinese leader to give up recovery of Hong Kong by saying that Hong Kong's prosperity relied on the people's confidence, meaning confidence in the British administration; if the British rule had to be drastically changed, the impact on the confidence of Hong Kong would be disastrous.

Therefore the Chinese government attaches great importance to the principle of "Hong Kong people administering Hong Kong". In order to enable Hong Kong people to shoulder the heavy responsibility of governing Hong Kong after its return, Deng Xiaoping proposed with great foresight that Hong Kong people should participate in Hong Kong affairs before 1997. Thus in the course of preparing for the establishment of HKSAR, the Chinese



government adopted the principle of "having faith in Hong Kong people and relying on Hong Kong people", and consequently the Hong Kong compatriots participated in the entire process of resuming the exercise of sovereignty over Hong Kong.

The return of Hong Kong has significantly changed the political status of Hong Kong compatriots. At present, they are Chinese citizens and masters of Hong Kong, and have assumed the responsibility of administering and governing Hong Kong. Mr. Tung Chee-hwa and his government have well managed in running Hong Kong. They are striving to improve the people's livelihood and other undertakings, which Hong Kong residents are much concerned about. They are doing things steadily both at home and abroad. They are cool-minded in meeting all kinds of challenges, especially in taking effective measures to counter the attacks by the Asian financial crisis. Hong Kong residents and overseas investors now have much greater confidence in Hong Kong. This testifies the ability of Hong Kong people to run Hong Kong well.

Thirdly, the gradual and progressive development of a democratic system is in the interest of stability and prosperity of Hong Kong.

The Basic Law has stipulated the political structure for HKSAR in accordance with the principle of "one country, two systems" with an aim to maintaining stability and prosperity in Hong Kong. There are two marked features about the political structure. One is an executive-dominant instead of a legislative dominant government. That is to say, the Chief Executive must have real power which, at the same time, should be subject to some restrictions. Another is the necessity to gradually introduce a democratic system that suits Hong Kong.

The Basic Law has set out a 10-year timetable for election of the Chief Executive and the Legislature.

It is known to all that Hong Kong never had any say in the selection of its governor during the colonial rule. Under the Basic Law, Hong

Kong people will have an increasingly larger say in the selection of their Chief Executive. Mr. Tung Chee-hwa was elected in December last year by a committee of 400 people from many walks of life, including businessmen; professionals such as doctors, lawyers and architects; labour unionists; social workers; politicians; and religious leaders of different beliefs. A similar committee will elect the second Chief Executive, serving from 2002 to 2007, except that it will be enlarged to 800 people.

The election of the first full Legislative Council (LegCo) was held on May 24th. 60 members of the legislature were elected in different ways, of which 20 were directly elected, 30 indirectly elected through functional constituencies and the remaining 10 indirectly elected through an Election Committee. The second LegCo will be elected for a four-year term in the year 2000, when the number of directly elected seats will increase to 24. And for the third legislature to be elected in 2004, 30, or 50% of the seats, will be directly elected. And what will happen after 2007? The Basic Law provides that further democratic evolution will depend on the wishes of Hong Kong people and the overall environment at that time, with universal suffrage being the ultimate objective. In fact, the process of democratic evolution in the next decade will be far more comprehensive and far-reaching than what Hong Kong had in 156 years of colonialism.

The May 24th election was very successful. An American newspaper, the International Herald Tribune reported: Braving tropical thunderstorms that caused traffic disruptions and widespread flooding, Hong Kong voters turned out in record numbers to cast ballots in Sunday's first Legislative Council election under Chinese rule. Yes, the voting rate was indeed as high as 53.29% in geographical direct election, 63% in functional constituencies and 98.75% in the Election Committee. Mr. Tung Chee-hwa said in the following day that the active participation by Hong Kong people reflected their desire to fulfil their responsibility as a citizen and the very strong public support they have for the Basic Law, and the spirit of "Hong Kong people



governing Hong Kong" with a high degree of autonomy.

Foreign observers noticed that the Democratic Party and other liberals had won one-third of the 60 seats and would form a strong opposition in the LegCo. Some leading figures had made their campaign priority a commitment to full democracy for the next election and the democratic selection of the next chief executive. But the SAR Government maintained that the pace of going democratic as stipulated in the Basic Law is in full conformity with the reality of Hong Kong. The prime concern at present is in the area of economy. In fact, most of the candidates had begun to tackle the overriding issue of the economic slump being caused by the East Asian financial crisis. In June, seven parties from across the political spectrum agreed on a six-point plan for boosting the economy and met the financial secretary to press for action. The meeting was described as a search for co-operation with the government rather than confrontation.

The last but not the least is that under "one country, two systems", Hong Kong will keep the economic vitality for a sustainable growth.

As a matter of fact, the impact of the Asian financial turmoil on Hong Kong is not as serious as on other Southeast Asian countries. Actually, years of high property price, high inflation and negative interest rates have created a bubble economy. The HKSAR Government has taken a series of measures to correct the problem. The Asian financial crisis has in fact accelerated the correction process. Hong Kong is now in the depth of a major economic readjustment. The growth of economy in the past two quarters this year dropped substantially. And the unemployment rate rose drastically. The result of the readjustment is painful to everybody. But people believe that the worst will be over, and from a cost point of view, Hong Kong will begin from a much lower base, once recovery starts. There are four reasons:

1. Hong Kong is a free market economy, which adjusts very quickly. The Basic Law guarantees the continued practice of the capitalist economic system, which has been known as "the freest economic system", as

the Heritage Foundation based in Washington has put it.

2. With very strong fiscal reserves of HK\$ 450 billion (about DM 107 billion), the SAR Government has continued to invest in infrastructure and education on a large scale, which will provide more jobs in near future and will make Hong Kong much more efficient and competitive in the 21<sup>st</sup> century.

3. The continued stable and successful development of China will have a profound and positive impact on the continued prosperity and stability in Hong Kong.

4. Continued HK dollar pegged to the US dollar will help ensure confidence in commerce. The status of the HK dollar has been backed by the decision not to devalue the Chinese currency RMB.

Naturally I have come to the conclusion that Hong Kong and the mainland of China, have served as an anchor for stability in Asia. In the longer term, China will march from strength to strength. And the region will come out of the turmoil and become even more viable and dynamic than before.



## HONG KONG 1998 - BUSINESS AS USUAL?

Dr. Alfred Mayer, the Austrian Trade Commissioner in Hong Kong

Business as usual in Hong Kong with question mark?

Were the pessimists over Hong Kong's future after the handover right in the end? Apparently yes, we have to say. Today Hong Kong, for the first time after 15 years, is faced with an economic recession, with remarkably falling property prices, heavy turbulences on the stock market, rising unemployment, decreasing numbers of visitor arrivals, comparatively empty hotels, restaurants, department stores and boutiques, and even lot of smaller businesses closing down.

So, do we face the death of Hong Kong after its return to mainland China as the Hong Kong magazine 'Fortune' has predicted in June 1995, and so had few other prophets of doom in the past years?

As a matter of fact they were more or less right in predicting a decline in Hong Kong's business as usual after 1 July 1997. However, they were completely wrong in their basic assessment of the causes of the recent development.

It was not the withdrawal of capital assets by a large number of local and foreign companies and their transfer to other countries as predicted, it was not the exodus of foreign businesses and investors fearing future capital controls by Beijing as anticipated, and it was not, as predicted, troops of the PLA strolling the streets of Hong Kong after the handover as a visible warning against further anti-government demonstrations which caused the stock market's historical plunges since autumn last year.

But it was the unpredicted outbreak of the crisis in Asia's financial and economic system finally affecting also Hong Kong despite of its sound and solid foundation; what as far as Hong Kong is concerned seems to being based partly, maybe even largely, on psychological

reasons.

But let me first give you a brief description of Hong Kong's performance in the weeks and months following the fatal day of its history last year which actually started with an extremely well organised and solemn Handover/Takeback ceremony:

In general we can say that the widespread sentiment of tension, uncertainty, scepticism and anxiety seemed to be increasingly and almost visibly replaced by feelings of relaxation, reassurance and relief among Hong Kong's citizens as well as expats.

Apart from symbolic changes (less Union Jacks and more red banners and Bauhinia flags) and the replacement of the British Governor by a local Shipping Tycoon as top leader of the newly established Special Administrative Region of the PRC as well as the - announced and expected - change from a parliament elected 1995 in partially democratic polls to a provisional body of members chosen by a 400 deputies committee, actually no further essential modifications could be observed. Political demonstrations including those condemning the Tiananmen crackdown 1989 and demanding release of mainland dissidents continued even during the handover ceremony and following international conferences without major hindrances and without arrests of anyone of the participants.

And as the most significant sign of recovering optimism - Hong Kong's economy achieved a boom never seen in the recent years before. The GDP increased by 6.8% in the first 7 months over the same period in 1996. The Hang Seng Index as the main barometer of local stock market performance reached a daily turnover of almost 30 billion HK\$ and a record high of 16.700 points on August 7, the property prices climbed to their highest peak ever (property index 25.000), private consumption (in particular of durable goods and luxury items) was the highest since 1987. All in all Hong Kong seemed to heading to a new height of success based on growing self-confidence.

Only the first nine months Hong Kong's



performance was characterised by upward trends in almost all sectors with the following months of 1997, however, showing a quite different picture.

So what happened obviously overnight to Hong Kong's sound economy?

The first shocks were delivered by end of October last year, called 'Black October' since, when the heavy turbulences in South East Asian economies brought the Hong Kong Stock Market down by over 40% from its peak in August followed by a second wave in January/February and a third one in June this year sending the index down to less than 8,000 points, its lowest level since 1994. Undoubtedly, a main cause of the crashes was panic selling investors in their fear of a possible devaluation of the Hong Kong Dollar amid speculative attacks on the currency as consequence of similar developments of neighbouring currencies. Despite of repeated assurances by the government to maintain the peg to the US-dollar peoples became extremely cautious in private consumption expenditure of all kinds as layoffs by hotels, restaurants, airlines, travel agencies and department stores also caused by the heavy decline in tourism, increased fears of growing unemployment which had never been a major concern in recent years.

As a result of the government's firm resolution to defend the dollar peg interest rates - and mortgage payments - rose sharply dealing a serious blow to business activities and, in particular, leading to a heavy decline on the property sector which as a major player on Hong Kong's Stock Market plunged between 30 to 50, even up to 60% from its peak in July last year to its lowest level in recent years as tight liquidity has slowed both demand and projected supply.

In June this year Hong Kong had to face another shock:

Based on the latest statistics the government in contrast to its only recently confirmed forecast of a GDP's increase of 3.5% for the whole of 1998, announced a negative growth for the first quarter of -2.0% and a possibly even lower figure for the whole year - thus

anticipating an economic recession - the first contraction since 1984. Shortly after that the Japanese Yen plunged to its deepest low causing a further fall of the Hang Seng Index.

So - due to these mainly externally caused difficulties - Hong Kong's business can, in its first year after the handover, definitely not be considered as usual as it would definitely be under stable circumstances in its neighbouring countries.

The question is now - what are Hong Kong's prospects?

Based on the British-Chinese Joint Declaration and the Basic Law as Hong Kong's "Mini-Constitution" the former British colony now part of its mother country with a quite different social and political order seems to further enjoy its special system. No uniform of PLA soldiers can be seen on Hong Kong's streets (they keep staying in the 'Prince of Wales Building' of the former British garrison), no colonial names (as Queen's Road and Victoria Peak) have been changed to China related expressions, no considerable interferences from Beijing in Hong Kong's governmental affairs and policies have been reported so far. And Hong Kong's Government is apparently determined to further maintain political freedom - freedom of speech, freedom of the press, freedom of demonstration.

Political freedom is an issue of obviously great importance to Hong Kong's people as been shown by the unexpectedly high turnout of over 53% of registered voters at the first elections to the parliament after the handover - to the surprise of those who consider Hong Kong's citizens extremely apolitical, being only interested in doing business and making money.

Anyway, Beijing's leadership seems to firmly sticking to its repeated promises of consequently following Deng Xiaoping's concept of 'One Country - Two Systems', first of all in the mainland's self-interest in maintaining Hong Kong's successful performances, secondly in making Hong Kong's case working as a possible solution for Taiwan, and finally in order to prove their sense of obligation and responsibility as a



serious and reliable player in international politics.

In his maiden speech as Chief Executive of Hong Kong SAR in October last year C.H. Tung delivering the first Policy Address of the new Government has announced a package of ambitious measures as a new vision for the future of the territory with housing, infrastructure, environmental protection, stimulating new technology and high-tech industries, in particular information technology, and education among the priorities for the years to come. In details:

**Housing:** 3 main targets to be achieved by increased land sales and financial assistance to home buyers:

- to build at least 85.000 flats a year
- to achieve a home ownership rate of 70% in 10 years (from 50% now)
- to reduce the average waiting time for public rental houses to 3 years (from 6 years now);

**Infrastructure:** spending HK\$ 235 billion over the next 5 years on new projects focusing on the enlargement of the existing railway network (e.g. building the Western Corridor Railway in the New Territories with a total investment of over HK\$ 80 billion), new expressways, bridges and tunnels to further improve transportation facilities to the mainland, and extension of the subway system on Hong Kong Island and Kowloon;

**Environment:** setting up waste incinerators, waste water and sewage treatment plants as well as gradually replacing the air polluting diesel engines by LPG of over 150.000 vehicles in Hong Kong;

**New technology and high-tech industries:** in order to make Hong Kong a technological innovation centre for the entire region and a world leader in information technology as "the tool to shape the 21st century" R&D activities will be promoted by strengthening cooperation with relevant mainland and foreign institutions, a science and a business park will be established and another industrial estate will be offered to attract foreign investors from new technology and high-tech industries;

**Education:** considered as being the key of Hong Kong's future, great emphasis will be put on quality in teaching profession, language skills and, in particular on information technology by applying computer assisted teaching and learning across the curriculum.

The programme, in particular regarding infrastructure and environment might help to stimulate investment activities, however being far away from bringing Hong Kong's dynamism back on track as the regional crisis seems to be deepening.

Therefore the Government has recently - and in addition to some previous rescue measures - unveiled a 4-part 44 billion stimulus package to revive the economy by mainly addressing the credit and liquidity crunch, the property market and cost burdens on business and families which will result in a 21 billion deficit for the fiscal year 1998/1999 contrary to the budget forecast of 10.7 billion surplus announced in April this year. It remains to be seen when all these measures - by some economists considered "too little and too late" - will bring first results.

First of all, maintaining the dollar peg - which also means a stabilising factor in the Far Eastern region - seems to be a crucial question to Hong Kong's economy, since floating the currency during the crisis would further and strongly undermine investor confidence, deflate asset prices, and bring the stock market further down.

But will the Government be able to resist further pressures to de-link the peg? Much - if not all - will depend on the further development of the neighbouring region, in particular in Japan and its currency.

As a matter of fact Hong Kong itself with its substantial foreign exchange reserves, no external debts and a sound business environment does have the capacity to retain its stabilising position provided that China will further keep on track by continuing an economic growth of 7 to 8%. This means that the mainland, and especially its Southern region will further and even more play a decisive role in stabilising and reviving Hong Kong's economic performance.



The Asian crisis hitting the bubble economies in the region involves the chance of recovery, and Hong Kong, I am unconvinced, will be the first to make use of this chance. Hong Kong is facing its worst contraction since almost 2 decades but it is definitely not in the role of the First Class cabin of the Titanic, as has been recently expressed by a currency trader.

But Hong Kong also badly needs some adjustments, e.g. in its property sector, it needs a battery recharge, as one of Hong Kong's leading business tycoons has said, not massive repairs in order to regain its competitiveness as business location as well as tourist destination.

With

- its free economy, the world's most liberal,
  - its business friendly environment with a minimum of bureaucratic intervention
  - its transparent taxation law with extremely low tax rates
  - its sound and transparent banking and financial system
  - its trusted legal system and independent judiciary
  - its free flow of information and
  - its excellent and further improving infrastructure in telecommunication and transportation
- and last but not least
- with its adaptable, mobile, industrious and creative peoples

Hong Kong does have an extremely solid and sound foundation to recover faster than its neighbouring countries.

In this respect it should be emphasised that it will be essential that also the foreign business community which has always been of utmost importance to Hong Kong's successful performances, will not lose confidence in the territory's ability of doing even better after the termination of its "battery recharge".

And recent surveys of foreign business associations and chambers in Hong Kong have proven that confidence did not fade away, on the contrary even, as the British Chamber of Commerce has revealed a couple of days ago (see "Hong Kong Trader/July 1998).

As Austrian Trade Commissioner I am glad to inform you that since summer last year 10 Austrian companies have set up Representative Offices in Hong Kong and 3 more will be established during the next 2-3 months bringing the total number to 60 - a promising trend for Austria's business relations with Hong Kong after last year's record increase of our exports by almost 30%.

I hope that our companies will take the opportunity to participate in Hong Kong's investment priorities such as infrastructure and environmental projects, housing etc., as mentioned before. The recent visit to Vienna of Hong Kong's Secretary for Planning and Environment has shown that there are indeed good prospects for Austria's participation in Hong Kong's further development.

I am confident that Hong Kong will start recovering as soon as the light at the end of the region's long tunnel will become visible. Let me conclude my view of the future performance of Hong Kong's economy by completing the title of my speech as follows: "Hong Kong after Asia's crisis - ranking first to do business as usual", but with an exclamation mark!



## THE FRAGRANT HARBOUR REMAINS FRAGRANT FOR WORLD COMMUNITY

Prof. Dr. Gerd Kaminski

### 1. Historical aspects of Hong Kong's international position

No international position of the "fragrant harbour" was visible during the time of the 18<sup>th</sup> century. The centres of China's overseas international relations at that time were Canton and Macao. This situation prevailed during the first decades of 19<sup>th</sup> century. A report from the Government's Newspaper in Calcutta from October 13<sup>th</sup> 1825 about the difficulties in the communication between foreign businessmen and Chinese authorities does not mention Hong Kong at all, but complains about the obstacles created by the Chinese Vice-Roy for the foreigners in regard of free access to Canton and Macao. The Government Newspaper reported about futile attempts from the British side to improve this situation which nevertheless ended in the Vice-Roy's calling upon the sentries that every foreigner who would be caught without special permission within the city walls, should get rid of his head immediately.<sup>1</sup>

Hong Kong emerged out of the dawn of history after the Treaty of Nanking. During the time of the Opium War, which was the foreign reaction to the brave and gallant Vice-Roy Lin Zexu's attempts to save Chinese subjects from British opium marketing strategies, the British merchants fled to Hong Kong for settling down temporarily hoping to regain their positions in Canton. During the time of their stay they started to appreciate Hong Kong's excellent harbour and at the peace negotiations at Nanking Britain successfully forced the defeated Chinese Empire to cede Hong Kong. Hong Kong's fame and splendour did not materialise immediately. Fevers and dysentery raged in the ranks of the foreign inhabitants. For the first years of British rule Hong Kong acquired so much notoriety that contempt in England was expressed in the - at that time popular - song "You may go to Hong Kong for me."<sup>2</sup>

In 1858 the Austrian man-of-war Novara on its mission to sail around the world and collect as many scientific information as possible had a stop over in Hong Kong. The rapid development of Hong Kong was proved by the fact that Austria, who held a junior rank among sea faring nations, was already represented by a consul, Mr. G. Wiener, only one and half decade after the British take over. According to the reports submitted by the members of this mission to the Austrian Emperor Franz Joseph, Hong Kong has been a very busy place in terms of international trade at that time. Of course the look of Hong Kong did not in the faintest resemble that of several decades later, when the population of approximately 2000 British who sought shelter in 1840 and of a few hundred Chinese fishermen, developed into hundreds of thousands Chinese under the rule of a few thousand foreigners. When the Novara reached the harbour at Hong Kong in 1858, Victoria Island's nature was still well preserved and the Austrian sailors were hailing the sight of the lovely scenery which reminded them of their province Dalmatia.<sup>3</sup>

This look still changed rapidly during the 19<sup>th</sup> century. Among the numerous gateways to South China Hong Kong offered the best conditions for traders. European entrepreneurs combined their efforts with those of Chinese merchants and compradores who arrived after 1840 looking for a safe place amidst the decay of Manchu Dynasty. For thirty years those businessmen traded with China and Britain through the great merchant banking houses in London. Then they founded the Hong Kong and Shanghai Banking Corporation. Hong Kong's booming by and by found expression in the modern face of the colony. In 1900 Hong Kong was inhabited by 247.900 Chinese and 14.788 foreigners.

The quantity and quality of the population was undergoing significant changes when the war between Japan and China broke out in 1937. An eyewitness reported: "Leading Chinese and foreign bankers and traders from Shanghai and other parts of China sought a temporary refuge in the safe British colony, thus forming a new headquarter of capital and trade for the whole of the Far East, while social connections



between Chinese and foreigners and commercial plans for the future fuse the interests of East and West with an ever increasing intensity."<sup>4</sup> The number of inhabitants was soaring up to something like 1,2 million Chinese and 22.000 foreigners.

After the Victory Day 1945 not much time was given to the Chinese to recover. Many of those businessmen who had come to Hong Kong to escape from the Japanese did not feel it would be save to return to China during the turmoil of civil war. Many businessmen still residing in China at that time came to share this opinion. Among them we find Pao Yuekong - later after his knighthood Sir Pao Yuekong - who was a banker in Shanghai. In his biography two key incidents are mentioned and Sir Pao Yuekong did not like any of them. Some fine day in the morning he got a visit from Shanghai's police chief, who by use of his revolver tried to squeeze out from him a premature payment to Shanghai's police forces. Some time later Shanghai's Al Capone came with his bullet-proof car and tried to force a huge loan on the frightened banker. Sir Pao Yuekong escaped from it by sacrificing his healthy appendix next day at the hospital bewildering the doctors in charge. At last Pao Yuekong left for Hong Kong and so did lots of other able merchants. Sir Pao Yuekong starting in Hong Kong from more than modest conditions, was later on nicknamed "First Sea Lord" owning more ships than the British navy. <sup>5</sup>

These may be some of the important elements of history which contributed to a nearly irreversible importance of Hong Kong as an international centre of trade, communications and services.

