

## Hong Kong must wake up to its reliance on food imports and work on safe and affordable supplies, writes Janet Pau

# Greener local pastures

**A**fflation, or inflation of food prices, could derail the tenuous global economic recovery. Hong Kong, the world's top net food importer as a share of gross domestic product, will feel the pain. In the Nomura Food Vulnerability Index, Hong Kong ranks ninth, which means that price fluctuations will lead to broader financial problems. The depreciating dollar is already weakening Hong Kong's purchasing power. One possible scenario this year could be an upward wage-price spiral coupled with a supply shock triggered by a bad harvest.

Food spending in Hong Kong accounts for a quarter of household consumption on average, and an even larger share for low-income households. While short-term measures like charity food drives and campaigns to reduce food waste provide immediate relief, we may be witnessing the

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beginning of a multi-year food price climb and increased volatility due to deep-seated and structural problems.

First, meat demand in major Asian economies, most notably China, is rising – in fact it has quadrupled within the past 30 years, driven by rising middle-class incomes.

Hong Kong is the world's third-largest importer of chicken and pork by quantity, and Hong Kong people on average consume three times more calories from meat than other Asians. This meat dependency will probably subject the city to greater price pressures.

In addition, rising oil prices, now aggravated by expectations of further unrest in the Middle East, are likely to spur increased demand for biofuels in developed markets, pushing up cereal prices.

Hong Kong's complete dependency on imported food also makes it vulnerable to supply pressures. Over the next decade, rapid urbanisation on the mainland, Hong Kong's main food supplier, will contribute to climate change (through higher per

capita energy use) and decreased farm acreage. In addition, worsening pollution of irrigation sources threatens water supplies. These challenges become more serious when coupled with rising demand for meat, which requires a larger water footprint to produce and crowds out crop production.

Hong Kong has been in a reactive position, as supplier nations put export bans, quotas and price controls in place to combat inflation effects. Hoarding by the governments of some developing countries has already led to price jumps for certain staples. These measures further increase price volatility for trade-dependent economies.

It is time for the government to consider strategic action to ensure food affordability and sustainability for the city. Two areas offer immediate opportunities. First, the government should encourage public and private investment in scaling up developments of urban farms. Neighbouring Shenzhen is already developing peri-urban farms with strong support from the government.

Hong Kong has more than 300 local organic farms that supply a small share of the city's food, but there is a growing demand for local and organically grown food. In particular, vertical farming, or "stacked greenhouses", which maximise the use of limited arable land and conserve energy and water, should be explored. Benefits include fresher food, reduced exposure to external price volatility, lower pesticide and transport costs, and an expansion of job opportunities.

Second, Hong Kong should position itself as an Asian hub for food safety, quality and innovation. As a result of several high-profile food-related crises, including the bird and swine flu outbreaks and a series of food contamination scandals on the mainland, government and consumer scrutiny on food safety has markedly increased. In addition, as a world-renowned food and wine capital,

demand for high-quality food is sophisticated and widespread. A global focus on healthy eating is already under way, a notable advocate being Michelle Obama, the wife of the US president.

By promoting and supporting sustainable and high-quality food, as well as healthier diets with less meat and more fresh produce, Hong Kong can create new markets for food businesses, cut health

care costs and raise its competitiveness in the food supply chain within China.

At times of prosperity, Hong Kong knows how to spend lavishly on food. It is time to think more strategically about spending to prepare for a time of need.

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## Official disconnect

**W**e are focusing too much on who will become our next chief executive when Donald Tsang Yam-kuen steps down in a little over a year without wondering enough about something even more important. It is whether Hong Kong people can stomach more of the same for another five years from a leader they did not elect. As I have said before, the people have already outgrown our present leaders. Can the next government catch up with the people's way of thinking or will we have another half a decade of the people and their government operating on different wavelengths?

There's now a huge divide between what the people think they want and what the government thinks the people want. Survey findings released last week confirm this – showing a plunge in public confidence in every area of governance. We don't need a survey to tell us that. Most people can already feel it and smell it.

The stench of government failure pervades all the things that matter most to the people – from property prices and pollution to poverty. What the people think the government should do in all these areas is not what the government thinks it should do. This disconnect between the government and the people is more obvious to the people than the government.

What the people want done about high property prices is not what the government wants to do. Worsening air pollution worries the people more than it does the government. The people can feel it and breathe it everywhere they go. But the government tells them air quality has actually improved.

A high-ranking government official admitted to me some months ago that he agreed the government had lost touch with the people. There is no direction, clear purpose, or urge to achieve. Policymakers do not seem to have even basic answers to such crucial questions as what air pollution will be like five years from now or how much of a dent we will have made in fighting poverty.

