

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 18 March 2010

The Council continued to meet at Nine o'clock

## MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S., S.B.ST.J.,  
J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE FRED LI WAH-MING, S.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, S.B.S., J.P.

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., J.P.

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

DR THE HONOURABLE JOSEPH LEE KOK-LONG, S.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE CHEUNG HOK-MING, G.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S., J.P.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

**MEMBERS ABSENT:**

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.M., G.B.S., J.P.

DR THE HONOURABLE MARGARET NG

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.  
SECRETARY FOR EDUCATION

PROF GABRIEL MATTHEW LEUNG, J.P.  
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.  
SECRETARY FOR LABOUR AND WELFARE

**CLERKS IN ATTENDANCE:**

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY  
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

**MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of the motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Supporting the market for traders running small businesses.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

**PRESIDENT** (in Cantonese): I now call upon Mr Tommy CHEUNG to speak and move his motion.

**SUPPORTING THE MARKET FOR TRADERS RUNNING SMALL BUSINESSES**

**MR TOMMY CHEUNG** (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, it goes without saying that we can all feel the escalating prices of property and almost everything. This of course would not be a problem if the economy is good, but Hong Kong's unemployment rate remains at a high of 4.9% and our economy has yet to make a steady recovery. Under such an economic environment, people are leading a more and more stressful life, especially the average citizens. If they fail to land a job, it is more and more difficult for them to switch to running a small business.

Take the shopping malls and markets, which used to be under the Housing Authority, managed by The Link as an example. Rent goes up despite the market condition, thus bringing in numerous chain stores. As a result, independent small to medium-sized shops are getting less and less.

The purpose of my motion is that at this critical moment, the Government can support the market for traders, and assist the average citizens in surmounting the restrictions of the prevailing economic environment in order to strive for more opportunities for self-reliance.

Viewing from another perspective, if the authorities do not support the market for traders, with rents and operating costs remaining high, the market for small businesses will only get smaller and the trading market for low-priced quality goods will also keep dwindling, creating finally a bigger impact on the grassroots.

Actually, the five proposals I brought up in my motion have been discussed for a long time, and they can be said to be the consensus of the colleagues of this Council. So long as the authorities will no longer adopt the delaying tactics, they can be fully implemented.

First, the authorities should revitalize the hawker market, which includes allocating expeditiously vacant on-street fixed hawker pitches to traders' assistants through priority balloting. This is because with the degree of familiarity of hawkers' assistants to the environment of the pitches plus their market sensitivity, they will surely bring more business opportunities for the hawker market.

However, in the beginning, the authorities insisted that all vacant pitches should be allocated by open ballot in accordance with the principle of fairness. It was only after repeated efforts by the Panel on Food Safety and Environmental Hygiene that the authorities undertook to set aside 70% of vacant pitches to be allocated to hawkers' assistants through priority balloting.

I reiterate that there is still room to improve the ratio. I am even of the opinion that registered assistants should have the priority to be allocated all the vacant on-street hawker pitches to run businesses on the same streets or in the same districts.

I am not barring outsiders from joining the hawker trade. Rather, since hawkers have to work for long hours and are subject to physical exertion, those inexperienced may not be able to stand. Just as many hawker groups have pointed out, newcomers will drop out once they fail to fit in, leaving pitches

vacant again. In the end, the hawker market will not be established and this will only bring more loss than gain.

President, in the middle of last year, the authorities planned to reissue about 30 itinerant hawker licences for ice-cream vendors. The move was well received and the number of applicants exceeded 3 000. This can be said to be "over subscribed". Finally, 61 applicants were drawn but upon the issuance of the licences, some of them gave up automatically or took on a wait-and-see attitude. In the end, only 24 new licences were issued.

Why is it that so many people gave up half-way? I wonder if Members have watched the RTHK programme "Hong Kong Connection" last month. The episode titled "A Smooth Start for Work" ("開工大吉") interviewed three newly-licensed ice-cream vendors. Since the Hawker Control Team of the Food and Environmental Hygiene Department (FEHD) always drive them away citing obstruction or hawking at prohibited "blackspots" as the reason, they all feel dejected.

Currently, counting the 51 licences for selling ice-cream, there are a total of 535 licensed itinerant hawkers territory-wide. Under the guideline of the FEHD, so long as they do not obstruct pedestrians and traffic, they should not, in principle, be prosecuted for on-street hawking. Nonetheless, there is no clear standard as to what "posing no obstruction to pedestrians and traffic" means.