## **2. Legal conditions for keeping Hong Kong's international position**

Not only the British but also the Chinese negotiators were conscious of the importance of Hong Kong's international position as a condition for the lasting of Hong Kong's prosperity. In this prosperity capable Chinese businessmen like Sir Pao Yuekong had a bigger share than they ever used to have. His fortune amounted according to estimations in 1978 to

not less than one billion dollars, and Beijing was pleased to watch that he had become the Vice-president of the Hong Kong and Shanghai Bank's board of directors, being the first Asian who came to such honours.

Deng Xiaoping bestowed on Sir Pao Yuekong the function of Vice-President of the Committee responsible for drafting the Special Administrative Region's (SAR) Basic Law for the time after the hand over. Deng, who was a politically far sighted man, was encouraged by Sir Pao Yuekong and the other Hong Kong Tycoons who acted as his advisors that Hong Kong's international position was essential for the SAR's further development, and the Chinese took that into consideration.<sup>6</sup>

The Hong Kong specialist and former member of the Sino-British Liaison Committee, Ambassador Wang Jiaji, points out in his paper prepared for a Conference on the topics "Theory and Practice of One State and Two Systems" in Canton in June 1998, that in international law there exists no precedence case for the legal position of a Special Administrative Region within the framework of "One State and Two Systems". Right at the beginning of his paper he stresses the fact that both - Britain and China - had the same approach: Hong Kong should be able to utilise as much as possible the possibilities of its membership in 40 international organisations before the take over.

Ambassador Wang Jiaji further points out in his paper that the SAR's international rights and duties are determined in the Joint Declaration and Basic Law in a way which leaves room to interpretations because the text is rather general. - A fact which has been also admitted by Chief Secretary Anson Chan and Commissioner Ma Yuzhen in interviews in August 1997. They spoke about grey areas in the relationship between the HKSAR and the Chinese Government on foreign affairs. But both also confirmed that these could be worked out. <sup>7</sup>

Casting a glance on the text of the Joint Declaration proves that the provisions are rather general indeed and much will depend on the smooth co-operation between the HKSAR



and the Chinese Foreign Ministry to maintain Hong Kong's district international personality.<sup>8</sup>

*Subject to the principle that foreign affairs are the responsibility of the Central People's Government representatives of the Hong Kong Special Administrative Region Government may participate, as members of delegations of the People's Republic of China, in negotiations at the diplomatic level directly affecting the Hong Kong Special Administrative Region conducted by the Central People's government. The Hong Kong Special Administrative Region may on its own, using the name "Hong Kong, China", maintain and develop relations and conclude and implement agreements with states, regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, touristic, cultural and sporting field. Representatives of the Hong Kong Special Administrative Region Government may participate, as members of delegations of the Government of the People's Republic of China, in international organisations or conferences in appropriate fields limited to states and affecting the Hong Kong Special Administrative Region, or may attend in such other capacity as may be permitted by the Central People's government and the organisation or conference concerned, and may express their views in the name of "Hong Kong, China". The Hong Kong Special Administrative Region may, using the name "Hong Kong, China", participate in international organisations and conferences not limited to states.*

*The application to the Hong Kong Special Administrative Region of international agreements to which the People's Republic of China is or becomes a party shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Hong Kong Special Administrative Region, and after seeking the views of the Hong Kong Special Administrative Region Government. International agreements to which the People's Republic of China is not a party but which are implemented in Hong Kong may remain implemented in the Hong Kong Special Administrative Region. The Central People's Government shall, as necessary, authorise or assist the Hong Kong Special Administrative Region Government to make appropriate arrangements for the application to the Hong Kong Special Administrative Region of other relevant international agreements. The Central People's Government shall take the necessary steps to ensure that the Hong Kong Special Administrative Region shall continue to retain its status in an appropriate capacity in those international*

*organisations of which the People's Republic of China is a member and in which Hong Kong participates in one capacity or another. The Central People's Government shall, where necessary, facilitate the continued participation of the Hong Kong Special Administrative Region in an appropriate capacity in those international organisations in which Hong Kong is a participant in one capacity or another, but of which the People's Republic of China is not a member.*

*Foreign consular and other official or semi-official missions may be established in the Hong Kong Special Administrative Region with the approval of the Central People's Government. Consular and other official missions established in Hong Kong by states which have established formal diplomatic relations with the People's Republic of China may be maintained. According to the circumstances of each case, consular and other official missions of states having no formal diplomatic relations with the People's Republic of China may either be maintained or changed to semi-official missions. States not recognised by the People's Republic of China can only establish non-governmental institutions.*

*The United Kingdom may establish a Consulate-General in the Hong Kong Special Administrative Region.*

### **3. Evaluations in regard of the last year:**

#### **A. BY CHINA**

Shortly before the anniversary President Jiang Zemin received a youth delegation from Hong Kong on June 29<sup>th</sup>. In his speech President Jiang mainly stressed national issues like the "process of the great renaissance of the Chinese nation." As a matter of fact in public the Chinese leaders were more inclined to stress unity and stability and reacted even phobic when they felt that there are unwelcome international elements in Hong Kong's politics. On May 7<sup>th</sup> spokesmen of the Chinese Foreign Ministry and of the Commissioner's office in Hong Kong expressed regret about Britain's consulate-general's staff members' contacts with some candidates before the elections for the Legislative Council.<sup>9</sup>

The prestigious Foreign Affairs Journal published by the Chinese People's Institute of Foreign Affairs carried in its March issue of



1998 an article on Chinese Diplomacy of 1997 in retrospect. This article like the speech of President Jiang to the youth delegation puts little weight on Hong Kong's international position:<sup>10</sup>

*1. Hong Kong's Return, an Important Step in Reunification of Motherland*

*Hong Kong's return to the motherland is one of the two great events of 1997. On the first of July, China successfully resumed the exercise of sovereignty over Hong Kong and rid itself of the national humiliation the country had been subjected to for over a hundred years. The event bears testimony to the enormous success of the concept of "one country, two systems" and marks an important step the Chinese people have taken on the road to the peaceful reunification of the motherland. In the half year and more since Hong Kong's return to the motherland, the guideline of "one country, two systems," "Hong Kong governed by Hong Kong people", and a high degree of autonomy has been fully and effectively implemented and the reassuring situation of prosperity and stability maintained. The Government of the Hong Kong Special Administrative Region (HKSAR) has done its job in an orderly fashion. The policy of "one country, two systems" has been highly appreciated by nations of the world. Preparations for the return of Macao are also under way. China has full confidence in the smooth transition and hand-over of Macao in 1999 and in Macao's long-term development and stability.*

*Hong Kong's smooth return and prosperity and stability have created favourable conditions for the solution of the Taiwan issue. The realisation of the complete reunification of the motherland is the common aspiration of all Chinese people at home and abroad. The relations across the Taiwan Straits have made much headway under the basic guideline of "peaceful reunification and one country with two systems."*

The special regard to the Taiwan issue nevertheless stresses the fact that the Chinese authorities relate the performances of Hong Kong closely to the Taiwan problem.

In this connection it is worthwhile mentioning that Ambassador Wang Jiaji's paper, which has been cited before, has been prepared for a meeting which has not incidentally been jointly organised by two units: the National Institute for the Research on Taiwan and the Canton Institute for the Research on Taiwan.

Significantly he concludes his paper with a chapter on "What Taiwan could learn from Hong Kong".

On the other side it should be noted that the organisers of this high level conference which deals with sensitive topics did invite a special lecturer to speak about "Hong Kong's International Position and Foreign Relations under One State Two Systems."

A closer look on Ambassador Wang Jiaji's paper reveals a benevolent assessment which commends Hong Kong's international relations within the given legal framework and claims Beijing's generosity in comparison with the former rulers. Wang Jiaji points out that Britain used to be rather restrictive with Hong Kong's rights to sign international agreements independently. According to him Britain usually signed by herself and afterward applied the treaty to Hong Kong. "China could have used the same method like England", says Wang Jiaji but such method would last long and could create legal vacuum. Therefore China by Joint Declaration and Basic Law has authorised the HKSAR to conclude treaties within the frame of economy, trade, finances, aviation, communication, tourism, culture, sports and similar topics.

In regard of multilateral conventions signed by Britain for Hong Kong, according to Wang Jiaji's approach, their continuance actually cannot be justified. Yet there is the necessity to maintain Hong Kong's political and economic system. Therefore China just does away with those multilateral agreements which deal with foreign politics and defence leaving space for the continuance of others through diplomatic co-ordination.

In the section "Diplomatic Relations of Hong Kong" Wang Jiaji explains that China's commissioner in Hong Kong is responsible for Hong Kong's diplomacy, but HKSAR Government could exercise her own diplomatic relations in accordance with Joint Declaration and Basic Law and according to what Beijing permits from case to case. In this connection he gives a survey of HKSAR's international performance since July 1997:

1. Until 12.2.98 the Central Government has



granted permission for negotiating and signing more than 30 agreements in the field of aviation, investment protection, mutual legal help, visa and similar subjects. Till that time the HKSAR has signed five such agreements already.

2. HKSAR has actively participated in international organisations and conferences. In July 1997 the SAR did join the preparation work for the conference of the International Monetary Fund. In the conference the HKSAR participated through a HK delegate in the Chinese mission. In November 1997 Chief Executive Tung Chee-hwa participated in the summit of the Asia Pacific Economic Co-operation Organisation in Vancouver.

3. Tung and other high officials of HKSAR are entitled to decide themselves about their visits to other countries and in fact paid visits to many countries in Asia, USA and Europe.

This sounds self-evident but it is not if one applies Chinese rules! Even retired Chinese ambassadors need the consent of up to four central authorities for leaving the country, former government members might need the signature of the State President, the foreign minister and others. Governors are only entitled to leave China twice a year covering every time not more than two countries!

4. Another argument of Wang Jiaji for HKSAR's fruitful foreign relations is that the HKSAR passports are accepted in many countries of the world and there exist agreements about abolishing visas with more than 30 states.

5. Since 1997 more than 10 economic and trade representation offices have been established all over the world.

Finally Wang Jiaji comes to the conclusion that the HKSAR was successful in developing international relations. He emphasises that the HKSAR enjoys much more rights than any federal State and compares Hong Kong favourably with the Swiss Cantons where authorisation for the signing of agreements is limited to economy, border questions and police.

These were some Chinese views. How is the evaluation from the HKSAR?

## **B. By HKSAR**

In the 1997 Policy Address the Economic Services bureau commits to make efforts in the following directions:

- to maintain Hong Kong as a centre of international and regional aviation and to ensure that Hong Kong's airport capacity and air services are sufficient to meet the growth in demand
- to provide an efficient and safe port to meet growing shipping demand
- to ensure state-of-the-art telecommunications facilities and efficient postal service
- to advance Hong Kong's position as a major international centre for tourism

In this connection:

*Article 125 provides that the Government of the HKSAR shall continue to maintain a shipping register and issue related certificates under its legislation, using the name "Hong Kong, China". We will explore further means to promote our shipping registry and encourage ship-owners to register their ships in Hong Kong.*

*Article 127 provides that private shipping and related businesses and private container terminals in the HKSAR may continue to operate freely. The Government will provide scope for that business to develop through expansion of port capacity and identification of additional sites for cargo back-up services.*

*Article 128 of the Basic Law provides that the Government of the HKSAR shall provide conditions and take measures for the maintenance of the status of Hong Kong as a centre of international and regional aviation. The development of a modern new airport with increased capacity at Chek Lap Kok, the continuation of the previous system of civil aviation management, the keeping of Hong Kong's own aircraft register and the continued expansion of air services links with our aviation partners will be conducive to meeting this requirement. (...)*

*Civil aviation Management*

*Localisation of all relevant United Kingdom civil*



aviation legislation which previously applied to Hong Kong has been completed. This provides the legal basis for the continuation of Hong Kong's system of civil aviation management, the keeping of its own aircraft register and for ensuring the continued application of relevant international civil aviation conventions and agreements to the HKSAR. Agreement has also been reached between the mainland authorities, Macau and the HKSAR on airspace and air traffic control for the new airport at Chek Lap Kok and the adjacent areas to ensure the safety and efficiency of air traffic in the region.

The HKSAR government may continue to participate in the activities of the International Civil Aviation Organisation as members of the delegation of the Government of the People's Republic of China. It may also participate in conferences and activities of the Organisation not limited to states by using the name "Hong Kong, China".

#### *Air Services Agreements*

We have been putting in place a set of self-standing air services agreements with other countries in order to provide a stable legal framework for the development of air services. For this purpose we have completed the separation of the Hong Kong components from relevant air services agreements which were signed between the United Kingdom and other countries before 1984. We have also negotiated air services agreements with new aviation partners. So far we have signed 22 air services agreements. In line with the relevant provisions of the Basic Law, we will seek specific authorisations from the Central People's Government to negotiate and conclude air services agreements with other countries for the continued development of the HKSAR's air links with the rest of the world. We will also work out arrangements with the Central People's Government for air services between the HKSAR and other parts of the People's Republic of China in accordance with the Basic Law.

#### *Key Indicators*

*In 1996-97,*

- \* Air passenger throughput was over 30 million;
- \* Air cargo throughput was over 1.6 million tonnes; and
- Air services agreements were signed with six countries.

#### *New Commitments*

1. We will continue to make the best use of Kai Tak before the opening of the new airport of Chek Lap

Kok by increasing runway capacity from 30 to 31 movements per hour by end 1997.

2. We will seek specific authorisations from the Central People's Government to negotiate and conclude air services agreements with other aviation partners. We will also work out arrangements with the Central People's Government for air services with other parts of the People's Republic of China in accordance with the Basic Law.

3. The Civil Aviation Department will establish an Automatic Dependent Surveillance System using satellites and data-link to improve monitoring of aircraft movements outside radar coverage. This will help enhance flight safety and cope with increase in air traffic.

#### *Home Affairs Bureau*

On top of the objectives: Protecting the rights of the individual and prohibiting discrimination with the comment: "We aim to create a society in which individuality flourishes and yet people are brought together as members of a community with shared aspirations and values." This aim should be reached by fulfilling the obligations under the six United Nations human rights treaties which are applicable to Hong Kong."

#### *A. Rights of the Individuals*

##### *Aims*

*The aims of the Bureau are:*

- \* to safeguard the rights of the individual; and
- to discourage and prohibit discrimination through education, publicity and legislation.

##### *Overview*

*The Basic Law contains extensive provisions to safeguard the rights of the individual.*

*We have been taking measures to fulfil our obligations under the six United Nations human rights treaties which are applicable to Hong Kong. These treaties are:*

- \* the International Covenant on Civil and Political Rights,
- \* The International Covenant on Economic, Social and Cultural Rights,
- \* The International Convention on the Elimination of all Forms of Racial Discrimination
- \* The Convention Against Torture and Other



*Cruel, Inhuman or Degrading Treatment or Punishment*

- *The Convention on the Rights of the Child, and*
- *The Convention on the Elimination on All forms of Discrimination Against Women.*

*Apart from ensuring that our laws, policies and practices contribute to the safeguard of the rights of the individual, we have enacted specific legislation, namely:*

- \* *The Hong Kong Bill of Rights Ordinance,*
- \* *The Sex Discrimination Ordinance,*
- \* *The Disability Discrimination Ordinance,*
- \* *The Personal Data (Privacy) Ordinance, and*
- \* *The Family Status Discrimination Ordinance.*

*We have established the Equal Opportunities Commission (EOC) to promote and enforce the Sex Discrimination, Disability Discrimination and Family Status Discrimination Ordinance.*

*We have established the Office of the Privacy Commissioner for Personal Data (PCO) to promote and enforce the Personal Data (Privacy) Ordinance.*

*We have been adopting education, publicity and other administrative measures to enhance people's awareness of their rights and to promote equal opportunities for all regardless of sex, marital status, pregnancy, disability, family status, race or sexuality.*

*We are providing full support to the Commission on Youth in its effort to promote and protect the rights and interests of young people. (...)*

*These aims will be fulfilled by new commitments during the first year of the take-over*

*New Commitments*

*1. We will submit a draft report, by end of 1997 to the Central People's Government, on the implementation of the Convention on the Elimination of All Forms of Discrimination Against Women in Hong Kong for onward submission to the United Nations.*

*2. We will bring the Family Status Discrimination Ordinance, enacted in June 1997, into operation within 1997. The EOC will issue a code of practice in 1998 to help employers comply with the Ordinance.*

*3. As part of the administrative measures to address discrimination on grounds of race and sexuality, we shall issue codes of practice in order to facilitate self-regulation.*

*4. We will:*

*a) promote understanding of the Basic Law, including the rights guaranteed therein, through an enhanced education and publicity programme, including sponsoring projects organised by non-government organisation, territory-wide roving exhibitions, production of multi-media teaching materials and self-learning packages for young people in different age groups and stepping up publicity campaigns in all media; and*

*b) strengthen our civic education programme with a series of activities which seek to enhance public awareness of a citizen's rights and responsibilities, foster a stronger sense of belonging to Hong Kong as a Special Administrative Region of China and encourage the public to vote in the 1998 Legislative Council elections.*

*5. In December 1997, we will participate in the second biennial Review of the Implementation of the Charter for Youth to be conducted by the Commission on Youth.*

*Health and Welfare Bureau:*

*In accordance with Article 152, we will continue to participate in international organisations and conferences on welfare issues. In September 1997, we participated in the meeting of the United Nations Economic and Social Commission for Asia and the Pacific held in Seoul, South Korea to mark the mid-point of the Asian and Pacific Decade of Disabled Persons. In August 1998, Hong Kong will host the 11th Asia and Pacific Regional Conference of the Rehabilitation International to exchange views and share our experience with participating countries on the provision of rehabilitation services.*

*Trade and Industry Bureau:*

*We are committed to maintaining Hong Kong as the freest and the most vibrant economy in the world, where free trade and free enterprise flourish, where creativity and entrepreneurship are encouraged and protected, where fair competition is upheld, and where consumer welfare is safeguarded.*

*And in regard to Global Trade Advancement:*



We will be at the forefront of efforts to advance the liberalisation of global trade and investment (...) We will combat all protectionist acts and tendencies which seek to manage or restrict world trade through the WTO and other forums including APEC.

That means in connection with the Basic Law:

The requirement of the relevant articles of the Basic Law, as listed at Annex, have been reflected in the Bureau's objectives. In particular, it is most important to note the requirements of Article 115 of the Basic Law that the HKSAR shall pursue the policy of free trade and of Article 116 that the HKSAR shall be a separate customs territory. In addition, Article 118 stipulates that the HKSAR Government shall provide an economic and legal environment for encouraging investments, technological progress and the development of new industries. To ensure that these Basic Law articles are fully observed, we will continue to advocate free trade actively in the multilateral forum of the World Trade Organisation (WTO) and the regional forum of the Asia-Pacific Economic Co-operation (APEC). We will also seek to protect the integrity of our trading system so as to uphold our separate customs territory status. On the industrial front, we will continue to create and maintain a sound infrastructure, enabling our manufacturing and service sectors to achieve their full potential.

Department of Justice:

Among "Aims of Legal Policy":

*"To advise the Government in respect of human rights, constitutional law, as well as the law and legal developments in the Mainland (...) providing specialised human rights advice to ensure the consistency of legislation with the Hong Kong Bill of Rights Ordinance and the International Covenant on Civil and Political Rights as applied to the HKSAR."*

The report covers related issues of international law:

*The work of the international law division involves: negotiating and advising on international agreements, including those for surrender of fugitive offenders, mutual legal assistance, transfer of sentenced persons, investment promotion and protection and air services.*

The report ends with a list of new commitments:

1. In 1997-98, we will negotiate as many bilateral agreements as practicable; our target is to reach agreement on at least eight agreements.

In 1998,

2. We will obtain the necessary authorisation from the Central People's Government and negotiate five bilateral agreements on reciprocal enforcement of judgements.

3. We will negotiate eight more bilateral agreements on mutual legal assistance in criminal matters, surrender of fugitive offenders and transfer of sentenced persons.

4. We will establish a library of resources of international rights and obligations under multilateral treaties that apply to the HKSAR.

In regard of human rights there was one case which aroused public attention. The fervent opponent of Beijing Government Emily Lau accused the chief of New China News Agency in Hong Kong, former Vice-Foreign Minister Jiang Enzhu for keeping secret files about her.

Emily Lau challenged him for violating the "Personal Data Ordinance" which means a criminal charge. Mr. Jiang Enzhu's first response that he represents the central authority which means he should be entitled to immunity, did not convince the legal authorities and thus he had to take a lawyer for defending his case. <sup>11</sup>

Many former legal provisions concerning human rights found their way into HKSAR and Hong Kong is eager not to keep abreast of the developments in common law which is clearly expressed in the report of the judiciary administration: "We shall arrange for judges and judicial officers to regularly participate in international conferences to maintain Hong Kong's link with other common law jurisdictions."

Security Bureau:

In the message by the Secretary of Security which introduces the report he states: "We will develop our co-operation with law enforcement partners in the Mainland as well as internationally so as to enable us to protect Hong Kong from trans-boundary crimes."



In visa matters the Security Bureau is visibly more flexible than the Mainland: "We have a liberal visa regime. Currently nationals of over 170 countries and territories can visit Hong Kong visa-free. This is beneficial to Hong Kong as an international trading, financial and tourist centre. In this connection the report contains new commitments:

*We will implement a Travel Pass Scheme to facilitate the immigration clearance of frequent visitors to Hong Kong. Travel Pass holders will be allowed to use "residents" counters at control points, where the passengers flow is faster than "visitors" counters. A Travel Pass will be valid for three years and good for multiple visits of 60 days on each entry.*

*We will participate in the APEC Business Travel Card Scheme. The Scheme will benefit not only visitors to Hong Kong from participating APEC economies but also Hong Kong business people travelling to these economies.*

Education and Man Power Bureau:

The report underlines that

*Articles 39, 152 and 153 are related to the application of International Labour conventions, international agreements and participation in international organisations. In line with our policy objective of ensuring that we maintain a level of labour standards which is broadly comparable to neighbouring countries with similar social and economic developments, Hong Kong aims at applying as many ILCs as local circumstances allow. To this end, the HKSAR will continue to review the application of ILCs in consultation with the Central People's Government with a view to determining the application of new ILCs and the improvement of previous declarations.*

*Hong Kong will continue to participate in the activities of the International Labour Organisation, such as conferences and fellowship programmes, as part of the delegation of the People's Republic of China or using the name "Hong Kong, China", in consultation with the Central People's Government.*

These reports show the determination of the HKSAR Government of deciding her own international relations within the given legal framework. HKSAR Government did not keep a low profile where she thought her rights and autonomy could be infringed. After a

government paper suggested the Hong Kong and Macau Affairs Office of the State Council might have to be consulted by the SAR office in Beijing on contacts with Mainland authorities the Secretary for Constitutional Affairs of HKSAR Michael Suen Mingyeung has been rather outspoken: "The HKMAO acts as a gatekeeper against unnecessary requests by Mainland authorities. It is not a gatekeeper for us." 12

Another case was mentioned by the United States Hong Kong Policy Act Report from State Department (2.4.98): "...In March 1998, chief Secretary Anson Chan, underscoring Hong Kong's Autonomy and special status within China, publicly criticised a Hong Kong businessman who called for the government-funded broadcaster, Radio Television Hong Kong, to cease or tone down criticism of the PRC and the local SAR government."