Some put this down to Tsang having become a lame duck. I do not buy that as the only reason for the lethargic way we are now being governed. Sure, there is no great enthusiasm for new, big and pricey policies that risk roughing up the political waters in Tsang's final year.

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But the chief executive is not a lame duck in the real sense. Outgoing elected leaders become lame ducks when power slips from them on the assumption that successors with opposing ideologies could reverse everything they do. But our chief executive is an undemocratically elected leader who heads an executive-led government with vast powers.

The legislature has limited powers and is designed to frustrate the opposition camp's efforts to seriously undermine government policies. We do not have opposition parties with any real chance of being elected chief executive. And our politics are not polarised by ideology. If our chief executive has become a lame duck, it is of his own choosing.

The bigger reason for the gulf between the government and the people is that the two sides now think too differently. The people expect more from the government than the government knows how to deliver. They want new, daring thinking from our leaders as the population greys at one end while a rising younger generation is radicalised by lost hope at the other.

But our leaders are not equipped to act with this new daring. They are unelected bureaucrats-turned-politicians who dare only rule in the old, safe, tried and tested way. Our bureaucratic machinery is such that they simply do not know how to keep pace with the ever-changing thinking of the people. Former security secretary Regina Ip Lau Suk-ye, now a legislator, told me recently that she never really understood the people until she ran in the Legislative Council elections.

Names that have emerged of possible candidates to replace Tsang are all from the old order. Can the new leader understand the people without being elected by the people? Will he dare to break from the old way of ruling or will he allow himself to be sucked into the vastness of our unchanging bureaucracy?

**Michael Chugani is a columnist and broadcaster**

## Voices: Business

# Corporate governance reforms just baby steps

**Sushma Sharma**

While the Hong Kong stock exchange is heading in the right direction with its corporate governance reform proposals, and there are surely practical considerations of how much can be done, it is hard to be impressed.

The proposals seem too timid and far behind. Hong Kong is fast becoming one of the most important capital markets, with some of the world's finest firms seeking primary listings here, including Prada, which hopes to follow L'Occitane and Rusal.

As such, it should set its sights higher, to compare favourably with New York and London, rather than merely reaching parity with the mainland, as it seeks to do by requiring one-third of the board to be independent directors.

There are sound economic and pragmatic reasons to do so. A McKinsey survey found that over 70 per cent of investors are willing to pay a premium for demonstrably well-governed companies. The mainland and Singapore compete with Hong Kong to attract the best companies and are ahead in reform. Hong Kong risks losing out.

Independent directors are one of the most important components of an effective board, and several jurisdictions, including the US, Britain and Australia, insist on a majority of independent directors on each board as an integral part of corporate governance reform.

Hong Kong's one-third proposal falls far behind that. Arguments to the effect that we cannot find sufficient independent directors in

this city buzzing with highly qualified professionals and highly successful entrepreneurs are disingenuous.

The recent reform also does not seem to adequately address the very important issue of limits on multiple directorships. The fact is that if you spread someone too thin, they cannot be very effective. The reason given is to avoid unfairly penalising competent directors. But we should focus more on the shareholders and

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the company and find solutions for the norm rather than the few exceptions.

The reform proposals also seem to miss or inadequately address term limits and mandatory rotation, which have become common in other capital markets. Requirements for financial literacy or experience are conspicuously absent.

To become a director, an individual must be 18, but there is no upper age limit – and no other qualification is required. For an effective board, membership criteria have to be better defined. Further, the proposals suggest eight hours of annual director training. That seems woefully short. It is important to not only educate directors on accounting standards, listing rules,

corporate governance practices and listing decisions (which has been suggested), but to also provide in-depth understanding of the running of the company and the industry in which it operates, strategic thinking, leadership training, risk evaluation and ethics.

While the stock exchange is considering making changes to the board structure in Hong Kong, it should also discuss and implement mandatory quotas for women on boards. Countries like Norway, Spain and France are heading in this direction and it is exactly the kind of trailblazing change that one expects from a progressive regulator.

Given the complexity of modern business and the risks to shareholders of bad governance and corporate fraud, there is a demonstrated need for accountability, transparency and responsible decision-making by informed directors with adequate experience, time and diversity of backgrounds, including gender representation. Instead of looking at the floor, Hong Kong should aim to go beyond the ceiling. Its citizens are ready for transparent, accountable and responsible companies.

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## Voices: Hong Kong

# Mother's milk the best formula for health

**Verna Yu**

There is nothing more natural than a mother feeding her baby with her own milk, yet Hong Kong has one of the lowest breastfeeding rates in the world.

From parents' anger over the recent milk powder shortage, it is clear that infant formula is still viewed as a necessity for babies. Why have we grown so reliant on it?