The authorities should understand that under the present economic environment, making a living is not easy for the average citizens. Since the authorities agree to the reissuance of characteristic hawker licences to give people an opportunity to make a living, they should have sound ancillary measures in place to ensure that these people have sufficient room to operate. Otherwise, it will only waste the efforts of all and undermine the governance ability of the Government.

In my opinion, to reduce conflicts, the authorities should provide clear guidelines to define what constitutes obstruction and cut the number of blackspots where reasonable. Moreover, they should also consider whether proposed locations for timed or conditional hawking can be identified.

Furthermore, the authorities should consider the fact that most of the licensed itinerant hawkers at present are elderly who do not know how to go online. The authorities should as soon as possible announce the locations of the blackspots by different means, including facsimile or telephone recording, to facilitate checking by itinerant hawkers.

As regards item (c) of the motion, it is to encourage the authorities to preserve the culture of "dai pai dong" open-air bazaars to tie in with the promotion focus of the tourism industry in order to revive local community economy.

There are two emphases here. First, the conservation of "dai pai dong"; second, the consideration for the issuance of new "dai pai dong" licences, for example, there are vacant pitches beside the Man Yuen Noodles available for "dai pai dong". If environmental limitations make it hard to expand, the authorities can set up a new designated zone for "dai pai dong", so that a new tourism attraction can be forged without causing nuisance to the people.

I would like to emphasize that not only do we have to retain the original "dai pai dong", but also, the "dai pai dong" open-air bazaars should be re-packaged so that while preserving the nostalgic flavour of this distinguished culinary culture of Hong Kong, it can also see sustained development meeting green and hygienic conditions, rather than letting the remaining "dai pai dong" wither.

This requires the Government's lead in making investment to study the new design for "dai pai dong". For example, electric stoves and water supply system should be installed to avoid posing a nuisance to residents or road users as far as possible. I am aware that the FEHD will spend around \$200,000 to conserve 10 "dai pai dong" in Central to upgrade their hygienic conditions. This is a good start.

In fact, the authorities might as well co-operate with commercial organizations to put up the "dai pai dong" open-air bazaars. The Liberal Party and myself are sorry about the authorities' refusal to subsidize the proposal of a nostalgic "dai pai dong" in Tin Shui Wai. It is rare for the business sector to come forward with plans to boost employment opportunities for people living in the remote districts, why should the authorities be complacent and conservative?

Another area whereby the authorities can increase employment opportunities to assist small traders is the 104 public markets under the FEHD.

However, I have first to point out that under the authorities' plan, the ultimate objective of their entering into new tenancies with market stall tenants is to gradually bring the rent of market stalls on a par with the so-called "market value" rent. I am absolutely in opposition to this.

Although the authorities stress that rent at "market value" is not market rent, the authorities seem to be selective in heeding Members' proposals. According to Report No. 51 of the Public Accounts Committee, Members not only asked the authorities to tackle the issue of rental difference, but also, they requested the authorities to formulate policy on the supply of public markets, including the positioning and functions of such.

Actually, after much discussion by Members over the years, there has been a certain consensus on the positioning and functions of public markets, which is to provide the grassroots with daily eating and living necessities. With the rent increases by The Link and the monopolization by supermarkets, public markets have almost become the only place for the grassroots, public housing tenants in particular, to get quality services at low prices. We even consider that the other function of public markets is to provide people of low skills and low academic qualifications with an opportunity to make a living. This serves the same purpose as supporting the market for traders.

Based on the aforesaid considerations, I think the affordability of the grassroots should be taken as one of the principles for the rental adjustment in public markets. I also believe that with this clear position, the extra \$100-plus million spent by the Government every year on the operation of public markets will be regarded as policy subsidy instead of loss by the Audit Commission.

President, just as I pointed out in the motion proposed in the end of 2008, if we were to assist the small traders operating in the markets to stand up to supermarket monopoly, the authorities should start with boosting the competitiveness of markets.

As I understand it, the authorities have adopted some of the views and rolled out enhancement policy to carry out improvement works and launch

promotions for public markets, as well as increased the varieties of business for the stalls.

However, I would like to point out in particular that the authorities and market tenants are still deadlocked over the air-conditioning issue. The Government is only willing to shoulder the costs for the installation, principal maintenance and replacement of air-conditioners, while the stall tenants have to be responsible for the general day-to-day upkeep expenses.

We should note that Hong Kong is humid and hot in summer. Actually, not only is this the condition in summer, humidity for the last few weeks was also very high. If markets are not air-conditioned, it is difficult for them to compete with the shopping malls managed by The Link and the supermarkets, and it will do no one good if the problem drags on. In fact, so long as the authorities are willing to take up the costs for installing and maintaining the air-conditioning facilities, it will spare the market tenants of the worry that operating cost will go up significantly because of the need to repair the air-conditioners. I believe the majority of the tenants will naturally support the installation of air-conditioners, which will solve the problem immediately.