Hong Kong's high autonomy of deciding her own affairs was also especially emphasised by Chief Executive Tung Chee-hwa in his message of June 29th "On First Anniversary of Hong Kong's reunification with motherland". Without specially mentioning international relations but tacitly including them in his over all statement he pointed out:

"... Our national leaders have stressed that under the commitments of 'One Country, Two Systems' and 'Hong Kong People running Hong Kong' with a 'high degree of autonomy', it is up to us to make our own decisions and to chart our own course. This is what was promised in our constitutional document, the Basic Law. This is what we expected would happen and this is what is happening every day in the Hong Kong SAR." 13

### C. BY BRITAIN

In his foreword for the Six-monthly Report on Hong Kong July-December 1997 the British Secretary of State Robin Cook with similar language confirms: "The Hong Kong People are making reality of the concepts promised to them by China of 'one country, two systems' and 'Hong Kong people running Hong Kong'"

Here are some key sentences of his foreword:



... NGOs including those opposed to the Chinese Communist Party and present Chinese Government continue to operate freely... Hong Kong also continues to participate in a wide range of international organisations and fora, mainly in the economic field. This ensures that the HKSAR retains a distinct international personality ... In particular we welcome China's statement made in November that it will comply with its obligations under the Joint Declaration to continue to apply the two international covenants on human rights to Hong Kong, including through the submission of reports to the United Nations treaty monitoring bodies.

In his concluding remarks Mr. Cook emphasises that Britain retains specific obligations notably in respect of participation in the Joint Liaison Group until 1 January 2000.- "That is why our Consulate General in Hong Kong is our largest in the world and headed by one of our most senior diplomats."

The main text brings detailed assessments of HKSAR's performance on the international floor.

11.2 Although the Joint Declaration provides for foreign affairs to be handled by the Chinese Government, it also allows the HKSAR practical autonomy to handle certain aspects of these matters, particularly in the field of international economic relations. Senior HKSAR Government officials have undertaken foreign visits. For example, the Chief Executive visited the US in September, where he met President Clinton, and the UK from 21 to 22 October, where he met the Prime Minister, Foreign Secretary and President of the Board of Trade. Chinese Ambassadors did not attend these meetings.

#### *International organisations*

11.3 The HKSAR Government has maintained its participation in a wide range of international organisations in which Hong Kong previously participated. The main exception was the Asian Productivity Organisation (APO), from which it suspended its membership in July, because of Chinese concerns about Taiwan's participation in the organisation under the name "Republic of China". The British Government recognises that APO membership was never considered by the Hong Kong authorities to be of particular significance to Hong Kong's interests. But we will look carefully at any similar cases which may arise in future.

#### *Bilateral agreements*

11.4 Various different provisions of the Joint Declaration deal with the conclusion of bilateral agreements by Hong Kong. The Chinese Government confirmed in July that it had authorised the HKSAR Government to conclude a variety of specific bilateral agreements (including agreements on Investment Promotion & Protection, Air Services, Surrender of Fugitive Offenders, Transfer of Sentenced Persons, Mutual Legal Assistance and Visa Abolition). The practice of issuing case-by-case authorisations, rather than a general authority to conclude such agreements, is more restrictive than the HKSAR Government had originally expected, but appears not to be inconsistent with the Joint Declaration. We raised the matter at JLG XLI in December and agreed that experts from both sides would continue discussions. Surrender of Fugitive Offenders and Transfer of Sentenced Persons Agreement between the UK and HKSAR were signed on 5 November. The British Government remains keen to conclude an Investment Promotion & Protection Agreement and Mutual Legal Assistance Agreement with the HKSAR, the texts of which have been passed by the HKSAR Government to the Chinese Foreign Ministry for approval.

#### *International right's and obligations (IROs)*

11.5 The mechanism for ensuring the continued application of Hong Kong's IROs (described in Cm 3719) has been implemented with general success. During the six-month period, a number of organisations sought clarifications, reflecting the unique nature of the mechanism in international law. The most significant issues were raised by the IMO in connection with the International Oil Pollution Compensation Fund and by the OECD in connection with the Paris Convention on Nuclear Third Party Liability. The UK and Chinese governments have co-operated in the Joint Liaison Group to try to respond to the IMO's and OECD's questions and concerns. IRO issues were discussed at JLG XLI in December.

#### *Consular affairs*

11.6 Consular missions in Hong Kong continued to operate normally and satisfactorily. Foreign Ministry Commissioner Ma Yuzhen said during August that his office would be responsible for the establishment or closure of foreign consulates in the HKSAR and the appointment of Consuls-General in Hong Kong. His office would also deal with major consular matters relating to sovereignty, diplomacy and security. But he said that the HKSAR Government would be responsible for the



management of routine consular affairs.

#### D. BY THE UNITED STATES

It was not to be expected that the USA would find much fault with Hong Kong's development under Chinese rule. Otherwise President Clinton would have refrained from coming to Hong Kong during his visit to China and taking part in some anniversary celebrations. He could put his heart at ease by looking at the United States Hong Kong Policy Report from April 1st which had been prepared by the Bureau of East Asian and Pacific Affairs of State Department. This report is even much more voluminous than the British Text mentioned above. The preface tells why:

*The United States has substantial interests in Hong Kong and supports the Joint Declaration concept of 'One country two systems' for Hong Kong's return to Chinese sovereignty. In recognition of Hong Kong's high degree of autonomy, the United States continues to accord to Hong Kong a special status distinct from China. The United States continues to lend support to Hong Kong's autonomy by strengthening bilateral ties (e.g. by concluding bilateral agreements, promoting trade and investment, arranging high-level visits, broadening law enforcement co-operation and bolstering educational, academic and cultural links).*

Here are the US assessments of the time after take over:

##### Economy and Commerce

Hong Kong is acting autonomously in economic fora like WTO and APEC. Hong Kong without consultation with Beijing actively helped to address the Asian financial crisis.

##### Law enforcement

No change in level or quality

Even US Secret Service co-operates closely with Hong Kong government agencies in the detection and suppression of counterfeit currency and other obligations of the United States.

##### Bilateral Agreements

*There are nearly a dozen US-Hong Kong bilateral agreements currently in force. Before July 1 1997 most of these were agreements with the United Kingdom that were extended to the territory.*

*Others had been concluded directly with Hong Kong under "entrustment" from the United Kingdom. Under international law, the US-UK agreements would have elapsed with respect to Hong Kong upon reversion if special arrangements had not been made with Hong Kong and/or China for continuation in force. Also several new agreements were concluded to replace those US-UK agreements of interest to both sides.*

Cultural, Educational, Scientific and Academic exchanges are going on unmolested

##### Export Control

*Chinese central government officials have made clear on several occasions that they consider export controls a trade - not foreign policy- issue, and thus within Hong Kong's sphere of autonomy.*

##### Human Rights

*China has indicated informally that it does not plan to make any changes to the reports prepared by the Hong Kong Government. China's decision to reporting to the United Nations on human rights in Hong Kong was welcomed and has strengthened confidence in the continued protection of individual freedom in Hong Kong.*

The US report concludes with an impressive list of multilateral forums where Hong Kong continues to participate

##### A. Full Membership

- \* Asian Development Bank (ADB)
- \* Customs Co-operation Council (CCC)
- \* International Textiles And Clothing Bureau (ITCB)
- \* Network Of Aquaculture Centers In Asia And The Pacific (NACA)
- \* World Health Organization (WHO)
- \* World Meteorological Organization (WMO)
- \* World Trade Organization(WTO)
- \* World Customs Organization (WCO)

##### B Organizations in which The HKSAR participates as part of the PRC delegation

- \* Asia-Pacific Postal Union (APPU)
- \* Food And Agriculture Organization (FAO)
- \* International Atomic Energy Agency (IAEA)
- \* International Bank For Reconstruction And Development (IBRD)
- \* International Civil Aviation Organization (ICAO)
- \* International Criminal Police Organization (INTERPOL)



- \* International Development Association (IDA)
- \* International Finance Corporation (IFC)
- \* International Hydrographic Organization (IHO)
- \* International Labor Organization (ILO)
- \* International Mobile Satellite Organization (INMARSAT)
- \* International Monetary Fund (IMF)
- \* International Telecommunications Satellite Organization (INTELSAT)
- \* International Telecommunication Union (ITU)
- \* United Nations Commission On Narcotic Drugs (UNCND)
- \* United Nations Conference On Trade And Development (UNCTAD)
- \* United Nations Development Program (UNDP)
- \* Universal Postal Union (UPU)
- \* World Intellectual Property Organization (WIPO)

#### C. Associate Membership

- \* Asian And Pacific Development Center (APDC)
- \* Asia-Pacific Telecommunity (APT)
- \* Economic and Social Commission For Asia and The Pacific (ESCAP)
- \* Intergovernmental Typhoon committee (ITC)
- \* International Maritime Organization (IMO)
- \* Statistic Institute for Asia and the Pacific (SIAP)

*D. Other organizations in which Hong Kong participates, and which JLG agreement was not required for Hong Kong 's continued participation*

*(Note: The following list includes only some of the over 300 international organizations and conferences in which the HKSAR government and officials of the HKSAR participate.)*

- \* Asia Pacific Economic Cooperation (APEC)
- \* Australian Council Of Auditors-General
- \* The International Consortium On Government Financial Management
- \* Commonwealth Association Of Tax Administrators
- \* East Asian Regional Branch Of International Council Of Archives (EASTICA)
- \* Eastern Regional Organization For Planning And Housing (EAROPH)
- \* Financial Action Task Force (Established following the G-7 Summit in July 1989)
- \* Index Foundation International Association Of Assessing Officers
- \* International Association Of Insurance Fraud Agencies (IAIFA)
- \* International Association Of Insurance Supervisors (IAIS)
- \* International Association Of Lighthouse Authorities
- \* International Association Of Ports and Harbors
- \* International Consortium On Government

#### *Financial Management*

- \* International Council On Archives (ICA)
- \* International Function Point Users Group
- \* International Government Printers' Association
- \* International Ombudsman Institute
- \* International Organization For Standardization
- \* International Structured Systems Analysis And Design Method Users Group
- \* National Conference Of Standards Laboratories
- \* Organization For Economic Cooperation And Development (OECD)
- \* OECD Committee On Financial Markets
- \* OECD Trade Committee
- \* Permanent International Association Of Road Congress (PIARC)
- \* Quality Assurance Institute Transport Research Board
- \* United Nations Environmental Program (LTNEP)
- \* The Global Environment Information Exchange Network
- \* The Network For Environmental Training At Tertiary Level In Asia

*E. International Organizations in Which Hong Kong No Longer Participates*

- \* Asian Productivity Organization (APO) -- withdrew July 1997

#### **E. BY EUROPEAN UNION**

At the meeting at Dublin in December 1996 European Union confirmed a vivid interest in Hong Kong's peace and prosperity. Hong Kong occupies the tenth place in EU's trade relation! On May 19<sup>th</sup> 1998 the committee for foreign policy, security and defence of the European Parliament (rapporteur: John Cushnahan) submitted a draft for the Commission. This draft sketches four options which could be applied by the European Union for future relations with Hong Kong:

Observation of the situation and safeguard of the rights of the citizens in co-operation with international community and publishing an annual report about the relations of EU with Hong Kong

Discussion of the question whether Hong Kong Citizens could get visa-free admittance

Fact-Finding about methods to create a more solid basis for trade-, investment- and co-operation relations between EU and HKSAR Development of an active co-operation with



Hong Kong as an Asiatic centre.

In regard of legal aspects the EU report is a bit less optimistic than the other reports mentioned above - especially as far as human rights are concerned. As a whole the draft is not negative and at the end hope is expressed that Hong Kong could be a bridge to China for EU and the international community:

*Hong Kong could be a door to China for European initiatives and thinking. Therefore priority should be given to trade agreements between EU, her member states and Hong Kong. They should be further developed for securing that HK continues to play an active and positive role in the international organisation she is adhering. All European efforts for safeguarding the economic and social status of HK could in the long line produce Chinese integration into the international community...*

#### **4. Hong Kong's Position as a bridge to China for the international community**

The bridge or door function envisaged by the European community goes well with concepts expounded by Tung Chee-hwa during his first trip to the USA in his function of Chief Executive. He made efforts to promote understanding for China's special conditions but on the other hand indicated that Hong Kong could be the vehicle for China's full integration into world economy. <sup>14</sup>

But Hong Kong could not only bridge existing difficulties in the field of economy. Which are the other important issues where Hong Kong could be helpful by utilisation of its international contacts?

Hong Kong is far from being the "small insignificant enclave within the vast mass of China's one billion people" as depicted by Norman Miners. <sup>15</sup>

Hong Kong can contribute where the Mainland lacks of connections or experience.

#### **A. International Affairs**

The international experience of Hong Kong's civil servants and academic circles could contribute to the international outfit of Chinese units in charge which still have not quite overcome the brain drain caused by the Cultural Revolution or as Michael E. De Golyer

has put it: "It is the contrast between Hong Kong's aggressively international attitude and the mainland leadership's habitual xenophobia that is the most foreboding for Hong Kong's future. <sup>16</sup>

#### **B. Legal Affairs**

Hong Kong's long legal tradition, legal consciousness and professionalism could contribute immensely to the "rule of law" in China. As it is expressed in the objectives of SARs Department of Justice's Report 1997: "Promoting in the HKSAR and the Mainland a better understanding of the basic law, the rule of law and each other's law and legal system."

#### **C. Economic Affairs**

In *The Other Hong Kong Report 1997* Ian Perkin, Chief Economist of the Hong Kong General Chamber of Commerce points out:

"The prevailing wisdom in the territory is that its economic future lies in a concentration on the development of services (for China, the region, the world, in that order..)"

These services might imply the increase of transfer in terms of Hong Kong views about modern trading and management which would promote the economic integration of the PRC into world community.<sup>17</sup>

#### **D. Church Affairs**

That relations with Catholic and Protestant churches still form a sort of problem for China, became visible shortly before the take-over when representatives of the Lutheran World Federations asked Chinese officials whether they would welcome the 50th World Assembly of Lutheran World Federation to be held in HK right after the change of sovereignty. That time Chinese officials warned the Lutherans not to hold the conference in Hong Kong, threatened with the withholding of visas and anxiously asked whether the Taiwan flag would be flown at the meetings. Most probably the Lutherans were not well advised to ask at all because up till now three mistakes would ruin the career of high ranking cadres in the Chinese foreign ministry: mistakes in regard of Taiwan, Tibet and their conduct towards a State leader. So to ask meant asking for trouble.



In fact China deals quite friendly with all kind of protestant churches even if they are based in mainland. In 1993 60 Chinese Christian artists exhibited their art in Hong Kong and for autumn 1998 another show is planned for HKSAR.<sup>18</sup> Since no problems exist with their dependence from a foreign authority like Vatican, protestants in China have State support for their activities and that counts for China's Patriotic Catholic church as well. This lenient attitude was not applied to Roman Catholic priests who felt themselves committed to the Pope. Up to now they are frequently arrested and serve prison terms.

In 1982 John Paul II invited the Hong Kong Catholics who form the largest Chinese diocese to be the "bridge between the church in China and the universal church and the means of bonding the Chinese church to the Holy See."<sup>19</sup> On the other hand the Pope openly defied communism in his encyclical *Centesimus Annus* and making China furious by unilaterally appointing Dominic Deng Yiming as the Archbishop of Guangzhou in 1981. In October 1996 a similar procedure was avoided. The Pope appointed two new bishops for Hong Kong who can claim to have good relations with catholics in the mainland and even with the Religious Affairs Bureau of China and officials of China News Agency. They were obviously ordained before 1997 because the Chinese Government does not recognise Vatican appointed bishops.

In 1994 the archbishop of Hong Kong Cardinal Wu had visited China and in 1996 the Director of China's Religious Affairs Bureau Ye Xiaowen came to Hong Kong and met the cardinal. Since 1996 there exists an exchange programme in Hong Kong for mainland priests. Mary M. Y. Yuan, Executive Secretary of the Justice and Peace Commission of the Hong Kong Catholic Diocese, has lined out what according her estimation the Catholics of Hong Kong could contribute in the future: "The church of Hong Kong at this historical moment should actively promote the values of respecting the dignity of the human person, human rights, and the natural environment, and advocate for cultural and structural change, and help search for spiritual comfort which prohibits exploitation of human beings

and of nature. The SAR government should not deprive the Church of its space to express its faith and vision." One of these visions might be the reunification with the Mainland Church under terms which are still to be worked out.<sup>20</sup>

These are some considerations - and they are very different in nature - how Hong Kong could still remain a player on the floor of world community. What chances will be grasped is hard to tell after but one year's time. What did Mr. Tung tell the World Economic forum: "Getting it right the first year is essential."<sup>21</sup> So far one could judge HKSAR Government dealt with HK's international relations quite successfully.

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## **DOES THE TAKE-OVER HAVE ANY IMPACT ON THE POSITION OF WOMEN IN HONG KONG?**

Mag. Barbara Kreissl

To answer that question let us first take a look at the situation of women in Hong Kong: How does Hong Kong society see women? How are Hong Kong's women organised? What are their main areas of concern? To what extend are women protected by the Hong Kong law?

In the past century Hong Kong served as a cultural meeting point between mainland China and the outside world. From late nineteenth century to the early twentieth century Hong Kong was both a receiving place and a transfer port of female victims from mainland China, who were trafficked to become prostitutes, concubines, child brides, slave girls, or entertainers. Evidence found in the New Territories proves that the system of transfer and sale of female population seemed to remain in operation until the 1950s.<sup>1</sup>

Until the late 1970s gender issues were largely ignored. Published government statistics are deficient in providing a gender-based comparison. Gender studies was formally inaugurated in Hong Kong by the establishment of the interdisciplinary Gender Research Programme at The Chinese University of Hong Kong in 1985, the same year that the first women studies centres were also set up in Mainland China and Taiwan.

### **How does Hong Kong society see its women?**

While Hong Kong's women may appear "Westernised" outside, they turn out to be quite traditional and Chinese inside and subconsciously. Hong Kong women usually appear to be confident and independent, determined to pursue a good career and be treated as equals. Surveys, on the other hand, show that deeply rooted sex role stereotypes and traditional thinking in which women are regarded as inferior to men are still very much alive.<sup>2</sup>

The typical "ideal wife" is illustrated by a case study, where a working-class man described his wife as good because "she was very nice to his parents, liked by his mother, did not talk



much, agreed to everything, and always did the things he liked her to do. She seldom went out and hardly had any friends. A wife should stay at home and be a good mother, a good wife, and a good daughter in law. She should not have her own opinions."<sup>3</sup>

A study by the Family Planning Association of Hong Kong in 1989 found that not only did men uphold the inequality between the genders but women also did restrict themselves. The patriarchal system is still accepted by both genders. More than 75% of the 1,305 men and women aged 18 to 27 agreed with the idea that the wife belonged to the husband. Over 10% of the male and female respondents still did not think that men and women should have equal rights.<sup>4</sup>

Many senior female executives have to find a path between traditional values, centring women lives in their homes, and their professional career. A study undertaken by City University in 1994 showed that out of 235 women managers and senior managers interviewed, 80% agreed a good wife always puts her children and family first.<sup>5</sup>

Another survey made by the Equal Opportunities Commission in 1997 based on interviews with 2,020 people, showed that traditional Chinese values still are very dominant, and that the major part of household duties is left to women:

- up to 68% of respondents said wives were responsible for regular household tasks like shopping, cooking and cleaning.
- Up to 70,5 % said most children-related activities fell to mothers
- And 40% said husbands or fathers were the head of the household and usually controlled the family economy.<sup>6</sup>

These data have to be seen in the context of women making up 38% of the workforce in Hong Kong, and 49,5% of the women in the 15-49 age group being economically active. Despite some progress made in recent years to improve the legal status of women in order to protect women's rights and promote sexual equality, traditional stereotypes and gender-based sex role segregation still abound in Hong Kong. An analysis of 10,000 newspaper

recruitment advertisements showed that in terms of occupational sectors, women applicants were preferred in the wholesale/retail business, the import/export trade, and the Hotel/restaurant industry, while male workers were preferred in the manufacturing, public utilities, financial, transport, communication and storage sectors. In terms of position levels, there was a concentrated preference for women in the clerical rank as secretaries, stenographers and clerks, whereas men were preferred in managerial, supervisory, technical, and sales positions.<sup>7</sup>

But gender stereotypic behaviour is not only due to the conservative cultural forces of the family, it is also encouraged by Hong Kong's supposedly Westernised educational system. Children soon pick up the roles portrayed by their parents with the provider role resting with the father and the home-maker role with the mother.

A poll among 1,280 children ranging from Primary 4 to Secondary 3 released in 1995<sup>8</sup> also showed that a huge majority of children think mothers should be housewives rather than workers:

- 35% thought men should go out to work leaving women to focus on housework. Only 5.4% disagreed – the rest had no opinion.
- Almost 40% of the children believed fathers were more capable than mothers in every aspect
- 27% believed it was 'unnatural' for women to remain single after the age of 40.
- A similar number said women should obey their fathers when they are young, obey their husbands when they get married, and obey their sons when they are old.<sup>8</sup>

Despite objective changes concerning women in Hong Kong, their socio-economic participation, educational level, and family structure, gender role identity and stereotypes still lag behind social reality.

### **How are women in Hong Kong organised?**

While feminism in the West supports different theoretical orientations, women's groups in



Hong Kong are less often based on ideology. They tend to shy away from the term „feminist“, a term that carries a militant overtone. This also accounts for the women's movement in the PRC.<sup>9</sup>

Women groups in Hong Kong mainly work on practical issues to improve the situation of women. They do not reject patriarchy, but fight against stereotyping which limits women. It is characteristic for Hong Kong's women's group to struggle for support on concrete local issues, like equal pay for equal work, sexual harassment, etc... rather than emphasising on any theoretical orientation.