Few people in Hong Kong of child-bearing age were breastfed themselves. In the 1960s and 1970s, formula was seen as a Western scientific wonder and breastfeeding was only for the poor. The mentality has stuck. Yes, breastfeeding is one of those nice-to-do things, theoretically. But, in reality, who has the time and patience?

From the findings of a 2009 public hospital survey here, the rate of exclusive breastfeeding is low and the duration is short. The percentage of babies receiving any breast milk fell from 63 per cent after the first month to 26.9 per cent after six months.

As any mother who has breastfed will tell you, it is not an easy job. It requires determination and perseverance. Yet when new mothers have problems, families and even health workers convince many to resort to milk powder.

Milk powder is pushed on mothers from every direction. Promotion ladies hover outside hospitals, preying on pregnant mothers like vultures, and thrusting samples into their hands. Staff in postnatal wards solicit requests from new mothers for a "milk powder top-up", as if it is natural that no baby should be getting enough food from their mother's milk.

At some private hospitals, babies

are put on tight feeding schedules and kept away from their mothers, just when mothers and babies should be "roomed in" to establish their own natural feeding patterns.

And, of course, this is not helped by the short maternity leave. Women in Hong Kong only have 10 weeks off, giving them only about two months to breastfeed their newborns. With long working hours and a lack of facilities for nursing mothers at offices, many women feel they must wean before they get back to work. This is against the World Health Organisation's recommendation of exclusive breastfeeding for the first six months of life.

Even on the mainland, new mothers have four months of paid maternity leave and two hours in nursing breaks during workdays. Yet, here in Hong Kong, there is still no legislation planned for a longer maternity leave to facilitate breastfeeding.

The government must not take the short-sighted view that longer maternity leave is unfavourable to business. The benefits of breastfeeding to both the infant and the mother are internationally recognised. Breastfeeding protects against childhood infectious diseases, and is associated with long-term benefits in areas such as cardiovascular risk factors, intellectual capacity and allergies.

And we must recognise the importance of early mother-child emotional bonding.

Hong Kong people tend to be astute financial investors, but it is time for us to think about investing in the emotional and physical well-being of our next generation.

**Verna Yu is a senior writer at the Post**

## Voices: India

# Injustice undermines incredible growth

**Manreet Sodhi Someshwar**

Last Monday, a teenage girl in India had her nose, arm and ear chopped off. Her crime: resisting rape.

Seventeen-year-old Sarika had gone out with a friend when three men pounced on her. When she sought to raise the alarm, the men tied her up, mutilated her and left, after threatening her not to inform anybody about the incident.

It happened in Fatehpur, on the sacred Ganges River in Uttar Pradesh, India's most populous state. The fertile Gangetic plain is considered the cradle of Hinduism. The combination of heinous violence with religious places is not unusual – this case is noteworthy for both its brutality and ubiquity.

India is a patriarchal society. The good Indian girl needs a man at each stage in her life – in the form of father, husband and son. She does not question her father's authority, participates in an arranged marriage, and when she reaches her in-laws' house with sufficient dowry to ensure that she is not burned, proceeds to beget male progeny. If she conceives a girl child, there is always recourse to female feticide or infanticide.

If she is harassed, the good Indian girl is taught to ignore, look the other way, do anything but avoid calling further attention to herself. Those who do not listen deserve a lesson – as did Sarika. That she did not allow herself to be gang-raped incensed the men enough to mutilate her. Cutting off a woman's nose is a common treatment meted out to difficult women. It has its roots in the *Ramayana* where Rama's brother slashed the nose of a seductress.

Uttar Pradesh is India's second-

largest state economy. It has been growing at 6.29 per cent since 2004, an economic feat that is credited to Mayawati, its chief minister. Mayawati, like Sarika, is a Dalit woman. But, that is where the similarities end. Mayawati belongs to that other subset of women in the subcontinent – dynastic successors, benefiting from either their fathers or mentors.

Benazir Bhutto was the first woman prime minister of an Islamic state, Indira Gandhi was the longest-serving prime minister of India, and Bangladesh has been ruled by two women, one the daughter of its founding father, the other the widow of an assassinated president. This provides a skewed picture of female leadership in the region. The truth is that their gender is incidental.

Mayawati has used public money to commission statues of herself, her mentor and elephants, her party's symbol. She has done little to check the high crime rate in Uttar Pradesh, one of India's most lawless states.

India ranks 112th out of 134 countries covered by the Global Gender Gap Index. It is second to last in South Asia, ahead only of Pakistan. The Indian economy has been growing at an average of 8 per cent for several years, yet its ranking has remained largely unchanged since 2006.

In India's much-touted growth story, its women are sadly missing. Stringent deterrents and effectual legislation are needed to ensure girls like Sarika get prompt justice. No nation can prosper if half its human capital, its women, are ignored or, worse, discriminated against.

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