President, for the implementation of the five proposals mentioned above, it is neither difficult nor easy. Their successful implementation hinges on the change of the bureaucratic mindset. This is to say the authorities cannot stick with the same old rut, thinking that managing the market for traders is already enough. We have to make the authorities respond to society's need to support the market for traders. It is only when the authorities have this new mindset that the average citizens can have more opportunities for self-reliance and running small businesses through the market for traders.

President, I so submit.

**Mr Tommy CHEUNG moved the following motion: (Translation)**

"That, as the Hong Kong economy has yet to see a strong recovery, and the rents and operating costs in the private sector have remained high in recent years, together with ever increasing prices, the market for small businesses has suffered a severe blow, and this has not only increased the life stress of the grassroots, but has also reduced their chances of

achieving self-reliance, making it difficult to improve the unemployment situation; as such, this Council urges the Government to support the market for traders running small businesses, so as to preserve their characteristic of providing quality goods at low prices and serve the grassroots, thereby increasing job opportunities; the relevant measures should include:

- (a) to revitalize hawker stalls by expeditiously allocating no less than 70% of the vacant on-street fixed hawker pitches to the existing registered assistants at fixed hawker pitches for running businesses through priority balloting, so as to enable the registered assistants who are familiar with the hawking trade and the stall environment to start businesses on the same streets or in the same districts, so as to bring vitality to the hawker market;
- (b) to increase the room for survival for licensed itinerant hawkers, reasonably reduce the number of illegal hawking blackspots, and study the designation of proposed hawking locations with time limits or conditions, and publish the list of locations concerned through various means, including facsimiles or telephone-recorded messages, for access by itinerant hawkers;
- (c) to strive to preserve the culture of 'dai pai dong' open-air bazaars, to tie in with the promotion focus of the tourism industry and, apart from improving the sanitary facilities of the existing 'dai pai dong' and planning and developing them afresh, to expeditiously study subsidizing the development of 'dai pai dong' or open-air markets in remote areas, so as to stimulate the economic activities of the neighbouring communities and create job opportunities for residents in remote areas;
- (d) to affirm the position and function of public markets as facilities serving the grassroots and determine future rent adjustments by using the affordability of the grassroots as one of the principles, so as to ensure that small traders can continue to capitalize on their selling point of providing quality goods at low prices to counter rent increase by The Link and monopolization by supermarkets; and

- (e) to immediately implement a public market enhancement policy and proactively allocate resources to improve the design and business environment of the public markets, including bearing the installation and maintenance costs for air-conditioning facilities in public markets, so as to enhance the competitiveness of small traders."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Tommy CHEUNG be passed.

Five Members will move amendments to this motion. This Council will now proceed to a joint debate on the motion and the five amendments.

I will call upon Mr Frederick FUNG to speak first, to be followed by Mr Fred LI, Mr WONG Yung-kan, Mr Paul TSE and Dr Priscilla LEUNG; but no amendments are to be moved at this stage.

**MR FREDERICK FUNG** (in Cantonese): President, today my amendment mainly focuses on the issue of itinerant hawkers. But regarding Mr CHEUNG's original motion, I personally have some comments on several items. I would like to thank Mr CHEUNG for moving this motion because to a certain extent it relates to the existing economic situation in Hong Kong.

In the wake of the financial tsunami, Hong Kong's economy seems to be improved. However, the degree of improvement is actually far from satisfactory. We can take a look at some latest information provided by the Government, which is in fact the data of 2008. Some committees on welfare services have been urging the Government to provide the data of 2009 but in vain. With regard to the economic situation over the past 10 years, that is, from 1998 to 2008, Hong Kong people's income, generally speaking, has actually declined.

Secondly, job opportunities for older persons and those with low academic qualifications, comparatively speaking, have also declined. Therefore, the best welfare for capable persons, that is, those who are neither old, vulnerable nor disabled, is to provide them with an opportunity to work. If they have a job,

they can earn a living and take care of themselves as well as their families. The most important of all is to be self-reliant.

However, comparatively speaking, older persons such as those in their forties or fifties, or people with low academic qualifications, that is, those with primary education or even below, are facing more difficulties in finding jobs in the current market. Under such circumstances, how can we provide them with job opportunities? A job can be working as an employee or running a small business of their own. Obviously, apart from the provision of more job opportunities such as cleaners and security guards by the Government as we mentioned in the Panel on Manpower previously, in fact, another option is to implement the proposals Mr CHEUNG and I put forward today.