Women's groups in HK developed in two phases:

- First phase: elitist women organised to render help to less fortunate people in general and to women in particular. It began with the founding of the *Hong Kong Chinese Women's Club* in 1938, the oldest women's group of Hong Kong origin. Its members consist of upper-class women who have social influence. In its early stages, it concentrated on relief work among refugees and soldiers. From the 1970 onwards, it has focused on social services including the funding and operation of schools, children and youth centres, and homes for the aged.

- Second phase: starting from the 70s women organised trying to raise awareness of their own rights and to fight for equality of the sexes.

Hong Kong has around 200 groups organised around women, but only around 80 of them are concerned with women rights, advocating equality between the sexes. Based on a list compiled by the Gender Research Programme of The Chinese University of Hong Kong there are seven categories of women's group:<sup>10</sup>

1. **women studies group:** under the auspices of an academic institution, sponsors research projects, conferences, workshops and seminars on gender
2. **women's rights groups:** campaign for women's rights, promote women's awareness, and enhance women's self-development

3. **service related women's groups:** work towards women's equality and independence through offering services to special groups of women

4. **grassroots-level women's groups:** their target is the average working class woman, educating them to fend for their own rights

5. **professional women's groups:** provide affiliation to women of different professions, but also engage in social service and charity work

6. **foreign women groups:** offers a network for women of foreign origin, like for example the *Mission for Filipino Migrant Workers (HK) Society* (founded in 1981) providing counselling, legal assistance, temporary shelter, para-legal, and leadership training, as well as pastoral and welfare services to Filipino Migrant Workers

7. **neighbourhood/social activities women's groups:** social groups which organise services and social activities for their members, they mainly cater to women in the local neighbourhood.

A women's concern group attracting special attention in the light of Hong Kong's return to the Motherland is the *Hong Kong Federation of Women*.<sup>11</sup> Founded in 1993, it is today the most influential women's group in the Territory. According to its constitution, its priority is to unite women of all walks of life to make them concerned about Hong Kong affairs, to support the Basic Law and Sino-British Joint Declaration to ensure a smooth transition in 1997, and to maintain the stability and prosperity of the territory, to promote women's development, and to liaise with women organisations in China and elsewhere in the world. Although it claims to be non-political, many of its core members are identified as pro-China in orientation. And there is general support from the Hong Kong branch of the Xinhua News Agency for its activities.

It is chaired by Legislative Councillor Peggy Lam who has been involved in women's organisations, and promoting the development of women through her work as former director of the Hong Kong Family Planning Association for decades, and has been chairman and president of the Chinese Women's Club. She is



also a member of the Chinese Communist Party Political Consultative Conference.

Mrs Lam distances herself from the feminist movement. The Federation's philosophy is reflected in its logo, a silhouette of Hong Kong with the Bank of China in the centre, underpinned by the wave representing women.

The federation was launched with 10 Million HKD. With sponsorship from Li Ka-shing and a string of mainland Chinese companies in the territory such as China Travel Service, China Resources and Guangdong Enterprises, the federation has been able to buy 1,000 square feet of office space in Wan Chai, that would be the envy of any independent women's group.

Among its prominent members we also find Betty Tung Chiu Hung-ping, wife of Chief Executive Tung Chee-hwa, who accepted an invitation to become honorary sponsor of the Hong Kong Federation of Women only three weeks after the hand-over.

People have not been kind to the Federation of Women. It has been called the tai-tai group because it has wives of leading tycoons among its members, and a "second stove" because of suspicions that it is Beijing's way of winning the loyalty of Hong Kong women. Mrs Lam however says the Federation was not instigated by Beijing, but grew out of discussions with friends and housewives from the grassroots community in Wan Chai.

An interesting detail is that Peggy Lam was not invited by the American organisers, when Hillary Clinton headed a panel discussing women's issues, during her visit in Hong Kong in July 1998. An omission which is rather difficult to interpret, considering that Peggy Lam is heading the biggest women's concern group in Hong Kong.

### **What are the main areas of concern of women in Hong Kong ?**

Since 1975 women's groups in Hong Kong have often joined force on social, political, and particularly, women's issues by making joint declarations and forming joint committees,

such as coalitions to campaign for separate taxation for married women, Coalition against Sexual Abuse, and campaigns against the import of foreign labour.

In this section I will only concentrate on a few issues which seem to be more special to Hong Kong or in a broader view specifically Chinese.

**1. Female unemployment, due to sex and age discrimination** is a problem commonly shared by HK and the PRC, where especially the restructuring of the State industry costs jobs to millions of women, women being the first to lose employment. So far, 60% of State employees sacked have been women, who make up about 45% of the urban workforce.<sup>12</sup> And although the "Programme for the Development of Chinese Women" adapted by the PRC in 1995 states that "It is not permitted to refuse to employ women on account of sex", out of 42 government bodies recently hiring at a job fair, 27 ruled out women out of hand.<sup>13</sup>

Since the early 1980's women in Hong Kong have also faced high unemployment rates with the relocating of factories and the resulting economic restructuring. 80% of the manufacturing plants in Hong Kong have subsidiaries operating in China. The number of manufacturing workers in Hong Kong, of whom the majority are women, has decreased from 900,000 in 1988 to 590,000 in 1993. Women in their 30's and 40's with 10-20 years of factory work experience have been thrust into a service industry where they lack skills. Many remain unemployed and under-employed due to sex and age discrimination. Nowadays age discrimination in Hong Kong society made it almost impossible for women over the age of 30 to find work. Situation is worst in the service sector, where employers want their receptionists, waitresses and shop assistants to be young and attractive. If they can't get the right type of young lady they will exclude the older women and prefer to take imported workers because they take low wages. Increasingly men are also leaving their families to work or set up a business in China, many taking mistresses and deserting their families. Sex and age discrimination in the work place are evident in the wages as well.



Women on average are earning only 77% of a man's wage. Women aged 45-49 are earning only 58% of what men earned.<sup>14</sup>

2. The migration of Hong Kong factories into China continues to affect countless numbers of women and children in Hong Kong in another way: **New concubine phenomenon.**

When companies move to mainland China many of the male executives and managers remain with the company. These men leave their wives and families in Hong Kong for months and sometimes years at a time. Once in China, many of these men take "second wives" and start another family. The wives and families left behind in Hong Kong are completely abandoned with no right for compensation. These extra marital affairs cause emotional and financial strain that many women are unable to burden. Often marriages are unable to survive the situation, ending in divorce. This is creating an increase in the number of single mothers, who are marginalised and struggling to survive and to raise their children by themselves.<sup>15</sup> These problems have directly arisen from the handover in 1997

Women concern groups seek for the introduction of a scheme that provides legal services and counselling to support women whose husbands keep concubines in China, since according to Hong Kong Caritas social workers the 'mainland concubine' issue is getting more and more serious.<sup>16</sup>

During the last ten years this trend to take concubines also revived in China, where it first became common among millionaires, which after all make up 1% of the population, to keep mistresses. This re-emergence of a traditional custom is being matched by a growing prevalence of extra-marital love affairs of both sexes. This issue which concerns both Hong Kong and Mainland China can only be solved commonly.

3. Another issue of high concern in Hong Kong is the **lack of child care facilities and centres for the elderly**: Many women cannot join workforce because of a serious lack of child care facilities. Government subsidised

child-care services meet only 10% of the need. According to a survey on female industrial workers, about 43% of workers have to give up their work once giving birth to their first Child.<sup>17</sup>

Women are to make up for whatever the government fails to provide. It has been pointed out by the Association for the Advancement of Feminism in 1990 that there is a lack of 150 teams of home helps, 10 multiservice centres, 18 day care centres and 38 social centres for the elderly. A major consequence of such inadequate input of governmental resources is that the caring work for these groups fall on women's shoulders. Women are assigned a "natural" caring role by the society. Working under these assumptions, child care facilities are not considered a woman's need, and are provided only for the low income families, or the families where either parent suffers from chronic illness, incarceration, or divorce.<sup>18</sup>

This is also reflected by the work participation rate by age: In 1991 83% of women between the ages of 20-24 were involved in the labour force. Between the ages of 30-34 and 35-39, the numbers dropped drastically to 60% and 50% respectively. These women had to take on greater family responsibilities in the area of childcare and general concern for the well being of the family unit.<sup>19</sup>

4. **Family planning**: The Family Planning Association of Hong Kong was founded in 1950 and assumes the chief responsibility to promote small family size and child spacing in the community. The Association is a private organisation, but it is substantially funded by the government. Over the years their work has expanded and diversified, including direct services and information, survey, public education, and counselling.

There is no law in Hong Kong which imposes compulsory birth control, and it is lawful for anyone to practice any form of family planning if one voluntarily chooses to do so. In 1986 the average family size was 3.7 compared to 4.2 in 1976, and about 60% of the households belonged to the unextended nuclear family type. Today about 80% of married couples in



Hong Kong practice some form of contraception.

Abortion was illegal in Hong Kong prior to 1973. In 1973 it was first introduced on a trial base and confirmed in 1976, since then abortion has increased by roughly 1000 every year. Abortion has not been a key women's issue as in the West because women do not need to struggle so hard for it as their right. Abortion is done at an affordable price in Hong Kong and much cheaper in China, and the cultural climate is not so much against it.

Hong Kong's hand-over will not have any impact on family planning in the near future, but it will have to become an important issue once the transition period of 50 years will be over. Today Hong Kong's status as a SAR limits legal entry for Chinese citizens, who can only enter Hong Kong for business trips or use it as a transit-port with a maximum duration of stay of 7 days, when they leave for overseas. As the only place in China which does not have to practice the one-child-policy, Hong Kong is of course highly attractive for Chinese families that would like to have more than one child, and many pregnant women try to enter Hong Kong illegally to give birth to their child there, since the child would then also automatically get the right of abode in Hong Kong.

Illegal immigration is an ever increasing problem, with an estimate of at least 60.000 cases per year (although the quota for legal immigration has been raised from 105 to 150 persons a day in July 1995). In addition we have in mainland China 80.000 women and 35.000 children which are theoretically allowed to move to Hong Kong to live together with their husband and father. Since the take-over courts decided against an alleviation of the law for reuniting separated families, a decision which encountered no real public opposition, in an immigrants society like Hong Kong, which anyway over the years has become reluctant to welcome more new immigrants.

5. Another problem related to family planning is the **choice of the sex of an infant**. There is yet no law on scientifically-assisted

human reproduction at the present moment, nor is there a central registry of semen donors or any statutory licensing body.

Thus it was possible for Hong Kong first sex selection clinic to open its doors in November 1993. For a minimum of HKD 28.000,-, couples can choose the sex of their baby through a process which separates "male" and "female" sperm. The woman is then artificially inseminated with the sperm of the chosen sex. The clinic claims to accept only couples that already have one child, and only if they want a child of the opposite sex than the one they already have.<sup>20</sup>

The future of such an Institution in a male oriented culture and how they will cope with China's one child policy once the transition period of 50 years is over is to be seen. The fact is, that such a clinic could never be tolerated by the Chinese Government, which is struggling hard enough since years to promote the equality between male and female infants to combat sex-related abortion and the killing of female infants.

#### **To what extent are women protected by law?**

Family laws in Hong Kong have upheld the Chinese family tradition of the husband as the head of the household. Concubines were banned only in 1971, whereas monogamy was institutionalised in the Chinese Republic in 1911 and the PRC in 1949. Only when the Marriage Reform Ordinance and related bills were passed in the 1970s, a daughter's rights to equal share of inheritance (with the exception of land in the New Territories to which the customary right of male succession applies) and a women's independent status, such as the right to own property, were secured.

The belated passage of such law shows the reluctance of the government to change traditional marriage patterns. The impetus to change the existing law came from legal reforms in English family law rather than pressure initiated from within Hong Kong. In the name of protecting local culture and social stability, some of the customs which discriminated against women were upheld for a



long time.<sup>21</sup>

The administration of Hong Kong has often been characterised as following an economic laissez-faire and social non-intervention policy. Insofar the government of Hong Kong did not have a well-planned and comprehensive women's policy. The different branches of the government sometimes adopt quite a different approach to women's needs and issues. For example, the marriage law recognises the independent status of women, but a married woman could not apply for public assistance on an individual basis, and her income was to be jointly assessed with her husband's until 1989.

Although England and China are both signatory to the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, the Convention has not yet been extended to Hong Kong until 1997. The political consciousness of Hong Kong women in general is pretty low; they are more often policy takers than policy changers. However, the recent politicisation of Hong Kong society has made more women leaders aware of the need to use political power to change women's situation in Hong Kong. Action has for example been taken to amend the discriminatory provision in respect of giving consent for marriages under the Marriage Ordinance. Under the Ordinance, the father's consent is required for the marriage of a person of or over 16 years and under 21 years of age. The mother's consent is only sought when the father is either dead or insane.<sup>22</sup>

A rather unique aspect of Hong Kong laws was that until recently (1994) they did not apply to ALL residents irrespective of their gender. Indigenous women from the New Territories were until 1994 exempt from several laws. As a consequence of the Hong Kong Government's policy of maintaining the traditional customs and practices of the New Territories indigenous community, women in the New Territories were not allowed to inherit property since succession was traditionally restricted along the male line only.<sup>23</sup> The New Territories Land Ordinance passed the Legislative Council only in 1994, and only after much social turmoil, with women's groups

protesting in the streets, fighting for the rights of the indigenous women of the New Territories. It was a good example for the indecisiveness of the government, the deep-rooted discriminatory attitude towards women among indigenous villagers, and the cultural conflicts provoked by modern values of equality and rights for women.

Until 1995, there was no legislation or case law to restrain discrimination against women both in the job recruitment or promotion process. In England the Sex Discrimination Act was passed in the 1970s and the Equal Opportunities Commission was set up. But such laws were not introduced to Hong Kong until the Sex Discrimination Ordinance was enacted in 1995, and the Equal Opportunities Commission was set up in 1996.

This **Equal Opportunities Commission** however has turned out to be a very controversial institution since its foundation. The newly formed commission is responsible for tasks ranging from investigating complaints of discrimination to launching public education campaigns. The code of practice covers the removal of job advertisements specifying the age and sex requirements of job applicants, providing equal access to training and promoting male and female employees, and a mechanism for dealing with cases of sexual harassment in the workplace. The Commission is empowered to help settle labour disputes arising from discriminatory practices, and issue enforcement notices to employers. In addition, it is also expected to provide legal assistance to aggrieved persons in court proceedings, when necessary.<sup>24</sup>

But set up to investigate complaints and to mediate in disputes between employees and employers, it merged that the EOC, although armed with an annual budget of HKD 66.5 million, has no money to pursue legal battles. It could make application to the administration for legal funding for each case, but the commission has not put up a case since its establishment in June 1996. Many people come because they believe the commission can help them put up a legal case. But it says it has no money.<sup>25</sup>



## Perspectives

Looking into Hong Kong's past we see that up to the 1990s the government of Hong Kong did not have a comprehensive and well-defined women's policy. Changes of legislation concerning women were often a result of similar changes in England, and some of the laws passed in recent years seem to be part of the general hurdle of the Hong Kong Government to democratise Hong Kong before the hand-over.

The question now is what impact the take-over will have on the position of women in Hong Kong, and how much attention the new Government will pay to women's issues.

In the preparatory phase of the hand-over the Chinese government showed no special concern for an adequate female representation quota. Out of 186 Hong Kong people appointed to help China during the transition period only 16 were women. In the four batches of advisers selected since 1992, women never made up more than 10% of the appointees. Few women selected so far are active in fighting for women's rights.

The small number of women chosen would seem to indicate that China places little importance on women and gender-related issues in Hong Kong. However Mrs. Cheung, head of the EOC and herself among the few women chosen, feels the low number of women advisers reflects the global trend in which women are always under-represented in decision making bodies and is not a problem limited to the Chinese Government. Political Commentator Andy Ho On-tat on the other hand believes the small number of women selected is not a reflection of sexual politics but is due to a lack of candidates that China trusts.<sup>26</sup>

Through the setting-up of the Hong Kong Federation of women in 1993 China already secured its influence on women issues at a quite early stage, but it also split the women's groups into one more China-friendly and one more China-critical fraction led by the Association for the Advancement of Feminism (AAF), the group around the new Hong Kong

Federation of Women being the more powerful one. This became very obvious during the hand-over ceremonies, when four women's organisations joined the party staged by the Hong Kong People's Coalition for the Alternative Hand-over at Central's Statue Square, while the Hong Kong Federation of women celebrated the return to the motherland together with 81 women's groups in Victoria Park.<sup>27</sup>

While there seemed to be a stronger politicisation of the Hong Kong's population in general and Hong Kong's women's concern groups in particular, before Hong Kong's transition to mainland China, this tendency seemed to decrease over the past year. The new Hong Kong government has shown very eager to keep all its promises and not to give reason for any international criticism, thus making Hong Kong's population feel safe.

There has been a dramatic improvement in Hong Kong peoples opinion of the Chinese Government. Dissatisfaction with the performance of the PRC government is at its lowest level yet recorded in a series of surveys called "The Hong Kong Transition Project".<sup>28</sup>

The only women's issue raised by Tung Chee-hwa so far, gave reason to controversies. Tung was attacked for keeping secret a report on whether Hong Kong lives up to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). It was the only pledge on sexual equality made by Chief Executive Tung.

Although the draft report by the Hong Kong Government has been submitted to the central Government's Ministry of Foreign Affairs, non-government organisations and the Equal Opportunities Commission have been told they cannot see it until it was presented to the UN in March 1998.

Of course all speculations on the future of Hong Kong are tied to the political development in Mainland China. Right now, under the influence of the Clinton visit, China is undergoing the most liberal phase since the events at Tiananmen in June 1989, but growing economic pressure might bring about grave social conflicts and instigate the Chinese



government to run a stronger hand. And it has to be seen whether this will also influence politics Hong Kong.

An issue which will definitely have to be solved within the next 49 years of transition is how to handle the issue of family planning in Hong Kong in the future.

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## CHINA – EINDRÜCKE UND ERFAHRUNGEN

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Einleitend möchten wir unser Institut und das China-Projekt vorstellen, das die Grundlage für diesen Artikel darstellt.

Unsere Abteilung Arbeitswissenschaft des Institutes für Betriebswissenschaften, Arbeitswissenschaft und Betriebswirtschaftslehre (Leitung Univ. Prof. Dipl.Ing. Dr. Franz Wojda) beschäftigt sich mit den Themenbereichen Organisation und Führung, Management, Arbeitsplanung und -steuerung, sowie Ergonomie und Arbeitsgestaltung. Die von uns betreuten Studenten kommen aus den Fachrichtungen Wirtschaftsingenieurwesen, Maschinenbau, Wirtschaftsinformatik und dem Aufbaustudium Betriebs-, Rechts- und Wirtschaftswissenschaften.

Im Rahmen des Schwerpunktes „Management“ haben wir vor nunmehr drei Jahren unsere erste Studienreise nach Japan durchgeführt. Ziel dieser Reise war es einerseits, die zu diesem Zeitpunkt viel diskutierte japanischen Managementprinzipien wie KAIZEN und Lean Management vor Ort zu studieren, andererseits sollten auch die Möglichkeiten von Kooperationen mit japanischen Unternehmen näher beleuchtet werden. Als Ergebnis des Projekts wurden im vergangenen Jahr die gewonnenen Erkenntnisse in dem Buch KYO-SEI veröffentlicht, das den Wirtschaftsraum Asien global beleuchtet und speziell auf den Standort Japan eingeht.

Als logisches Folgeprojekt wurde eine Studienreise nach China initiiert, da dieser Markt für die österreichische Wirtschaft zunehmend relevant wird. Der Themenkreis erschien auch für unsere betriebswirtschaftlich orientierten Studenten interessant; viele dieser potentiellen Führungskräfte der Zukunft haben reges Interesse an dieser Thematik bekundet.

Im Zuge des China-Projektes wurden die aus der zweiwöchigen Studienreise gewonnenen Eindrücke gemeinsam mit den Erkenntnissen

aus der umfassenden Vorbereitungs- und Nachbearbeitungsphase ausgewertet. Angestrebt wurde eine Verknüpfung der Themenkreise

- China als Land mit langer Tradition und Geschichte und
- China als Markt

Noch ein paar Worte zum Projekt: Im Rahmen der Vorbereitungsarbeiten haben sich auch alle am Projekt teilnehmenden StudentInnen mit der Thematik in Form umfassender Literaturrecherchen, Befragungen von Chinaerfahrenen Unternehmen und Experten und in Form von Fallstudien eingehend beschäftigt. Wir haben die Thematik dabei in die folgenden Schwerpunkte gegliedert, mit denen sich dann jeweils eine Gruppe im Rahmen von Übungs- und Seminararbeiten beschäftigt hat:

- Die Bedeutung von Beziehungsnetzwerken in China;
- Die Bedeutung der chinesischen Geschichte für das heutige Wirtschaftsleben;
- Erfolgversprechende Strategien europäischer Unternehmen für das Arbeiten in China – hier wurden Fallstudien bei österreichischen Unternehmen mit Chinaerfahrung durchgeführt;
- Aus- und Weiterbildung, kulturelle Aspekte der Arbeit;
- Kompetenzbasis China (Wirtschaftsdaten, Verwaltungs- und Behördenstruktur, Internationale Beziehungen);

Im Anschluß finden Sie einige Eindrücke und Erfahrungen, die wir unmittelbar im Rahmen unserer Studienreise in China gewinnen konnten.

### **Außenhandelsdelegation Österreichs in Beijing**

Um uns auf das Wirtschaftsleben einzustimmen, haben wir einen Besuch der Außenhandelsstelle eingeplant. Dort haben wir aus kompetenter Hand erste Basisinformationen über den Markt China erhalten. Für unsere Studenten war der Hinweis, in diesem Land mit statistischem Zahlenmaterial vorsichtig umzugehen, für die Reise und auch ihre Seminararbeiten sehr



hilfreich. Es wurde ihnen ans Herz gelegt, immer die Quelle zu zitieren, da oft unterschiedlichste Zahlen genannt werden. Statistiken ist in China nie ganz zu trauen. Einige Fehler entstehen auch bei der Übersetzung, was auch von einigen Unternehmen der Fallstudienreihe bestätigt wurde.

