

*"The reasonable man adapts himself to the world;  
the unreasonable one persists in trying to  
adapt the world to himself.  
Therefore all progress depends on  
the unreasonable man."*

*- George Bernard Shaw*

Since 2005, Hong Kong society seems to have fared steadily worse in terms of her rich-poor gap and social injustice. As this time lapse coincided with Donald Tsang's term of governance, it would perhaps not be unfair to assume that the relentlessly deteriorating situation since he succeeded Tung Chee-hwa as the Chief Executive of Hong Kong must have something to do with the actions or inactions of his administration. Hong Kong people placed high hopes on Tsang when he first came into office, but those hopes have sadly turned into disillusionment.

The chronic unfair social and economic phenomenon, wherein the elite class, with government back-up, exploits unjust land and housing policies and an absence of competition regulations to the detriment of ordinary citizens, has now become deeply ingrained in the social fabric. The objective of the book has been to examine the ultimate and proximate causes of that phenomenon.

The deliberate re-inflating of the property bubble in the last several years by vested interests and its hurtful impact on the everyday life of citizens, in the form of a punishing high living cost environment, further tilted playing field in the economy, and ever shrinking job and business start-up opportunities, has not only drawn ire from the general public, but has particularly incensed the post-80s generation, including the hitherto quiet and tolerant middle class young professionals.

Run-away home prices are only one symptom of an underlying disease that has been plaguing Hong Kong society. Other more pronounced symptoms are: despite Hong Kong boasts of a GDP per capita in 2009 of almost US\$43,000, which is on par with Switzerland, she has a high Gini index (rich-poor gap measure) of 43.4, which closely follows Central Africa Republic's 43.6 and is higher than Mainland China's 41.5; she is the third most expensive Asian city to live in;<sup>1</sup> she is the fourth priciest world

city to own a home (at US\$1,382 a square foot, which is ahead of Tokyo) and she has the second costliest retail space in the whole world.<sup>2</sup> That disease is called “high land price policy”, with sickly viruses embedded in the land system and property market structure, which together form the key subject matter of this book.

In 2009, 1.23 million Hong Kongers live below the poverty line. About 100,000 live in squalid cage homes. Li Ka-shing, the Kwok brothers and Lee Shau-kee find themselves standing among the world’s top 50 billionaires in the 2009 Forbes List, with respective net worth of US\$16.3 billion, US\$10.6 billion and US\$9 billion. Compared to 2003 net worth figures, their wealth has grown, respectively, by 107%, 59% and 142%. Over this six-year period, the salary index for middle managers and professional employees in Hong Kong has edged up 8.4 percent.<sup>3</sup>

One would need little persuasion to conclude that the age-old schism between the power-wielding property cartel and the masses is continuing to deepen with no end in sight.

Despite the Chief Executive having pledged, on the day of his appointment in June 2005: “to demonstrate to the Hong Kong people that I stand ready to act, and to act in a timely way, for their welfare and interests”, the deeply rooted social inequalities and unfairness have steadily worsened under his governance. As a result of government’s unpopular actions, apathetic inertia and hesitant half-actions, society has continued to flounder powerlessly in what Premier Wen Jiabao called “a deep-seated conflict”.

## USURPATION ON PRIVATE PROPERTY RIGHT

The functional constituencies-controlled Legislative Council rammed through a piece of controversial legislation in March 2010, lowering the compulsory sale threshold for 50-year or older buildings from 90 percent to 80 percent amid strong opposition from the general public and democratic legislators. When the Land (Compulsory Sale for Redevelopment) Ordinance was first passed in 1999 with a 90% threshold, the objective was to guard against an impasse wherein one or two owners are untraceable and a developer’s acquisition process gets stuck. But this lowering of the threshold is obviously an arbitrary and groundless move