President, these measures can actually be categorized into two tiers. The first tier is the provision of both kinds of so-called job opportunities for starting a business as stall hawkers, itinerant hawkers, market traders or "dai pai dong" operators. The first kind is the opportunity to run a small business. Whether as a stall owner or an itinerant hawker, the person is playing the role of both the boss and the worker. As for the second kind, it may involve one or two assistants, that is, the so-called assistant licence which allows the employment of one or two assistants. Though these stalls or itinerant hawkers are not some big businesses, they represent a large group of people and should not be underestimated. In this way, disadvantaged workers with lower competitiveness in the market can get a chance to work and earn a living.

President, in my amendment, I specifically mentioned the itinerant hawkers who have another official name, that is, "licensed hawkers", a name provided by the Urban Council in the 1950s and 1960s in the last century. In the 1950s, in particular, many hawkers carried two baskets of goods, one at the front and the other at the back, to trade in the street. Sometimes they even shouted to attract the attention of potential buyers while walking along the street. Regarding this business, of course, people may think: "No! Do we still have to do that in Hong Kong?" Actually, as time goes by, progress has also been made as some hawkers are using handcarts now.

With regard to this policy, in fact, in the years of the Urban Council (starting from 1975), licences were no longer issued on the grounds that on-street trading would affect the public and become an eyesore in the city. It has been

35 years since 1975. The licence holders, who were supposed to be 20 years old at that time, are already 55 now. Of course, I have no record on this and do not know their actual ages. If someone received the licence at the age of 30, now he is already 60, probably the youngest one though. There are only about 500 or so such licence holders. It means that these licences, which have ceased to be issued since 1975, are actually undergoing the process of natural wastage.

Why do I have to particularly mention this issue? It is because in the years of the Urban Council when I was still a Councillor, we had discussed the issue on whether itinerant hawker licences should be renewed, and a conclusion was made that there would be no renewal. However, at that time, there were still more than 2 000 such licence holders, who asked me and the ADPL for help. Then we worked with the Federation of Hong Kong and Kowloon Labour Unions ..... well, Fung-ying has just left the Chamber ..... to help them organize a trade association and hold discussions with the Urban Councillors. Finally, their demand for keeping the licences was fulfilled. Due to the inability to return to the labour market, they want to continue their business until there is natural wastage. After they retire and die, there will be no more such licences. This is the reason why there are so far 500 or so such licences left.

Nevertheless, after the scrapping of the two Councils in 1999, a big problem arose. There were no more Urban Council committees or subcommittees to formulate policies to deal with these matters. When I was an Urban Councillor, the Urban Council had conducted a review on hawkers, which found that apart from wet goods, the sale of dry goods could serve as one of the channels to make a living during an economic turmoil, and itinerant hawkers, among others, still had a role to play.

President, but in the past few years, the Government from time to time ..... In fact, the Government began to consider the termination of this licence a few years ago and have formulated a policy to cancel it. If the licence is cancelled, the future of the licence holders will be a question mark. Of course, the policy in the years of the Urban Council pointed out that upon surrender of their licences, they would be granted an allowance of \$30,000 as a payment for retirement or other purposes. Besides, if their licences were surrendered, they could select a fixed pitch from the Government's list for bidding and run their business as stall hawkers. There are so far only 500 or so such licences left. I hope, with this policy, the Government will not ..... In each of the past few

years, I have held meetings with the representatives of the chambers of commerce and the FEHD officials, requesting to let them work a few more years. I have kept on doing this year after year. This year, it was originally decided that there would be no extension, but after my request, an extension was offered. Next year, the same thing will happen again. An extension will be offered upon request.

In fact, why do we have to do this? As we all agree to this, this policy can be implemented as a long-term one, which means that it is not necessary for the licences to be extended year by year. President, I wish to tell the Secretary through you that there are only 500 or so such licence holders left, who are people in their fifties to seventies. Please let them renew their licences until the termination of this policy.