Besonders fasziniert hat die studierenden Teilnehmer die von der Außenhandelsstelle angebotene Möglichkeit, vor Ort in Beijing eine Diplomarbeit zu verfassen, was auch in Zusammenarbeit mit österreichischen Unternehmen geschehen kann.

Bis zum Abend standen Tiananmen und die Verbotene Stadt als beeindruckende Erlebnisse am Programm.

### **Botschaft**

Am Abend waren wir Gäste der österreichischen Botschaft. Der Botschafter Herr Dr. Ziegler ist der Meinung, daß der gegenwärtige Zeitpunkt für einen Markteinstieg in China geeignet sei. Momentan werden die Karten neu gemischt. In einigen Jahren sind die besten Plätze, sofern sie nicht ohnehin bereits vergeben sind, weg. Wenn man selber schläft, so darf man nicht davon ausgehen, daß es die Konkurrenz auch tue. Um wirklich erfolgreich zu agieren, ist ein Agieren in den Beziehungsnetzwerken notwendig.

### **Wirtschaftszentrum des Zentralkomitees – Cao Baijun**

Am nächsten Morgen stand das Wirtschaftszentrum des Zentralkomitees am Plan. Wir hatten uns darunter ein Büro in einem der vielen Hochhäuser vorgestellt. Um so größer war die Überraschung, als wir vor einem ehemaligen Fürstenpalast standen. Genauso ungewöhnlich ging es dann weiter. Herr Prof. Kaminski hat uns zwar davon unterrichtet, daß Herr Cao Baijun Deutsch spricht, wir wußten jedoch nicht, daß dieser auch in Heidelberg studiert hat. Er ist Politikwissenschaftler mit Background in der Diplomatie und nähert sich deshalb wirtschaftlichen Fragestellungen ziemlich erfrischend an.

Das Wirtschaftszentrum besteht seit acht Jahren mit der Aufgabe, die wirtschaftliche Entwicklung Chinas durch Projekte mit ausländischen Unternehmen zu fördern. In diesem Rahmen führt das Zentrum Marktstudien für Unternehmen durch, die in China aktiv werden möchten. Weiters bietet das WZ auch Beratung in politischen Fragen und juristischen Themenbereichen an. Alle diese Aktivitäten sind auf ausländische Unternehmen zugeschnitten.

Weiteres Geschäftsfeld ist die Förderung chinesischer Unternehmen im Ausland. Zu unserem Erstaunen berichtete Herr Cao Baijun von Investitionsprojekten in Afrika. Seiner Aussage nach geht mit dem Anstieg des Durchschnittseinkommens der Standort Chinas als Billiglohnland verloren. Es müssen daher neue Produktionsstandorte gefunden werden, um kostengünstig zu bleiben.

Neben diesen Projekten betreibt das Wirtschaftszentrum auch eine Handelsfirma, die primär chinesische Waren nach Nordamerika, Japan und Europa exportiert. Österreichische Unternehmen, die nach China gehen möchten, sind nach Meinung von Cao Baijun gezwungen, in Marktnischen auszuweichen. In diesen Nischen kann es bei Modeartikeln auch zu einem ziemlich hohen Preisniveau kommen. Luxusartikel finden auch in China ihre Abnehmer, vorausgesetzt, die Marke kann entsprechend plaziert werden.

Im Wirtschaftszentrum war ein enormer Aufbruchgeist zu spüren, der von Optimismus für ein modernes, marktwirtschaftlich orientiertes China getragen wurde. Das Kontrastprogramm sollte jedoch unmittelbar folgen.

### **Prof. Dong Fureng**

Mit dem Besuch bei Herrn Prof. Dong Fureng wurde uns eine große Ehre zuteil, was nur wenigen vorbehalten ist. Für uns war es allerdings das absolute Kontrastprogramm: Nach dem jungen, dynamischen Herrn Cao Baijun saßen wir hier einem altgedienten Ökonomen gegenüber. Es war allerdings eine wertvolle Erfahrung, denn die Teilnehmer hätten sonst geglaubt, daß China



ausschließlich unter der Führung junger, dynamischer Reformer stehe.

Es klingt etwas obskur, wenn man das Schlagwort „ein Land, zwei Systeme“, das in Hinblick auf Hongkong kreiert wurde, verwendet und auf ganz China ausdehnt. Denn in der heutigen Situation ist der Dualismus zwischen Marktwirtschaft in ihrer brutalsten Ausprägung und Kommunismus nicht als ein System zu bezeichnen.

Anhand des Gebäudes sind uns die raschen Verfallserscheinungen bei Industrieanlagen, die immer wieder beschrieben werden, bewußt geworden. Wir hätten allesamt das Gebäude auf mindestens 30 Jahre geschätzt. Als unser Reiseleiter Herr Li berichtet hat, daß in dieser Gegend alle mehrgeschossigen Gebäude nicht älter als zehn Jahre sind, waren wir doch ziemlich erstaunt.

#### **State Commission for Restructuring – Herr Wang Pei Rong**

Der nächste Morgen begann mit einem Meeting mit Herrn Wang Pei Rong von der State Commission for Restructuring. Diese Institution widmet sich der Umwandlung verstaatlichter Betriebe in Kapitalgesellschaften – mit dem Nachsatz „soweit das geht“. Vorerst hat die Zentralregierung 100 Betriebe ausgewählt, die an dem Programm teilnehmen sollen. Auf regionaler Ebene nehmen weitere 2000 Unternehmen am Reformprogramm teil. Ziel ist es, abhängig von der Größe, die Unternehmen in Gesellschaften (vergleichbar mit einer AG bzw. GmbH) umzuwandeln und am Aktienmarkt zu platzieren. Der Staat bleibt zu mehr als 50 Prozent Teilhaber. 30 Unternehmen sind bereits auf der Börse platziert. Bei mittelständischen Unternehmen stehen Formen der Mitarbeiterbeteiligung im Vordergrund.

Ein besonderes Problem sind die sozialen Lasten, die die Unternehmen aus der Vergangenheit übernommen haben. Kostenseitig kommen die Unternehmen immer mehr unter Druck. Die soziale Absicherung hat noch keine staatliche Institution übernommen. Während in unseren Breiten immer wieder der Abbau von staatlichen Sozialleistungsträgern diskutiert wird, ist China im Begriff, ein

entsprechendes System zu installieren. Auch wenn John Naisbitt noch die Chinesen mit einer Verachtung gegenüber dem europäischen Sozialnetz in Verbindung bringt, so gibt es jede Menge Menschen, die in China prinzipiell eine Absicherung benötigen würden.

Gleichzeitig leiden die Unternehmen unter einer hohen Ineffizienz. Wenn in Zeitungsberichten beschrieben wird, daß ein Drittel der Mitarbeiter in Staatsbetrieben entlassen werden könnten, ohne daß es zu betrieblichen Problemen kommen würde, so dürfte das den Nagel auf den Kopf treffen. Ein besonderes Problem kann sich aus der Ineffizienz des Finanzsektors ergeben. Ähnlich wie in Japan ist dieser Zustand nicht auf längere Dauer aufrecht zu erhalten. Was in diesem Zusammenhang noch alles passieren wird, bleibt offen.

#### **Siemens Beijing**

Nach dem Sommerpalast ging es weiter zu Siemens Beijing. Herr Wolf hat diesen Kontakt hergestellt. Als langgedienter Siemensianer war es für ihn relativ leicht möglich, uns adäquate Ansprechpartner zu vermitteln. Der Ort des Treffens war das Siemens Management Institut in Beijing. Diese Institution ist noch sehr jung. Zwei Tage vor unserem Besuch wurde sie eröffnet. Wir hatten die Ehre, die ersten ausländischen Gäste zu sein. Das Institut wird von Prof. Jürgen Grüneberg geleitet. Er ist ehemaliger Siemensianer und war unmittelbar vor seiner Tätigkeit in Beijing Professor an der Uni Paderborn.

Interessant war für uns, wie ein Konzern, der China als wichtigsten Auslandsmarkt definiert hat, seinen Standort in China in die konzernweite Ausbildung integriert. In Beijing werden die Basiselemente für die Siemens-interne Managementausbildung entwickelt, die global an allen Siemens-standorten eingesetzt werden. Internet und World Wide Web machen dies möglich.

Die zweite wichtige Erfahrung waren die jungen chinesischen Mitarbeiter, die an der Präsentation mitgewirkt haben. Man hätte meinen können, daß diese in den USA studiert hätten, zumindest hätte man es ihnen von der Sprache her abgenommen. Jedenfalls scheint die Top-Schicht der Studenten auf einem



vergleichbaren Niveau wie europäische Studenten zu sein. Offenbar streben diese Studenten ganz gezielt zu westlichen Unternehmen als Arbeitgeber. Wir haben später noch ähnliche Erfahrungsberichte gehört. Insofern ist es logisch, daß diese Top-Leute in einigen Jahren Leitungsfunktionen in China einnehmen werden bzw. einzelne irgendwann auch in den Vorstand des Stammhauses einziehen werden.

Vorerst sind die Leitungspositionen in den Händen deutscher Manager. Im vorliegenden Fall konnten wir einen absolut geglückten Versuch sehen, wie die Entsendung von Mitarbeitern ins Ausland funktionieren kann. Jürgen Köhler hat als Erfolgsfaktor ganz besonders die Familie herausgestrichen. Seiner Meinung nach ist es für den erfolgreichen Manager äußerst wichtig, daß sich die Ehefrau und die Kinder in einem fremden Land zurechtfinden es sogar schätzen und toll finden.

### **China National Heavy Duty Trucks**

Am nächsten Tag folgte der Transfer nach Jinan. Einige hundert Kilometer südlich von Beijing waren wir plötzlich in einer anderen Welt. Eine andere Landschaft, eine andere Mentalität, eine andere Küche.

Am Nachmittag ging es dann zu China National Heavy Duty Trucks, zu jenem Unternehmen, das Steyr LKW in Lizenz herstellt. Eine Fallstudiengruppe war in der Vorbereitung bei Steyr. Daher glaubten wir, einigermaßen informiert zu sein. In den Ausführungen der Werksleitung gab es dann jedoch einige Widersprüche zu jenen Daten, die wir in Österreich gewonnen hatten. War es wieder der etwas andere Umgang mit Zahlen oder steckte da System dahinter? Bei der Besichtigung der Fertigungsanlagen wußten wir nicht, wer wen besichtigte: wir die lokalen Arbeiter oder diese uns als ausländische Gruppe. Viele Arbeiter haben wir nicht gesehen. Eigentlich mußte man sagen, daß wir durch menschenleere Hallen geschritten sind, wo weitläufig verteilt LKW-Teile standen.

Es gibt andere Automobilwerke, wo auf einem weit höheren Standard gefertigt wird, wo man jedoch die reale Fertigung präsentiert bekommt. Aber im Falle von CNHT haben wir

einige Pressen in Betrieb gesehen, jedoch sonst nicht sehr viel. Verglichen mit dem Besuch bei Toyota hat man eigentlich wenig an Eindrücken mitnehmen können.

### **Shandong Planning Committee**

Shandong ist eine boomende Provinz. Bereits bei Siemens wurden wir mit einer Information über die Eckdaten vorbereitet. Neben den üblichen Daten über die wirtschaftliche Entwicklung gab es noch einen Überblick über die laufenden Projekte im Zeitraum 1996 bis 2000. Wir waren ständig versucht, in Kategorien des Multiprojekt-Managements zu denken und haben dabei vergessen, daß in unserem Denkmuster diese Begriffe und Methoden auch erst seit einigen Jahren präsent sind. Wieviele Projekte bereits begonnen wurden bzw. abgeschlossen worden sind, konnte man uns nicht sagen.

Die Art und Weise des Fragens war ein eher schwieriger Punkt. Einerseits mußte man die Frage sehr einfach gestalten, andererseits mußte man einen geeigneten Zugang wählen, wie man ein bestimmtes Faktum herausarbeiten konnte, ohne aufdringlich oder unhöflich zu wirken. Diese Erfahrung wird auch jeder Manager machen, der in China agiert. Die Kommunikation und Gesprächsführung ist unserer Meinung nach ein wesentlicher Erfolgsfaktor im Markt China.

### **Shanghai MMC Wang Guacheng**

In Shanghai wurden wir wieder mit einer gänzlich neuen Welt konfrontiert. Beginnend beim Bus – Daewoo mit Videoanlage und allen erdenklichen Dingen – bis zu den Fahrzeugen am Parkplatz – Santana 2000 in unglaublicher Zahl – war alles anders. Wir gewannen den Eindruck, in einer Stadt zu sein, die erst in den letzten drei Jahren entstanden sein muß. Die Straßen, die in bis zu vier Ebenen übereinander geführt werden, haben wie in Japan gewirkt.

### **Modern Management Center**

Nächsten Morgen war das Modern Management Center an der Reihe. Herr Wang Guangcheng spricht Deutsch, und so war die Kommunikation mit ihm ziemlich einfach. Zu Beginn seiner Ausführungen hat er die wirtschaftliche Entwicklung Shanghais dargestellt, wobei für uns die Frage offen blieb,



ob das, was Deng Xia Ping als Fehler bezeichnet hat, nämlich das Zuwarten mit der Öffnung Shanghais, nicht in Wirklichkeit einer seiner genialen Schachzüge war. Shanghai hätte unserer Meinung nach den anderen Sonderwirtschaftszonen in ihrer Entstehung eine zu harte Konkurrenz gemacht. So war es klüger, zuerst dort das ausländische Kapital anzuziehen und dann Shanghai zu öffnen. Daß sich Shanghai nach der Öffnung prächtig entwickeln würde, war ziemlich offensichtlich. Bei den Sonderwirtschaftszonen – Pudong ist ja eigentlich keine, sondern genießt nur die Vorrechte einer solchen – war das Gelingen des Experiments wesentlich unsicherer.

Herr Wang hat die Stadt mit ihren 22.000 Einzelbaustellen als größte Baustelle der Welt bezeichnet. Wir haben auch vom Dreischluchten-Damm und vom neuen Flughafen in Hong Kong gehört und uns darauf geeinigt, daß China die drei größten Baustellen der Welt hat.

#### **Pudong**

Pudong, das Gebiet jenseits des Huangpo oder das Floridsdorf von Shanghai, wie wir scherzhaft dazu gesagt haben, ist von einer enormen Bautätigkeit geprägt. Die Veränderung der Skyline geht ziemlich rasch vor sich. Wir mußten ein Stück zurückfahren und haben dazu eine Seitenstraße benutzt. Dabei passierte wieder ein Sprung auf der Zeitachse in die Vergangenheit. Wieder sahen wir ebenerdige Häuser, die wohl auch in einigen Jahren oder gar nur Monaten Neubauten weichen werden müssen.

Nach einem kurzen Einführungsvortrag ging es dann in die Waigaoqiao-Zollfreizone. Wir konnten ein Unternehmen in der Zollfreizone besichtigen. Ebm – ein deutsches Unternehmen, das für Siemens Lüfter zuliefert, betreibt eine kleine Montagelinie. Die Teile werden über Hamburg per Schiff geliefert und in Waigaoqiao fertig assembliert. Bis auf die hinzugefügten chinesischen Übersetzungen auf den Arbeitsplänen, hat sich dieser Betrieb augenscheinlich nicht von einem in Deutschland unterschieden.

#### **Universität Huadong**

Wir hatten bisher auf unserer Reise den Eindruck gewonnen, daß die Studenten hoch

motiviert und dynamisch seien, und daß eigentlich nur die Leistung zählt. Als wir dann hörten, daß es eine Erleichterung der Punktezahls beim Aufnahmetest für Jugendkadermitglieder oder Kinder von Parteimitgliedern gibt, waren wir wieder beim alten Schlagwort: Ein Land, zwei Systeme. In nachfolgenden Diskussionen dieses Faktums mit China-Kennern wurde erklärt, daß für Universitäten mit höherer Reputation eine höhere Punktezahl nötig ist und ein Basisniveau für die Zulassung zum Studium erreicht werden muß.

#### **Shenzhen Kaifu**

Von Shanghai aus ging es weiter nach Shenzhen. Diese Stadt ist kein Tourismusziel gängigen Stils. Für uns war die Sonderwirtschaftszone der Grund fürs Kommen. Irgendwie war es für uns schon überraschend, daß die Sonderwirtschaftszone durch eine Personenkontrolle vom Umland getrennt wird. Wenn man jedoch bedenkt, wie begehrt die Jobs in den angesiedelten Unternehmen sind, versteht man den Bedarf, den Zustrom von Menschen zu regulieren.

Der erste Besichtigungspunkt war Kaifu-Technology, ein Unternehmen, das Festplatten für PC herstellt. Das Unternehmen ist ein Joint-Venture mit einem britischen Unternehmen, beschäftigt ca. 6.000 Mitarbeiter und ist weltweit der drittgrößte Hersteller. Die Produkte, so wie sie uns beschrieben wurden, sind zu den Massenartikeln zu zählen.

Zur Information: Festplatten werden in Reinräumen hergestellt. Das bedeutet, daß die Anzahl der Staubpartikel pro m<sup>3</sup> Luft unter bestimmten Grenzen liegen muß. Verschmutzungen durch Staub wirken sich sehr negativ auf die Lebensdauer des Produkts aus. Um so erstaunlicher war es für uns, daß wir den Betrieb – zwar nur durch Sichtfenster – besichtigen konnten. In den Reinräumen sieht man viele junge Frauen in weißen Schutzkleidern, mit Mund- und Kopfschutz verumhüllt, an Mikroskopen sitzen, wo sie Bauteile optisch prüfen. Diese Arbeit ist für den visuellen Apparat besonders anstrengend, aber auch die Wirbelsäule und die Rückenmuskulatur werden durch die Haltung des Oberkörpers



während der Tätigkeit am Mikroskop stark belastet.

So ist es nicht verwunderlich, daß jährlich 1.000 Mitarbeiter und Mitarbeiterinnen aufgenommen werden. Wenn man die Gesamtanzahl von 6.000 Beschäftigten hernimmt und die offizielle Zahl von 2 bis 4% Kündigungen, so dürfte sich irgendwo eine kleine Diskrepanz im Zuge der Kommunikation aufgebaut haben.

#### **Nanjar Wienerberger**

Der folgende Tag war einem österreichischen Unternehmen gewidmet: Wienerberger. In Nanjar werden jedoch keine Ziegel hergestellt – jenes Produkt, das man in Österreich spontan mit Wienerberger assoziiert. Wienerberger produziert in China Kunststoffrohre.

Erstaunlich war die Aussage, daß der gesamte Markt für Kunststoffrohre in China ungefähr so hoch ist, wie jenes Volumen, das Wienerberger in ganz Europa absetzt. Bei der gigantischen Bautätigkeit hätte man zweifellos mehr erwartet. Dies ist ein gutes Beispiel, daß man mit Hochrechnungen, die auf europäischen Verhältnissen basieren, in China zu keinen brauchbaren Markteinschätzungen kommt.

Kunststoffrohre sind relativ voluminös, der Transport ist daher teuer. Deshalb hat man in China insgesamt vier Standorte. Auch die Auswahl des Standorts war bemerkenswert. General Electrics hat in der Nähe ein Werk errichtet. Dieses Unternehmen hat enormen Aufwand in die Standortauswahl investiert. Wenn GE mit der gebotenen Infrastruktur leben kann, dann sollte es auch für Wienerberger möglich sein. Man hat sich auf diese Weise als Kulturfolger eine Menge Geld und Zeit gespart. Diese Strategie ist für alle kleineren Unternehmen zu empfehlen.

Der Markt in China ist heiß umkämpft. Uns wurden folgende Schlüsselfaktoren genannt:

- Standard Quality
- Lowest Price
- No Rubbish

Oftmals kämpft man jedoch nicht mit den Konkurrenten allein, sondern auch mit den

eigenen Mitarbeitern. Speziell im Vertrieb kommt es immer wieder vor, daß das Verkaufspersonal in die eigene Kasse verkauft. Dies vermeidet Wienerberger, indem der Absatz über andere Unternehmen als Vertriebspartner erfolgt.

Mit jenen Horrorszenarien im Hinterkopf wird es schwierig, sich auf das chinesische Personal zu verlassen. Und das muß jedes ausländische Unternehmen im Endeffekt. Wienerberger hat aber in dieser Beziehung kaum Probleme. Der Werksleiter war vorher bei einem Konkurrenzunternehmen tätig. Davor war er einige Jahre für die Weltbank tätig. Aus dieser Zeit ist er mit der westlichen Denkweise vertraut. Eine weitere Mitarbeiterin hat einfach eine Bewerbung geschickt und ist durch ihre Dynamik aufgefallen.

Die höchste Priorität hat aber der kurzfristige Erfolg, denn das Unternehmen muß ohne Hilfe der Mutterfirma überleben. Momentan ist Wienerberger die Nummer eins bezüglich Umsatz. Die Renditen müssen jedoch noch weiter gesteigert werden. Ein Markt mit einem derartig hohen Risiko muß für europäische Verhältnisse enorme Renditen bieten, um überhaupt noch interessant zu bleiben.

Im kurzfristigen Überlebenskampf spielt auch die Liquidität eine bedeutende Rolle. Einerseits benötigen die Vertriebspartner ein Zahlungsziel, das in China sehr lange sein kann, andererseits liefern die Rohmateriallieferanten nur gegen Sofortzahlung. In diesem Dilemma ist ein ausgefeiltes Liquiditätsmanagement notwendig.

Bei der Besichtigung der Fertigung wurde bei der Mischanlage die Frage nach Arbeitsschutzvorschriften in China gestellt. Es kam die klare Antwort, daß es diese sehr wohl und weitreichend gibt, nur werden sie in der Praxis relativ locker gehandhabt.

#### **Hongkong**

Nach dem Labyrinth der Grenzstation zwischen Shenzhen und Hongkong ging es mit der Schnellbahn nach Kowloon ins Hotel zum kurzen Zwischenstop, dann weiter nach Tai Po, einem Gebiet nordöstlich von Kowloon.

**The Hong Kong Industrial Estates Corp.** Herr Wong stellte uns die Industrial Estates



Corporation vor. Das Ziel dieser Institution ist die Vergabe von Land an produzierende Unternehmen. Damit soll die Produktion hochwertiger Güter in Hongkong gefördert werden. Es können nur Unternehmen Land pachten, die an Ort und Stelle produzieren möchten, nicht in Mehretagegebäuden produzieren können und keine Verunreinigung des Bodens hervorrufen. Aufgrund der hohen Grundstückspreise war es notwendig, daß die Regierung für derartige Unternehmen vergünstigtes Land zur Verfügung stellt. Die Preise betragen ein Drittel bis ein Fünftel des normalerweise üblichen Preises (mit HK\$ 1850, umgerechnet mehr als 3700 ATS pro m<sup>2</sup>, für Hongkong fast geschenkt). Beeindruckend war die Geschwindigkeit, mit der die Anträge bearbeitet werden: Das Prüfungsverfahren dauert maximal sechs Wochen.

Wir haben zwei Unternehmen besichtigt. Times-Ringier und NKB. Beide sind hochautomatisiert. Times-Ringier druckt Farbmagazine, beispielsweise Newsweek und Economist. Das Unternehmen ist ein Joint Venture der Schweizer Ringier AG und Times Singapore. Pro Monat werden 6 bis 9 Mio. Magazine gedruckt. Diese beiden Unternehmen sind auf westlichem Standard und mit jenen chinesischen Unternehmen, die wir im Laufe der Reise besichtigt haben, nicht zu vergleichen. Vielmehr waren sie ein hartes Kontrastprogramm zu den Produktionen in China, die allesamt äußerst arbeitsintensiv und gering automatisiert waren.

NKB ist ein japanischer Zulieferer der Automobilindustrie. Verschiedene Drehteile werden in Tai Po hergestellt, die nach Japan exportiert werden. Später möchte man mit dem Hongkong-chinesischen Personal nach Südchina gehen, um dort eine Fertigung aufzuziehen.

#### **Dr. Sohmen**

Am nächsten Morgen war hoher Besuch angekündigt: Der Reeder Dr. Helmut Sohmen gab uns die Ehre. Er besuchte uns im Hotel und stand eine Stunde für Fragen zur Verfügung.

#### **New Airport Project Coordination Office NAPCO**

Anschließend ging es in die NAPCO-Zentrale. Das New Airport Project Coordination Office ist für das Projektmanagement des Flughafenneubaus zuständig. Das Gesamtprojekt wird unter Mitarbeit einer Vielzahl an Unternehmen abgewickelt. Neben dem Core-Program, dem eigentlichen Flughafen, gibt es weitere Projekte zur Verkehrsanbindung des neuen Flughafens. Die spektakuläre Brücke nach Lantau ist der bekannteste Teil der Begleitprojekte.

Die am Projekt beteiligten Unternehmen kommen fast aus aller Welt. Es kommt jenes Unternehmen zum Zug, das die jeweilige Aufgabe am besten machen kann. Die Landaufschüttung haben beispielsweise Niederländer abgewickelt. Den größten Anteil, nach Ländern gereiht, haben japanische Unternehmen geleistet. Österreich ist mit Frequentis im Bereich der Kommunikation vertreten.

Das Projekt wird mit der Präzision eines Uhrwerks durchgezogen. Ein Verzug ist einfach nicht denkbar. Bei einer Projektsumme von 20 Mrd. USD ist das sicherlich kein Kinderspiel. Allerdings hat man zur Zeit unseres Besuches über eine Verschiebung der Eröffnung von April auf Juni nachgedacht, im Juni wird die Schnellbahn fertig, und ohne Anbindung an das öffentliche Verkehrsnetz ist der Flughafen schlecht erreichbar.

#### **Außenhandelsdelegierter Österreichs in Hongkong**

Den Abschluß der Fachgespräche bildete ein Treffen mit den österreichischen Außenhandelsdelegierten in Hongkong, Dr. Alfred Mayer. Hongkong ist nach wie vor ein bedeutender Markt für Konsumartikel. Als Produktionsstandort ist es jedoch relativ teuer. Was jedoch besonders viel Potential bietet, ist das chinesische Personal, das man für weitere Aktivitäten in Südchina aufbauen kann. Momentan bilden Infrastrukturprojekte den wichtigsten Impulsgeber.

Abschließend sollen noch zusammenfassend die uns am wichtigsten erscheinenden



Erkenntnisse für Unternehmen, die nach China gehen wollen, aus dem Gesamtprojekt in Form von **Erfolgsfaktoren** dargestellt werden.

## 1.) Sorgfältigste Vorbereitung des Chinaengagements

### Kulturelle Vorbereitung

- **Umgangsformen studieren:** Rituale z.B. beim Essen oder bei der Begrüßung beachten – dazu ist sicherlich ein ausführliches Studium der chinesischer Geschichte, von Philosophien wie dem Konfuzianismus und anderen Themen wie zum Beispiel den 36 Strategemen von Bedeutung – ein Aufwand, der sich aber in jedem Fall auszahlt!
- **Sprache:** für Verhandlungen sollte immer ein Dolmetscher herangezogen werden, aber für den Aufbau und die Pflege von Beziehungen ist die Kenntnis der Sprache äußerst hilfreich.
- **Informationsaufarbeitung:** Weiters ist es äußerst wichtig, sich vorweg die geeigneten Informationen zu beschaffen – Bücher, Zeitschriften, Vortragsreihen wie zum Beispiel von den österreichischen Handelsdelegierten oder der ÖGCF können dabei wichtige Informationen liefern.
- **Hochmotivierte und belastbare Mitarbeiter:** Erstens müssen Mitarbeiter gefunden werden, die für eine derartige Aufgabe überhaupt geeignet sind, zweitens müssen diese Mitarbeiter von ihrer Aufgabe überzeugt und hochmotiviert sein, da es in China zwangsläufig zu vielfältigen Schwierigkeiten und Komplikationen kommen kann.

## 2.) Erfolgsfaktoren vor Ort

- **Kompetenz und Know-How durch geeignete Informationsquellen:** Nachdem in Österreich die Informationsquellen ausgeschöpft wurden, sind natürlich auch zahlreiche Informationen wie zum Beispiel spezifische Marktdaten notwendig. Hier kann man in erster Instanz die Außenhandelsstellen kontaktieren, die selbst über zahlreiche Informationen verfügen oder bei der Beschaffung behilflich sind.

- **Geeignete Mitarbeiter vor Ort finden:** Das ist in China für einen Markteinsteiger äußerst schwierig, aber auch hier können die Außenhandelsstellen behilflich sein, da diese über zahlreiche Kontakte und Erfahrungen verfügen.

- **Persönliche Kontakte aufbauen und pflegen:**
  - zu Behörden, Institutionen, aber auch zu anderen österreichischen Unternehmen.

- **Optimale Vorbereitung auf Gespräche und Verhandlungen:** Hier zählt sowohl die fachliche Kompetenz, als auch das Wissen um die Verhaltensweisen und Mentalität der Geschäftspartner. Die Verhandlungstaktik von chinesischen Gesprächspartnern sollte studiert und berücksichtigt werden. Dazu muß man mit den typisch chinesischen Verhandlungsstrategien vertraut sein. Die Kenntnis der Strategeme ist hier zum Beispiel unbedingt anzuraten.

- **Entscheidungsträger erkennen:** In den Fallstudien wurde immer wieder angesprochen, daß das Erkennen der Entscheidungsträger in China äußerst schwierig ist, da diese oft überhaupt nicht persönlich in Erscheinung treten.

- **Lokale Präsenz vor Ort unbedingt notwendig:** Es reicht nicht, ein Joint-Venture oder eine Kooperation von Österreich aus zu kontrollieren, sondern es ist immer eine Präsenz vor Ort in China notwendig, um den langfristigen Erfolg sicherzustellen.



Friedrich Schiff: Künstler und Chinapionier mit dem Zeichenstift.

Zur großen Schiff - Retrospektive in Shanghai, August 1998

Gerd Kaminski

Friedrich Schiff paßte gut in die vibrierende Weltstadt Shanghai, denn er war Weltbürger aus einer Familie von Weltbürgern. Sein Großvater John Schiff fuhr, als dies mehr ein Abenteuer als eine Reise war, in der Mitte des 19. Jahrhunderts nach Australien. Er blieb dort zwanzig Jahre und brachte es zu beträchtlichem Wohlstand. Nach seiner Rückkehr nach Wien heiratete er Hermine Schlesinger, deren Familie so wie John liberale Ideale hochhielt, denn sie war in den ungarischen Aufstand gegen die Habsburger verwickelt. John Schiff gab seinen beiden Söhnen Robert und Felix Humanität und Toleranz mit auf den Weg. Robert Schiff, der wie sein Vetter Freidenker war, gab in jungen Jahren den jüdischen Glauben auf und trat aus Gründen äußerer Anpassung zum katholischen Glauben über. Er studierte in Wien, Berlin, München und Paris, wo er sich mit dem aufkommenden Impressionismus auseinander-setzte. Er wurde ein gesuchter Portaitmaler. Seine Bilder von Berühmtheiten aus Politik, Wirtschaft und Kunst waren hochbezahlt und sicherten ihm ein sorgenfreies Leben. Sogar der Hof wandte sich an ihn und beauftragte ihn, Kaiser Franz Josef zu malen.

Robert Schiffs Frau, Regina Eibenschütz kam aus einer weniger begüterten Familie. Als ihre kleine Schwester Ilona, ein Wunderkind am Klavier, nach einem Konzert Besucher von der Armut ihrer Eltern sprechen hörte, rief sie mit funkelnden Augen: "Wir sind keine armen Leute! Wir haben nur kein Geld." Das war zweifellos richtig, denn der Himmel hatte ein ganzes Füllhorn an musischen Talenten über den neun Kindern des Kantors (Chorleiter einer Synagoge) des Budapester Stadttempels ausgeschüttet. Fast alle der Kinder wurden berühmte Musiker, Sänger, Schauspieler oder Regisseure und kamen mit den Größen der Zeit wie Brahms, Verdi, Mahler, Toscanini, Shaw oder Menuhin zusammen. Regine Eibenschütz studierte zuerst Klavier und wandte sich dann der Schauspielerei zu. Es war aber die bildende Kunst, die sie mit Robert Schiff zusammenbrachte. Sie gewann eine Wette, deren Einsatz ein Portrait war. Der

Maler war Robert Schiff, sie verliebten sich und wurden bald ein Paar.

1908 wurde Friedrich Schiff geboren, der von Seiten beider Familien große Portionen von dem mitbekam, was sein späteres Leben bestimmen sollte: künstlerische Sensibilität, Weltoffenheit und Abenteuerlust. Als er die Schule besuchte, war der Krieg schon ausgebrochen. Da der Vater von der österreichischen Armee als Kriegsmaler beschäftigt wurde, ging es der Familie bis zum Frieden gut, doch dann kam die Inflation. Die Ersparnisse lösten sich in Nichts auf, und wegen der Lebensmittelknappheit schickten die Eltern Friedrich und seine um drei Jahre jüngere Schwester Charlotte mit einer Hilfsaktion nach Holland. Schiff erinnerte sich später: "Bei dieser Gelegenheit kam ich ins Reichsmuseum in Amsterdam und sah *Die Nachtwache* von Rembrandt, die mich so beeindruckte, daß ich heute noch dieses Erlebnis klar vor Augen habe." Seiner Neigung zur bildenden Kunst, welche damals spürbar wurde, konnte Friedrich Schiff zwei Jahre lang als Schüler der Graphischen Lehr- und Versuchsanstalt nachgehen. Dabei lernte er Fertigkeiten, die ihm später bei seinen Gebrauchsgraphiken zustatten kamen. Im Alter von 16 Jahren kam er an die Akademie der bildenden Künste in Wien, wo er vier Jahre lang studierte.

Schon während seiner Studienzeit arbeitete er für Zeitungen. Seine Zeichnungen berühmter österreichischer Schauspieler verraten seine große Begabung. Doch das nach dem Zerfall der Monarchie zu einem Kleinstaat geschrumpfte Österreich war dem jungen Maler zu eng. Sein Cousin Francis Gmehling, Sohn der älteren Schwester von Friedrich Schiffs Mutter, lebte bereits einige Jahre als Kunst- und Antiquitätenhändler in Shanghai. 1930 entschloß sich Schiff, sein Glück ebenfalls in China zu suchen. Dort wäre er fast nicht angekommen, denn während der langen Reise legte er seinen Skizzenblock kaum weg. Als er in Moskau in der Nähe eines Bahnhofes zeichnete, wurde er verhaftet und erst nach einem langen Verhör wieder freigelassen. In Shanghai kam er fast ohne Geld in der Tasche an und mußte sich beeilen, Fuß zu fassen. Er selbst hat beschrieben, wie Shanghai auf ihn wirkte: "Zur neuen Heimat wurde mir Shanghai bald. Das Leben in dieser buntesten internationalen Stadt der Welt mit seiner Unruhe, seinen ständigen Wechselfällen, dem Reiz der Neuartigkeit und der Fremdheit faszinierte mich. Ich war jung und hatte



offenen Augen und Ohren für all das Neue, das auf mich einstürmte. Und ich muß sagen, daß diese Stadt und die Menschen in ihr niemals anders auf mich gewirkt haben. In all den Jahren, da ich da gelebt habe, in guten und schlechten Zeiten, rollten die Bilder und Eindrücke, ein nie endender, immer interessanter, lebensvoller, faszinierender Film an meinen Blicken vorbei..."

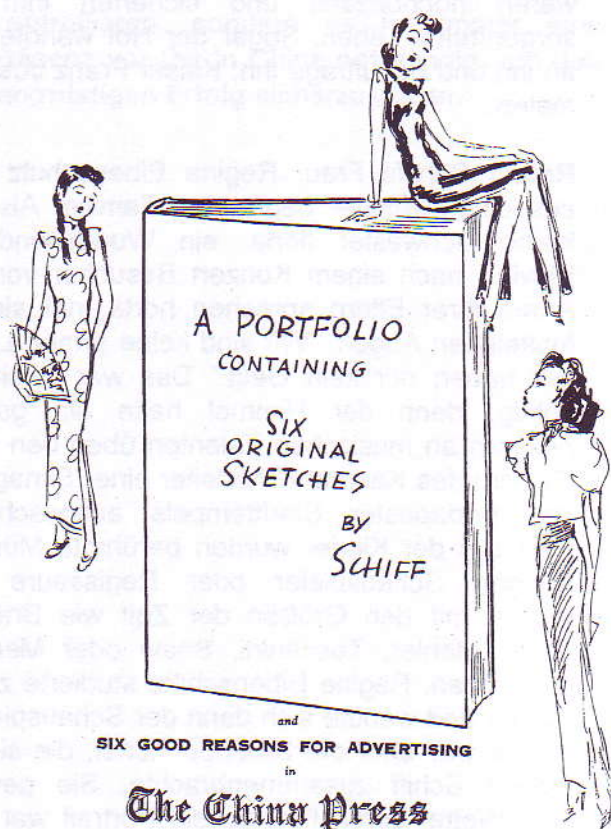


Schiff ist es wie kaum einem anderen Europäer gelungen, die an ihm vorbeiziehenden Bilder mit Stift und Pinsel einzufangen. Am Anfang führte er sich mit Portraits ein, welche noch aus seiner Wiener Zeit stammten. Doch bald standen chinesische Typen im Mittelpunkt seines Schaffens, und er zeichnete sie, als habe er niemals andere Motive gehabt. Shanghaier Zeitungen, welche vorher in den Gesellschaftsspalten seine Portraits von lokalen und durchreisenden europäischen Zelebritäten gezeigt hatten, brachten mehr und mehr seine chinesischen Köpfe. Mit diesem Oeuvre erregte er auch in Wien 1933 bei einer Ausstellung im Glaspalast Aufsehen. Das Wiener Tagblatt lobte: "Diese chinesischen Schädel sind mit einer meisterlichen Entschiedenheit behandelt, mit einem hinreißenden Temperament hingelegt,

hingefegt, das imponiert."

Das imponierte auch dem Peiping Chronicle. Schiff erhielt von dieser Zeitung den Auftrag, eine Serie von Portraitskizzen der bekanntesten Persönlichkeiten der Stadt anzufertigen. Gleichzeitig begann er eine Zusammenarbeit mit der aus Österreich stammenden Korrespondentin der "Neuen Freien Presse" und illustrierte ihr Buch über Peking, welches von Kelly und Walsh herausgebracht wurde. Diese Aufgaben hielten ihn fast ein Jahr in Peking fest. Das Buch erschien zu Weihnachten 1934. Schiffs begleitende Bilder wurden von der Tientsin Times folgendermaßen charakterisiert: "It is a work of art, informed with a whimsical humour, the very milk of human kindness, and a sense of the beautiful."

Schiffs Stern stieg unablässig. Journale übernahmen seine Arbeiten auf ihre Titelseiten. Die China Press warb um Kunden mit Portfolios, welche sechs Graphiken von Schiff enthielten. Seine Kunstpostkarten, bei Kelly und Walsh, welche Szenen aus dem chinesischen Alltagsleben zeigten, waren so beliebt, daß andere Verlage Raubdrucke anfertigten. In Kooperation mit Ellen Thorbecke erschienen 1938 ein Buch über Hongkong und 1940/41 eines über Shanghai, mit dem Schiff seiner neuem Heimat ein schelmisch-liebenswertes Denkmal setzte.



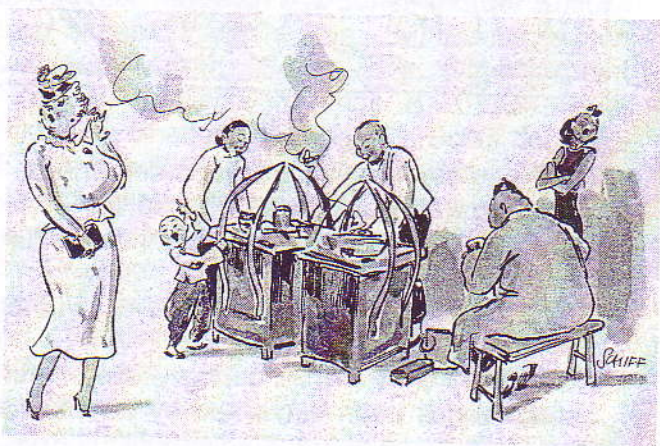


Die japanische Besatzung ließ die Künstler Shanghais enger zusammenrücken. Insbesondere die Karikaturisten befanden sich in einer sensiblen Situation und Schiff gehörte dazu, denn er war alles in einem: Schöpfer von spritzigen Cartoons, von leicht hingehauchten Aquarelllandschaften und von ausdrucksstarken Ölbildern.

Im Januar 1942, kurz nach dem japanischen Einmarsch, erschien mit englischen, chinesischen und japanischen Titeln ein Album des neu gegründeten Shanghai Cartoonist Club mit einem umfangreichen Beitrag Schiffs. Über das Motiv der "cabaret queen" berichtet The Times Week: "He might be called the creator of the "Schiff Girl".



キャバレーの女  
"CABARET GIRL"  
酒吧西施  
By SCHIFF  
シフ・作



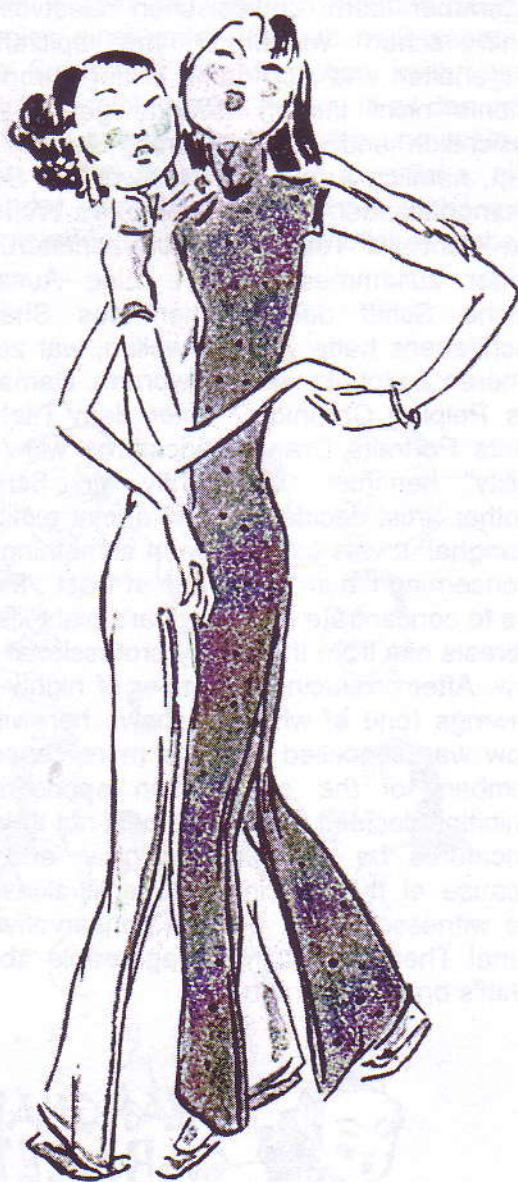
Eines der anderen Blätter heißt "Parfum de Shanghai" und zeigt eine feine europäische Dame, welche vor einer chinesischen Garküche die Nase rümpft. Europäische Überheblichkeit

gegenüber dem chinesischen Gastvolk hatte Schiff schon wiederholt mit spitzem Stift festgehalten und sich damit in der europäischen Kolonie nicht immer Freunde gemacht. Auch hinsichtlich anderer Chambres, die das Album zeigt, nämlich Armut und Halbwelt, ist Schiff mit "Shanghailändern", die Shanghai als Welt für sich und nicht als Teil Chinas betrachteten, immer wieder zusammengestoßen. Eine Ausstellung, welche Schiff den Themen des Shanghaier Nachtlebens hatte widmen wollen, war zu einem früheren Zeitpunkt vereitelt worden. Damals hatte das Peiping Chronicle unter dem Titel "Schiff paints Portraits Draws Caricatures with Marked Ability" berichtet: "Recently Mr. Schiff and another artist decided to hold a joint exhibition in Shanghai. It was to have been something unique - concerning life in "The Paris of East". Mr. Schiff was to concentrate on Shanghai's night life, which interests him from the strictly professional point of view. After producing a number of highly original drawings (one of which is shown herewith) the show was cancelled because more conservative members of the organization sponsoring the exhibition decided it would be best not to let these caricatures be seen in Shanghai; and mainly, because of the dancing girls' split skirts, which one witnesses daily, even in conservative North China! There is nothing disagreeable about Mr. Schiff's brand of humour."



CHINESE AMERICAN PUBLISHING CO.





Ja selbst "harmlose" Arbeiten Schiffs, welche bloß chinesische Elemente enthielten, hatten herbe Kritik hervorgerufen. Nach Eröffnung eines neuen Kinos, welches mit einem Ölbild Schiffs geschmückt war, schrieb ein Leser an die North China News:

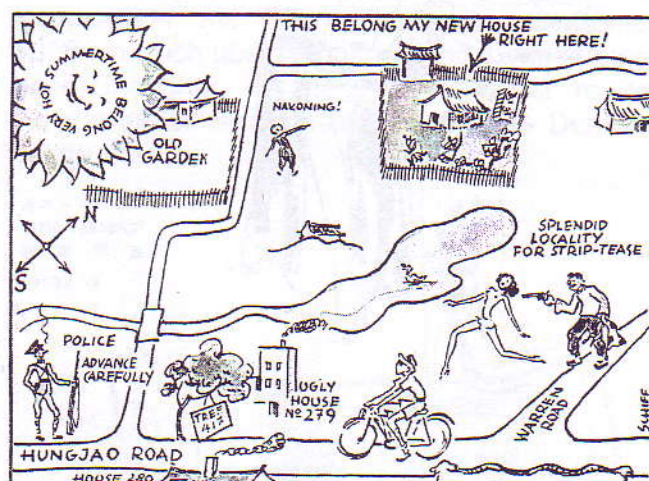
"My aesthetic sense, however, was very rudely assailed when in the foyer of the theatre I found myself confronted with the framed picture of a junk sailing on the high seas under a very torrid sun. The impression created, was to my mind that it spoils the effectiveness of quiet dignity that is the principle feature of the foyer and its most striking and compelling quality. This touch of orientalism is quite out of place in a building where the design and decorative scheme are decidedly foreign and modernistic to the last detail. This is not said in disparagement of things

oriental - they are beautiful in their proper environment - but anyone can see that the "junk-picture" in the foyer spoils the atmosphere of the place and looks very tawdry and cheap." (29.6.1933)

Mit dieser europäischen Arroganz war es nach 1945 vorbei. Einer Freundin schreibt Schiff diese sarkastischen Zeilen: ".... The white man has lost his prestige, lost his face. The 'good old days' are gone for ever. With them went extraterritoriality, the idea of the white master, the taipan and all ideas of social superiority...

Andererseits konnte er sich auch nicht mit der neuen Guomindang Regierung Shanghais anfreunden:

"Instead of a city-government ruled by and for the Taipan-class we have bureaucracy of a still very disorganized and disorderly type... When discussing and often criticizing the affairs of China and Shanghai in particular I am often told by many of my friends that after all I am a foreigner, a guest in this great country. They insinuate or tell me frankly that I should take things as they are or - if I don't like it - I should get the hell out of here".



In China hatte er sich während der Kriegs- und Nachkriegszeit auch einen Namen als Schöpfer von Ölbildern gemacht, wie folgende Zeitungen beweisen:

"Local Cartoonist Reveals Versatility by Staging Oil Painting Exhibition Here"

... Schiff as a cartoonist during years of work in Shanghai has been exclaimed by a multitude of fans. But as a painter and artist Schiff is expected to coin even a greater following of art-loving fans if only to judge by his initial display of his oil and other colour work."



Nach dem Victory Day schrieb die China Press am 2. Juni 1946 unter der Schlagzeile "Cartoonist Schiff's Versatility Shown in Exhibition of Oils" über den internationalen Ruhm des Künstlers, der sich in der Ausstellung bestätigte und drückte zum Abschluß eine Hoffnung aus:

".... It is hoped that more of Schiff's work will be made accessible to the public as time goes on. This is said with particular regard to paintings with Chinese motifs, in which the artist has achieved singular success, but of which the present exhibition is conspicuously bare. This concerns especially his outstanding studies of Chinese monks and his interpretation in the Western Style of Chinese art motifs."

Dieser Hoffnung wurde Schiff auch in Argentinien gerecht. Denn China sollte ihn nie mehr loslassen. In Buenos Aires erhielt er 1952 als einziger ausländischer Künstler für das Bild eines chinesischen Kindes die Goldmedaille des argentinischen Kulturministeriums. Über Schiffs Werk schrieb die argentinische Kunstzeitschrift *Lyra*:

"Die Ausstellung bringt chinesische Portraits und Landschaften in Öl, Aquarell und Pastell, alles mit der gleichen Meisterschaft behandelt, einer Technik, die nie gleich bleibt, sondern sich feinfühlig dem Charakter des Motivs anpaßt, ohne daß dabei in irgendeiner dieser Arbeiten die Charakteristik des Künstlers verlorengeht."

1954 kehrte Schiff nach Österreich zurück. So wie früher in Argentinien hielt er auch in Wien gerne Vorträge über chinesische Kunst und Kultur.

Ein internationales Publikum fand er auch bei den immer wieder in der Kunst und der Kultur - auch anderer Hemisphären - aufgeschlossenen Freimaurerkreisen. Schon sein Vater Robert Schiff war Mitglied einer Loge. Bald nach seiner Ankunft in Shanghai ist Friedrich Schiff der Loge "Ex Oriente Lux" beigetreten, in deren Wappen der Himmelstempel zu sehen war. In Argentinien gehörte er der Loge "Sokrates" an. Im Rahmen der Großloge in Wien bemühte er sich seinen Logenbrüdern chinesische Verhältnisse in feiner und objektiver Weise nahezubringen. In einem dieser Vorträge zeichnete er ein lebendiges Bild des Shanghai der dreißiger und vierziger Jahre:

"Will man das Portrait dieser Stadt malen, muß man es in kontrastierendsten Farben tun und zu jedem Farbfleck, den man auf die Leinwand setzt, sogleich die Komplementärfarbe fügen. Denn diese Stadt und das Leben in ihr besteht

aus den schärfsten Gegensätzen: Hier stehen Luxusapartmenthäuser mit allen Errungenschaften moderner Technik ausgestattet, mit Zentralheizung, Air Conditioning und eigenem Schwimmbad, das nur für die Mieter und ihre Gäste reserviert ist. Gleich daneben leben Kulis in primitivsten Behausungen. Unter den Strohdächern der Sampans, die schmalen Wohnboote, die sich zu Hunderten am Ufer drängen, werden Menschen geboren, und auf dem engen Deck sterben sie, ohne je ein anderes Heim gekannt zu haben. In den Straßen der chinesischen Stadt schlafen in den erstickend heißen Sommernächten die Menschen auf Strohmatten auf der Straße, um der unerträglichen Hitze in ihren engen, primitiven Häusern zu entgehen. Und nicht weit entfernt, auf dem Dachgarten des eleganten Klubhauses, trinken Damen im dekolletierten Abendkleidern und Herren im weißen Smoking ihren eisgekühlten Whisky. In diesem Shanghai lebten Menschen in für unsere Begriffe unvorstellbarem Elend. Und hier gab es ebenso kaum vorstellbaren Reichtum. Es gab Hunger, Hunger und Not, und es gab die raffinierteste Küche der Welt, in der das Kochen zu einer Kunst entwickelt worden war. Hier gab es uralte Lebensweisheit und daneben ein fast tierisches Dahinvegetieren und rücksichtsloses Raffen und Jagen nach materiellen Gütern."

In einem anderen, bereits in Buenos Aires konzipierten und im Anhang 2 zu diesem Beitrag abgedruckten Vortrag, bringt er eine Analyse der damaligen Situation der chinesischen Kunst verbunden mit der Hoffnung auf ihre Wiedergeburt nach dem Chaos von Krieg und Bürgerkrieg.

In einem der "Malerei unserer Zeit" gewidmeten Referat bittet Friedrich Schiff einmal mehr um vermehrtes Verständnis und Toleranz und legt ein eigenes Bekenntnis über künstlerisches Schaffen ab:

"Nicht alle, die sich Künstler nennen, besitzen genügend künstlerisches Gewissen. Vielen fehlt der nötige moralische Halt und sie unterliegen den Versuchen, die dadurch entstehen, daß die alten Wertigkeiten aufgehoben sind und die neuen Werte noch nicht immer feststehen. Die neue Kunst ist wie ein faszinierendes Abenteuer, sie gibt aber auch Möglichkeiten für Abenteurer. Die Tatsache, daß es unter den Jüngeren der Modernen auch Scharlatane und viele Mitläufer und Nachahmer gibt, sagt jedoch gar nichts gegen diese Kunst selbst aus. (...) Zieht man den

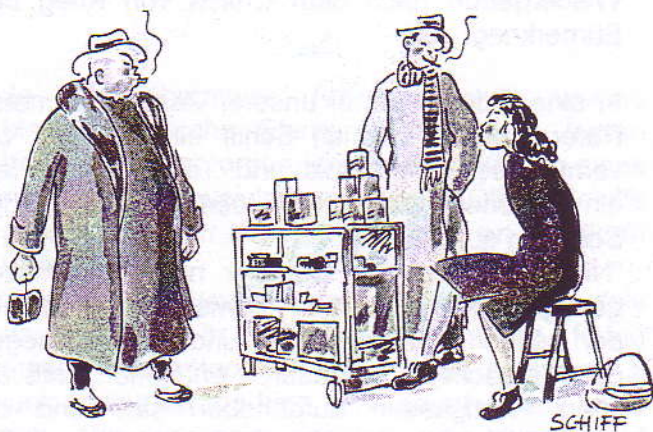


Snobismus und die Spekulation ab, dann bleibt wohl nur eine viel zu kleine, eine erlesene Schar ehrlich Begeisterter. Die Masse Mensch aber bleibt der Entwicklung der Künste ein unbewußter Feind. Sie sieht heute noch in der Kunst bloß die Wiedergabe des Objekts (...) Die darstellende Kunst ist aber nicht dazu da, das, was es in der Natur schon einmal gibt, noch einmal zu machen. Paul Klee sagt: "Die Kunst gibt nicht das Sichtbare wieder - sie macht sichtbar!"

(...) Ich möchte mit ein paar Sätzen von Somerset Maugham schließen, die ich schon einmal in einem Baustück zitiert habe:

'...Schönheit ist etwas Wunderbares, Seltsames, etwas vom Künstler im Sturm, in der Qual seiner Seele aus dem Chaos der Welt Geformtes. Und wenn es geschaffen ist, ist es nicht allen und jedem gegeben, es zu erkennen. Dazu ist es nötig, das Abenteuer des Künstlers nachzuleben. Es ist wie eine Melodie, die Dir vorgesungen wird. Um sie in Deinem eigenen Herzen wiederzuhören, brauchst Du Wissen, Phantasie und die Kraft des Miterlebens.

Schiffs Ausstellungen - vor allem im Wiener Künstlerhaus - erregten großen Beifall. Zu Vernissagen in Wiener Galerien kamen solche in Johannesburg (1958) und London (1960). 1962 folgte eine Festwochenausstellung der Werke Schiffs unter dem Titel "Reiseimpressionen". In seiner Eröffnungsrede verriet Prof. Keplinger, was sich hinter dem schlichten Titel verbarg: "Die menschliche Aussage des Künstlers Schiff verwischt die Grenzen. Wie begegnen dem Schicksalsgefährten in der Weite der Welt."



Obwohl er China 1947 verlassen hatte, fühlte er sich noch zwanzig Jahre später den chinesischen Motiven verbunden. Seinen letzten Zyklus, den er kurz vor seinem Tod im Jahre 1968 fertigstellte, widmete er dem chinesischen

Menschen. Mit großer Ausdruckskraft überhöhte er das, was ihn in China fasziniert hatte.

Friedrich Schiffs umfangreiches Werk ermöglicht es dem Betrachter heute noch, China und die Chinesen aus seinem Blickwinkel zu betrachten, obwohl er für immer die Augen geschlossen hat. Nach der Etablierung diplomatischer Beziehungen zwischen Österreich und China im Jahre 1971 wurde das Interesse an seinem Opus noch größer. Im Rahmen der Aktivitäten der österreichisch - chinesischen Freundschaftsgesellschaft stellte der Autor dieses Artikels ein Buch über die China gewidmeten Werke Schiffs zusammen. 1983 bereitete er eine große Ausstellung Schiffs in einer der wichtigsten Galerien Wiens vor. Die Eröffnung wurde vom Präsidenten des österreichischen Parlamentes Dr. Heinz Fischer vorgenommen. Mehrere Regierungsmitglieder nahmen teil. Der aus Shanghai gebürtige chinesische Botschafter in Wien Wang Shu verfaßte für Shijie Zhishi einen langen illustrierten Beitrag über Friedrich Schiff. Wang Shu wählte als Titel für seinen Beitrag jenen, den Schiff für eine Zeichnung verschiedener lächelnder chinesischer Typen gewählt hatte: "Ich mag die Chinesen". Wang Shu, der vor seiner diplomatischen Karriere Journalist war, ließ in seinem Beitrag sehr persönliche Erinnerungen einfließen:

"Fast zur selben Zeit lebte ich auch in Shanghai. Das Buch über Schiff erinnert mich an die ätzenden Skizzen, welche damals in den englischsprachigen Zeitungen Shanghais veröffentlicht worden sind. Es gemahnt mich auch an das Shanghai als Paradies der Abenteurer jener Zeit... Schiff hat Kontraste gemalt - Kulis, arme Leute, Arbeitslose, Bettler, Hausierer und Prostituierte. Andererseits malte er Bürokraten, Militär, Halbwelt und alle kleinen und großen Vertreter der herrschenden Klasse. In dem Buch findet sich eine Auswahl vieler seiner Werke aus jener Zeit. Wenn die Zeit auch schon lange zurückliegt, so reflektieren seine Bilder Sympathien und Abneigungen des Malers, was die Betrachter stets tief berührt hat.... Schiff fühlte das Unglück des chinesischen Volkes und hat das ausgedrückt, und er hat sich über die Besitzer lustig gemacht... Die Wiederveröffentlichung seiner Werke ist eine sinnvolle Arbeit: An die Geschichte des alten Shanghai zu denken und an die damaligen Alpträume ist für den Betrachter wichtig. Es ist sehr schade, daß Schiff das heutige Shanghai und das neue China nicht sehen und nicht hinfahren kann, um wiederum dort zu malen."



1993 folgte in einem staatlichen Museum in Wien wiederum eine Ausstellung der Werke Schiffs, an welcher mehrere Minister aus Österreich und China teilnahmen. Während der neunziger Jahre wurden seine Bilder außerdem noch in Salzburg (1995) und Köln (1997) präsentiert. In Salzburg fand zur gleichen Zeit ein internationales Symposium über "Juden in Shanghai" statt, auf welchem der Verfasser über Schiff referierte. Nach dem Vortrag meldete sich Prof. Frank Qian zu Wort und sprach seine Anerkennung aus, weil der Vortragende seiner Meinung nach nicht nur den europäischen Einwohnern Shanghais sondern auch der chinesischen Bevölkerung gebührend gedacht hatte. Diese Haltung fand er auch im Schaffen Schiffs reflektiert, und es begannen gemeinsame Überlegungen, wie man sich anlässlich des 90. Geburts - und 30. Todestages gemeinsam an diesen großen Maler und Menschen erinnern könnte, dessen Pinselstriche Shanghai und Österreich einander näher gerückt haben. Dafür gebührt Prof. Frank Qian der besondere Dank beider Nationen.

Mit seiner Hilfe und der des Shanghaier Magazins Shanghai Huabao gelang es, für das Jahr 1998 in der Galerie der Shanghaier Stadtbibliothek eine große Ausstellung von über hundert Werken Friedrich Schiffs zustandezubringen. Von den beiden Kuratoren der Ausstellung Kreissl und Kaminski fuhr Barbara Kreissl im Mai nach Shanghai, um letzte Details zu besprechen. Von der chinesischen Seite wurde für anschließende Ausstellungen in mehreren anderen chinesischen Städten und für begleitende Vorträge Prof. Qians gesorgt. Die österreichischen Partner kümmerten sich um die hochrangige Eröffnung der Ausstellung am 20.8.98 durch den Bundesratspräsidenten Alfred Gerstl, und die Vorbereitung und Kommentierung der Exponate. Ebenfalls dem Andenken Schiffs gewidmet ist die chinesische Übersetzung des von Kaminski anlässlich der Gedächtnisausstellung 1983 verfaßte Buch "China gemalt - chinesische Zeitgeschichte in Bildern Friedrich Schiffs." Sie stammt von Prof. Qian, der ebenfalls eine Neuauflage der beliebten Schiff-Postkarten mit Motiven des Shanghaier Milieus veranlaßt hat. Ein großer Maler und Mensch wurde damit endgültig auch in China der Vergangenheit entrissen. - Nicht nur der Maler, sondern auch der Humanist.



Schiff hat eine Federzeichnung hinterlassen, welche so etwas wie ein geistiges Vermächtnis darstellt. Auf einem Thron, der mit dem Wort "Dogma" geschmückt ist, sitzt eine Frau, die Königin Viktoria ähnelt. In ihrem Ausschnitt streiten kämpferische orthodoxe Juden miteinander, und unter ihrem Rücken haben sich chinesische Warlords, südamerikanische Militärs und feiste Ausbeuter versteckt. Vor dem "Dogma" steht ein winziger Bittsteller. Das Dogma zeigt als Antwort bloß unter seine Röcke. Menschlichkeit, die Devise von Schiffs Lebenswerk hat in China nach der Kulturrevolution wiederum Heimstatt gefunden und die große Schiff Retrospektive ermöglicht.

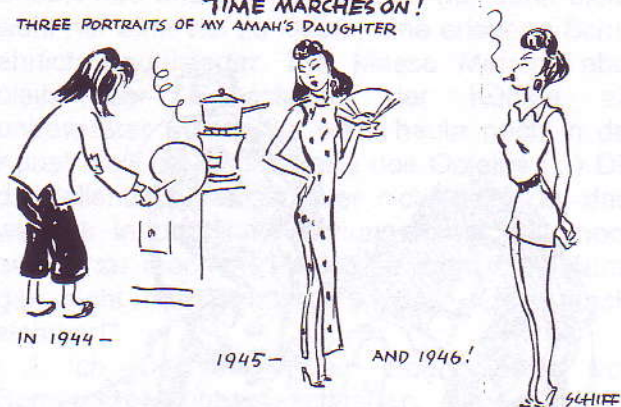
#### ANHANG 1

Shanghai, March 21st 1946

Dear Maureen,  
You want to know all about the Chinese girl, how she walks and talks, how she looks and dresses, is that it? It's going to be difficult to answer all your questions in a short letter. I'll try anyway.



**TIME MARCHES ON!**  
THREE PORTRAITS OF MY AMAH'S DAUGHTER



First of all she "walks" just the same way as all her foreign sisters. The bound feet are a thing of the past - one can see only old women with crippled feet nowadays - although I hear that this custom is still to be found among peasant folk in out-of-the-way places in the interior. The modern Chinese girl does not trip around helplessly. Her way of walking is quite up to date, she knows all the tricks, how to sway her hips and how to show a pretty leg (and by jove they do have some lovely legs to show!).

There is a great variety of different types of women, the differences being very outspoken and mostly easily recognizable at a first glance. I'll sketch a few types for you so you'll know better what I mean. Here is a lady of the old-fashioned type, dressed in traditional black-silk pants and a short jacket.

Next the amah, the servant girl. She wears a white jacket and black cotton pants and her hair is done straight back into a knot. Quite often funny fringes cover her forehead.

But the regular modern dress of the Chinese girl is a long, straight gown with a collar varying in height and stiffness. The skirt is slit from the ankle to the knee or higher, depending on the particular lady's modesty, the shapeliness of her legs and also her social position. In my next sketch you will easily recognize a college-girl. Her dress is plain, her shoes are comfortable, her hair is done in a simple way. But the following drawing shows a young woman of an entirely different type. Although the fundamental style and cut of the dress is the same as before, the effect is entirely different. Here are two specimen belonging to two different worlds. The last beauty prefers high-heeled shoes, the slit in her skirt shows that she is more than proud of her silk-stockinged legs and that she surely prefers jazz to psychology and would certainly rather make her living by dancing than by typing. And - judging by the elaborate creation setting up her pretty, made-up, doll-like face, she must spend hours at the hairdressers. By the way:

Plenty of make-up is used by the women of all classes without shyness, even small children can be often seen with painted lips and cheeks. But rouge and lipstick lend themselves well to accentuate the strange

oriental beauty of the Chinese woman's face and the red lips contrast effectively with the soft ivory skin.

It is impossible not to admire the elegance, stylishness and charm that the modern Chinese girl of good class manages to put into that simple gown of hers by just adding a few touches of her own, an earring, a flower etc. or by choosing specially smart material of a particular design or colour. Materials vary from stiff brocaded satins to stuffs so transparent that they give, in spite of the collar, the effect of décolletage. The result is hard to beat!

A necessity for achieving it, is the Chinese girls' graceful figure, the slimness of her stature, her poised carriage and her beautiful aristocratic hands. No woman of another race can wear that kind of dress without the most abominable consequences. Here is a sketch of a Russian beauty I saw dancing the other day at the American Officers Club, dressed in a Chinese gown...well, and how do you like that? The Chinese girl knows much better than to take over styles not becoming to her. Still she has - especially since the war - taken shorts and slacks and she can look very sporty. But she will never wear a foreign style evening-dress and refuses to put on crazy hats of the kind her western sister sometimes favours.

Here is an inborn taste, a highly developed sense for what fits and improves her appearance. She is quite unlike the Japanese woman, who looks so attractive, and picturesque in her native kimono, but has adapted the western fashion without any understanding, without making any choice and mostly with a ridiculous result.

The modern Chinese girl is a strange and unique person. She is far removed in appearance and general outlook from the average Chinese woman, still she is just as far from modern American girl. She is not "Chinese" any more and nor really westernised yet. She is cosmopolitan, a phantastic flower grown in the crazy melting-pot (hot-house?) of Shanghai, where modern ideas bloom on the age-old soil of China.

Well - that's all for today. Be good!

Yours as ever

**THE CHINESE GIRL GOES MODERN TOO**





## ANHANG 2

### **Talk on Chinese Art, given for the Association of British Artists, Buenos Aires on July 28, 1949**

We all know the old truth: Whenever anybody talks or writes about any subject under the sun, he uses his subject as an excuse to speak about himself. There is no getting away from this truth, so I won't even try. I will therefore not attempt to give you a historical study of Chinese art, and – to reassure you right away – I do not intend to burden your mind with a lot of names and dates, as in any case I have an extremely weak memory for that sort of thing. But I will try to tell you – as good as I can – about my own experiences and thoughts "apropos" of Chinese art, and I shall give you a rough outline of what in my opinion are the fundamental differences between Chinese and Western painting and of what they have in common.

All painters – Western or Oriental – take their inspiration from optical visions and work towards an inner intensification of the same. But their method of approach differs greatly. While greater part of our own painters during the past centuries created under the more or less direct and immediate influence of nature, the ancient Chinese masters – on the contrary – only contemplated nature. It was a very deep, a very thorough contemplation. It was as if they tried to absorb entirely and sort of digest all they saw and then – as a result of long study and when all their experiences and impressions had ripened – they took up the brush and without looking at nature again – they painted. That way and although their art grew out of an intense observation of nature, they worked freely, giving only the essence of what they were trying to express, undisturbed by all unnecessary details and chance effects – chance effects which so easily enter into the work of the artists painting directly from nature. Of course, as we said above, the fundamental idea in all great art is always the same and therefore our own great masters have pursued the very same aim, approaching it in a different way only.

There have always – even during the most naturalistic periods and trends in the history of our art – existed ideas in the minds of western artists, very similar to those which their oriental brothers discovered for themselves. We know for instance that Delacroix made his pupils work in a studio adjoining the one in which the model posed. The students were allowed to go to that other room as often as they cared to and look at the model however long they wanted – but never were they permitted to paint there. Delacroix most probably wanted to force his pupils by this method to achieve a certain simplification by leaving out all non-essential details and by concentrating only

on the really important parts of their picture. And when the famous German impressionist Liebermann said: "To draw means to omit", he certainly tried to express a thought growing out of the same source. Nowadays – in our expressionistic time – we are perhaps nearer to the Chinese idea than ever before, only that we have gone still several steps further. Instead of following – sometimes perhaps too slavishly – the dictates of nature, we now use her freely. We select, omit, change and even distort, depending on the artists' individual conceptions. Whether this newly-won freedom has not perhaps sometimes intoxicated our generation of painters and made their ideas and their enthusiasm run away with them, is another question which does not belong into this little talk.

But what became of this great Chinese art? Why have the glorious day of the past been forgotten? Why the decline, after such heights had been reached? The reasons are several. To my mind the strongest one is that this particular trend in Chinese art, to which I have referred above and which originally made up its greatest force, has slowly led the painters further and further away from nature until their mode of expression became more and more stereotype. They reached a point where they came to use a number of fixed signs, almost as fixed as the characters of their pictorial writings, nearly like symbols, representing different flowers, trees, mountains etc. etc. These they used in a rather set way of arrangement under conventionalised traditional rules of composition. The result was of course – repetition. Chinese art, like any art that no longer draws nourishment from the sources of nature, degenerated into something purely decorative and very much calligraphic. It is not entirely by chance that in the Chinese language there exists only one word – "hwa" – meaning writing and painting at the same time. Chinese writing is very beautiful and offered much opportunity for the development of calligraphy, which was always held in highest esteem, and since centuries has been a great art in itself. It was and is as highly appreciated as painting and the two are closely connected, more particularly so as very often an explanatory text, a poem or a famous saying accompanies pictorial representation and is written directly on the painting.

One more reason for the decline of Chinese art is the limited choice of subject matter. Only a certain amount of subjects were considered worth while to be represented: flowers, trees and bamboo, landscapes of a certain type, a number of animals and birds, a few historical scenes and events, including portraits or character studies such as ancestor portraits, representations of the famous emperors, their courtesans and warriors, or of the great poets, sages and teachers. But such portraits were rarely painted directly from nature, a custom partly due to superstition. No nudes exist in Chinese art except in pornographic pictures. A coolie working, a beggar on



the street and similar subjects were and still are considered unfit to be represented by great art. To my knowledge there exists only one collection of woodcuts showing the life of peasants and these prints /not paintings/ are of an illustrative type. Today, in our western art, the matter of subject in painting is liable to be treated rather negligently. We consider the mode of representation as far more important than the choice of subject. But it will be clear to everyone how strongly such a limitation in subject matter as I have just described must have influenced the development of Chinese art, for thereby it lost touch with everyday-life and missed that most necessary contact, which might have helped greatly to keep the work of the painters fresh and alive.

Then there is the influence of China's political developments. As soon as after the last Manchu-invasion the Chinese were left completely to themselves, their science, their literature, their art became stagnant. By their system of guarding against any foreign influence, they were cut off from the rest of the world so completely that they lost all possibility of comparison and became convinced that their own methods were not only best, but far superior to all others. The sad awakening came with the opium-war and the boxer-rebellion. The doors of China were suddenly thrown open and the truth was forced upon the people that the rest of the world had been marching on at a very quick pace and had left them far behind. And only with the revolution of 1911 there started the movement of modernising this huge country, an enterprise which naturally is incredibly difficult and which will take an immense effort and much time.

Finally there remains the psychological view-point, which furnishes another explanation. The Chinese would consider men of the type of van Gogh or Gauguin as mere fools. They will not understand an idealism, which induces a man to sacrifice everything in life for the realisation of a dream, an idealism which makes him concentrate all his energy and labour on opening up new ways. In their eyes such endeavour - unless it might promise immediate, practical advantages - is quite ridiculous. A painter, according to the Chinese viewpoint, should be a person who can afford to spend his leisure time creating beautiful things. I remember a Chinese gentleman coming to visit me one day, who looked at my paintings with considerable interest. He was a man of about fifty, of a well-to-do family, holding a fairly important position in a government-administration office. He told me that he himself occasionally tried his hand at painting and that it was his great desire to become an artist. Why don't you? - I asked. "When in a few years I will retire from service, when I will have my pension and my responsibilities towards my family will permit it" - he answered - "I will devote the peaceful years remaining to art."

This may be a very pleasant, healthy and perhaps wise outlook. But it makes all the difference. For it is just this often criticised trait of the Westerner - that of pursuing restlessly and recklessly abstract conceptions of improvement - which gives him an immeasurable advantage in world-affairs over the Chinese. To live or if necessary to die for an idea, the success of which might enable others to benefit, means the height of the ludicrous to ordinary Chinese mentality. Yet this unaccountable oddity in our nature, so often a terrific penalty upon the individual, has placed our race where it is in the world today. All our achievements in science, medicine and art are due to men who were filled with that enthusiasm and readiness for sacrifice.

Maybe many of my wise Chinese friends would smile listening to my words. Maybe they would consider all this so-called progress as something to which undue importance is given. Maybe they would treat our attitude as the understandable, but highly exaggerated enthusiasm of youth and their own as the sensible and mature way of ordering life with a wise sense of proportions. Maybe they are right - maybe not. Who cares? It is really of no importance. We are not here to decide on that, but just want to show up the difference in our respective views on life and art.

Looking at the work of the great Chinese masters we will notice the afore-mentioned simplification not only in their conception, but also in their technique. They never used oil-colours, employing only Chinese ink and occasionally watercolours. This simple medium made them reduce their colour-scheme to what was absolutely necessary. The greatest paintings are often entirely without colour, only done in black ink, but with an incredible richness of different shades and ton-values. These painters knew how to give all the effects of colour using nothing more than their dried up cakes of ink which they thinned with water and into which they dipped their Chinese brush. They painted on silks and on rice-paper and the yellowish-golden tone of these materials offering a beautiful background for their designs. How hard and crude are our own chalky-white canvases in comparison with these soft and mellow backgrounds! There existed no necessity to cover a painting from one corner to the other with paint. Quite on the contrary the background could be left untouched in many parts and its empty spaces could be worked into the idea of the picture forming part of the composition. And so - with a few touches of the brush - these artists produced as by magic, birds, trees or one of those mountain-landscapes, which seem so phantastic and unreal to anybody who has not seen the Gorges of the Yang-tse-kiang and discovered that in truth these mountains do exist. Something alike - I recall - happened to me when for the first time I approached the coast of Japan. The simple silhouette of the mountain-ranges out of the



milky morning-mist made my heart jump. The scene in all its simple beauty was exactly like a print by Hokusai. I had always thought that the simplification in lines and colours in Japanese woodcuts was due only to the limited possibilities offered by the technical process. But there and then I realised such was not entirely the case, and that apparently the Japanese masters had created their technique intentionally to express the specific character and beauty of their landscape, their art having thus sprung directly from the sources of nature. And having formed their style, they now influence us to see that landscape with their eyes.

Such experience teaches us best how strong an influence is being exercised by the artist upon our way of seeing things. Who could perceive, for instance, the multicoloured loveliness of a misty day before Monet had first discovered the richness of colour contained in the grey of fog? The further advanced an artist's vision of nature becomes, the more easily he is misunderstood by his contemporaries. Manet, Monet and the impressionists have shared this fate with Gauguin and Cezanne, van Gogh and many of our modern artists. Let us think of Rembrandt's works with their heavy and mysterious shadows which were so violently rejected at his time because to the people of his days these shadows made the faces of the men and women portrayed on his paintings appear dirty. They would still create the same impression on the average Chinese today - unless he was educated in Paris or London, or occupied himself with the study of Western art. For in Chinese painting shadows of that sort never existed. I can show you here a typical Chinese ancestor-portrait. It is done in the classical stereotype manner, showing the model front-face so that both sides of the head are fully represented, and looking straight at the observer. In all such portraits one cannot help the impression that the artist did not attempt so much to create an individual that feels and thinks, but rather a personage of a certain position in the Government, the Court, or the old Chinese society. At least the same importance is always attached to the robes and insignias of rank as to the face, and although the head is well drawn, stressing the typical personal features of the model, you will notice a complete absence of shadows and of modelling. It is as if the whole figure had absolutely no volumen and it appears like separated from the air surrounding it.

We all know the way children will at first draw a human face. The nose and mouth is usually sketched in profile, but both eyes are shown. The child draws first of all with his knowledge and knowing that a man has a nose, a mouth and two eyes it quite naturally draws them like that. Only later on the child learns that when a face is seen in profile only one eye is visible. From such primitive beginnings we all have to start and learn how to see. It is the development from

hieroglyphs to a representation based on optical experiences. The Chinese have - it seems - never come to see shadows in the way we do. There exists a famous story about the old Chinese Empress-dowager, when she received some presents sent to her by Queen Victoria. Among the gifts were some oil-portraits of the Queen and of some important personages of the British Court. When the old Empress saw these she is said to have exclaimed: "But are there in the Western world really people with such faces, one half of the face white and one dark?" This story may have been invented, but it gives perfectly correct the reaction of the Chinese to our way of seeing shadows. I once had exactly the same experience with my old boy in Shanghai. One day when some of my pupils came to the studio, the model we expected did not show up. After waiting a while I finally asked my boy to pose for us, to which he agreed, and in order to explain something in connection with shadows and tone values, I made him pose in a very strong light falling on him from one side only, so that one part of his face was entirely in the shade. When after we had finished he looked at the drawings, he shook his head. I asked him whether he didn't like them. "Yes, Master" - he replied in his best Pidgin-English - "only I no have got one side my face white and one side black". It was the old Empress's remark all over.

What we have said about shadows applies also to perspective. Let us not forget that it was only during the Renaissance that we learned about perspective drawing and construction as we understand them today. Gothic painters worked entirely without bothering about perspective or about the laws of proportions as they had been used by the Greek masters. In Gothic art a painter who wanted to stress the importance of a saint in relation to the remaining persons in his picture, simply made his saint double or triple the size of the others. To an artist in those days this was the most natural thing to do, just as natural as putting a halo around the saint's head. Only the Renaissance painters began to heed the laws of anatomy, of proportions and perspective, and to correct their forefather's more primitive way of seeing nature. It was they who discovered that parallel lines running away from us are seen as if they met at some distant point and the fact that the location of this point depends on where the observer stands. In Chinese painting this idea of perspective is unknown. But I will now show you a small scroll which will prove to you that in spite of the absence of all that we usually learn in school about perspective, the painting has great depth and conveys an extraordinary feeling of distance. There are other perhaps still more striking examples, paintings on which all the lines seem definitely wrong if measured with our eyes trained by perspective construction, and which still give the strongest impression of depth and space. The best known method used in Chinese painting to achieve the



effects of perspective is to see the objects from a very high standpoint and place them one above the other. Furthermore, the size of the persons and objects represented on the picture i.e. the nearer they are placed to the upper part, the smaller they become. In short, what the Western artist would put in the furthest distance in his perspective, the Chinese puts nearest the upper end of his picture.

When orientals begin to study our laws of perspective, strange misunderstandings do sometimes happen. I remember visiting once in Tokyo a Japanese painter who showed me a screen he was just painting. Instead of one of the more usual themes he had chosen a new one. It represented a nude girl in a sort of luxurious Roman marble-bath. The perspective construction of the room was perfect, all the lines met at the point on the horizon where it was their duty to meet. It was obvious that the man had studied most industriously all he could about perspective. But he had missed several most important points. There was a design in the tiles running along the edge of the water from one end of the room to the other, which he had repeated carefully and correctly with all its details, the whole length through. It did get smaller the further away it was, but up to the last tile to be seen the details were as exact and as elaborate as in the nearest one. Also the colouring was exactly the same all over the picture - the idea of colour perspective had apparently never entered the painter's mind. Besides, when choosing his subject our enthusiastic Japanese colleague had forgotten one thing. While he painted, the screen, consisting of three or four parts connected with hinges, was leaning flat against the wall. But later when in use, it would have to be put in such a way that the different parts would stand in angles towards each other - it could not possibly stand up in any other way. Obviously this meant that its beautiful perspective construction, done with so much skill and pride, would become distorted and quite senseless.

Of course as the Chinese do not draw or paint perspective in our sense, there do not exist in Chinese painting any foreshortened figures as they appear in our art since the days of the Renaissance. Also there prevailed a complete ignorance of anatomy, so that human figures were always drawn without any preoccupation for anatomic reality and with complete neglect of the laws of proportion. This became particularly noticeable the moment the Chinese began painting in oils. The technique of oil-painting had been unknown in China and most probably was first introduced in the 18th century, by the Italian Jesuit-father Castiglioni. A rather strange style developed among Castiglioni's Chinese pupils, who used this foreign technique still keeping to many of their own conceptions. Some portraits of this period exist on which the ladies and gentlemen sit stiffly on their decorative chairs. The absence of shadows and perspective, the plain backgrounds and the simple

clear colouring often give a primitive charm to these paintings. On the other hand, during the past decades Chinese and - much more still - Japanese artists have followed in the footsteps of Cezanne and Picasso. These modern painters of Shanghai and Tokyo have nothing more to do with the ancient art. They have entirely broken with all tradition and only the work of some of them - like the drawings of Fujita, still retain a certain oriental flavour. But just this little exotic touch seems to be better appreciated in foreign lands, which may be the reason why Fujita is known in Paris, New York and Buenos Aires better than in his native land. That nearly all of these modern painters are still imitators, little Cezannes, van Goghs and Modiglianis, is only to be expected. But there are among them men with talent and ability and perhaps one day when the great and sudden rush of new influences, the big wave of foreign novelties will ebb down, a new art may grow out of the left-overs.

Much of what I have said may appear as if I wanted to criticise Chinese art or as if I had shown it to a disadvantage in comparison with our own. This I certainly did not intend to do. The great masters of Chinese painting have no doubt made for themselves a place next to the best of any race or time. Their art has been founded on their deep love and profound contemplation of nature and their work is as rich in conception and vividness, as full of the greatest treasures, as varied and sublime as any great art ever produced. And let us not forget that many centuries ago, when the whole of Europe was still a wilderness, China already had created a highly developed culture and art. When during the dark ages in Europe all the achievements of the Egyptian, Phoenician, Greek and Roman civilisations had been forgotten, this strange art blossomed in the East. When our own ancestors still lived like half-savages the Chinese, robed in beautiful silks, already hung delicately painted scrolls on the walls of their ample houses and charming pavilions. How short appears the history of our own art in comparison and still - how many ups and downs must we already register! How often already, during these few centuries of European art-history, has the scene been shifted, on which our art grew to unforeseen heights, so often to descend again into mere obviousness. It seems that one thing can be learned from that story: Art needs certain surroundings, certain conditions - mental and material - to develop to its full splendour. These existed in the deep religious feeling of Gothic times and in the great spirit of the Italian Renaissance, in the lavishness and splendour of Venice as well as in the well-founded security of the Dutch burghers of Rubens' and Vermeer's days, in the aristocratic elegance of the England of Gainsborough and in the glittering atmosphere, the esprit and the varied and noble beauty of that great melting-pot - Paris. But although we might be able to name many of the necessary ingredients of such atmosphere, we cannot exactly



describe it, still less do we know how to create it. Turning to our original theme we can only say that it appears as if for many centuries these favourable circumstances had existed in China. Now the great centuries of splendour and fulfilment, the days of the Celestial Empire when Li-Tai-Po could sing and get drunk on wine and beauty, are forgotten. New forces have gripped the country - war and revolution. There is no time for the calm and peaceful art of bygone days. But who knows whether the leaf will not turn once more, whether after the periods of staleness and decline the day will not come that will bring us a revival of Chinese art. How and when that will be we cannot possibly guess nor can we predict what new impulse will bring it about. For we know too little about these things and their secrets are as strange to us as the forces of nature and creation.

## 102 ways that you know you're Chinese

1. You love to go to \$1.75 movies.
2. You love to go to the \$1.50 movies even more!
3. You don't order sweet and sour pork, egg foo young, or chop suey at a Chinese restaurant.
4. You have a pager, even though you don't really need it.
5. You have a really nice pager, with an alphanumeric display.
6. You have a cellular phone, even though you don't really need it.
7. You hate to spend more than \$5 for lunch.
8. You drive a Honda.
9. You have custom rims on your Honda.
10. You have a Chinese knick-knack hanging on your rearview mirror
11. You like to eat chicken feet.
12. You suck on fish heads and fish fins.
13. You turn bright red after drinking 2 tablespoon of beer.
14. You can get a buzz on Coors Cutter, O'douls, or Miller Sharps.
15. You look like you are 18.
16. You always look up at women, if you are male.
17. You always look up at Chinese man, if you are female.
18. You live at your parents' house, and you are not claimed as a dependent by them.
19. You only buy used cars.
20. You have more than 5 remote controls in your TV rooms.
21. You sing Karaoke.
22. You have a custom stereo in your Honda with the custom rims.
23. Your entire house is covered with tile.
24. You have those plastic walkways covering your hallway and other heavy foot traffic areas.
25. You own a gun if you are male.
25. You have plastic or some other kind of cover on your furniture.
27. You leave the plastic on your lampshade for 10 years or more.
28. You eat family dinners with the TV on.
29. You love watching Connie Chung.
30. You have an incredible amount of clutter in your house.
31. You can't bear to throw away things.
32. You are an engineer.
33. Your dad washes his hair 4 times a year.
34. You hate getting B's.
35. Your house smells like preserved fish.



36. Your house smells like Chinese medicine.
37. You have about 12 - 20 uncles and aunts.
38. You've never kissed your mom and dad.
39. You've never hugged your mom and dad.
40. Your unassisted vision is worse than 20/500.
41. You wear contacts, to avoid wearing your "coke bottle glasses".
42. You've worn glasses since you were in fifth grade.
43. You had a bowl cut before.
44. You go to yard sales often.
45. If you lose a dollar, you dwell upon it for more than 5 minutes.
46. Your parents own a restaurant or grocery store.
47. You love to "buck" the system.
48. If you are overcharged you scream bloody murder, but if your undercharged, you go your merry way.
49. Your hair sticks up when you wake up.
50. You get a rush from getting a good deal.
51. You'll make ridiculous offers when bargaining. ("I'll give you \$5 for that car")
52. You'll haggle over something that is not negotiable.
53. You love to use coupons.
54. You drive around looking for the cheapest gas.
55. You add twice the recommended amount of water when making orange juice from concentrate.
56. You'll squeeze a toothpaste tube down to paper thin.
57. You take showers at night.
58. You'll drive around for hours looking for the best parking space.
59. You'll learn about sex from someone other than your parents.
60. You'll be convinced your parents had sex as many times as required to produce you and your siblings.
61. You've never seen your parents kiss.
62. You've never seen your parents hug.
63. Your grandmother lives with you and your family.
64. Your Honda has been "lowered".
65. You never buy stuff from the concession stands at the movies.
66. You tip 15% or less.
67. You never order dessert at restaurants.
68. You always have water only when dining out.
69. You refuse to use the valet.
70. You try not to use the bellhop, for fear of tipping.
71. You avoid the non-free snacks in hotel rooms.
72. You don't mind squeezing 20 people into one motel room.
73. You want your dollar back from the friend who borrowed it right away.
74. You get the runs when you drink lots of milk.
75. Most girls have more body hair than you if you are male.
76. You have a great love for cameras.
77. Sanrio means a lot to you if you are female.
78. Your fridge stinks.
79. Your parents don't want you to move out when you turn 18.
80. Your parents want to live with you when they are old.
81. You tap the table when someone pours tea for you.
82. you point to your nose when referring to yourself.
83. You say "Aiya!" and "Wah!" frequently.
84. You lie about your kids' ages when going to a movie or amusement park.
85. You lie about your age to get a senior citizen's discount.
86. You don't want to wear your seatbelt because it is uncomfortable.
87. You love Las Vegas, slot machines, and blackjack.
88. You love to play Mahjong.
89. You want to marry Chinese.
90. You have to read all your parents' mail written in English.
91. You have to make phone calls for your parents to English speakers.
92. Your parents ask you if you are home when you come home. ("Faan nei lah?")
93. You get a knuckle in your skull if you are being punished by your parents.
94. You are constantly being set up with uninteresting people by your parents.
95. You always hear about how great so-and-so's son or daughter is.
96. Your Honda has the "boom".
97. Your parents wish you would give 30% of your income to them.
98. Your childhood is filled with painful memories of the long feather duster ("Guy Mo So")
99. You can use the words "chink" and "chinaman" with impunity.
100. Your clothes smell like fried foods.
101. You talk at the top of your voice at all occasions.
102. You hate eating cheese.



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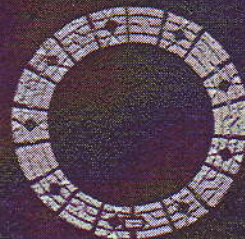
Schmetterlinge sind flatterhaft.



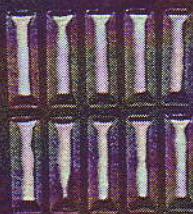
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