Moreover, I would like to give further opinions on two policies, which are concerning the "dai pai dong" mentioned by Mr CHEUNG. Apart from the job opportunities that I have just mentioned, two aspects of the "dai pai dong" are also worth our attention. One of them is that Sham Shui Po, at this moment, is still the community with the largest number of traditional "dai pai dong". Now, two problems have arisen. One of them is that since it is in the street ..... Of course, now it is said that improvement has to be made in Central District where we have received frequent complaints about noise and hygiene. But in the District Council's discussions, there are views that it is not necessary to get rid of all the "dai pai dong" because they are traditional heritage that seems to be worth preserving. How can we deal with them appropriately with all these contradictions and conflicts? The District Council has suggested that the Government shall designate some suitable locations such as waterfront promenades for the "dai pai dong". Since many new lands under reclamation have not yet been designated for any purpose, an area can be identified to accommodate a dozen or so stalls, or even be developed into a bazaar as Mr CHEUNG has just mentioned. At the waterfront, people can not only enjoy the breeze but also the food and the sea views. People can even see the fireworks there in the future. Would this be an option that we can consider to address the problems? I hope the Secretary will conduct a review to deal with the contradictions between the hygiene and survival issues of "dai pai dong" in urban districts.

Lastly, I would like to talk about markets, for which the Sham Shui Po District Council has all along been demanding. More than 10 years ago, when the Urban Council still existed, it promised to build municipal services buildings

with markets at Nam Cheong Station, the "Four Little Dragons" residential area, Fu Cheong Estate as well as Hoi Lai Estate. But now the proposal has been turned down. There are over 100 000 people living in that area, and they all want to have more shopping choices other than supermarkets. However, until now the Government is still unwilling to build a market for them. Though this is only an individual case, since the income of the residents in that district is relatively low and when the population there really reaches a certain number — we all know that Sham Shui Po is the lowest-income community in Hong Kong — the demand for markets is higher than the demand for supermarkets as the former really offer lower prices than the latter. I hope the Secretary will take this into consideration. Thank you, President.

**MR FRED LI** (in Cantonese): President, in the past two years, we have had many discussions about the policy on market traders in the Legislative Council Panel on Food Safety and Environmental Hygiene. From accommodation for hawkers, market tenancies to the room for survival for "dai pai dongs" in future, the Panel members have made numerous proposals for the Government's consideration. The motion moved by Mr Tommy CHEUNG is actually a combination of our previous discussions.

Basically, the Democratic Party and I agree with the proposals of Tommy CHEUNG. I propose an amendment mainly because we think that more specific opinions on the air-conditioning facilities for markets should be given. Otherwise, the tenants have to wait endlessly for the installation of air-conditioning systems by the Food and Environmental Hygiene Department (FEHD).

According to the information provided by the FEHD, most of the 80 public markets (75%) are not equipped with air-conditioning systems, and for the 40 cooked food centres in the markets, nearly 50% do not have air-conditioning facilities.

The latest survey conducted by the Consumer Council showed that among all the FEHD markets in Hong Kong, Tai Shing Street Market in Wong Tai Sin offered the lowest prices. How can it offer such low prices? I believe it is due to competition. There are nearly 400 stalls in that market, of which 40 to 50 are selling vegetables and 36 selling live chickens. However, these stalls no longer exist as they are all closed down and shuttered, except the remaining three. As a

market, Tai Shing Street Market offers quality goods at low prices. Regrettably, the problem is that it is so hot inside. For today's temperature, it is still acceptable, but in summer, if I need to lose weight, I may go there to have a sauna. Both Wong Yung-kan and I should go to that market because it is scorching there. Moreover, glass windows are installed on the roof, which is more appealing to the eye, but as natural light is allowed to go in, it creates a greenhouse effect inside the market. Hence, if no further improvement is made by the Government, these markets, though offering great value goods, cannot possibly survive. Low-priced goods yield little profit for traders. If traders have to offer a further reduction in order to raise competitiveness, they are even harder to survive. Therefore, thorough improvement must be made.

In view of this, the Democratic Party has all along believed that the threshold for air-conditioning installation in markets should be lowered. The Acting Secretary has to understand that it is not possible for the FEHD to get the support of 85% of the market tenants for the installation of air-conditioning systems. Why? It is because some stalls in the market are located at ventilation points, that is, at the access or entrance. These tenants, with their goods occupying the access, which is allowed by the FEHD though, will never agree to install air-conditioning systems. It is because with good ventilation, their stalls are not stuffy. As for tenants whose stalls are at dead corners or less ventilated spots in a market, they are in dire straits. What can the authorities do to deal with this? More than 30% of the tenants belong to the first category, which means that air-conditioning installation is out of the question. Do the government officials understand this? That is why the FEHD could hardly get 85% support. In view of this, we request the lowering of the threshold to 65%, which would be more reasonable. For tenants who do not want air-conditioning installation, they can choose not to renew their tenancies. But after the installation, they will realize that it is worth paying the air-conditioning fee. We know that many markets under The Link were managed by the Housing Department before, and we can clearly see the difference. Even though The Link keeps on raising rents, they can still survive. Even though they have complained to me, they can still survive. Why? The rents they pay, whether for vegetable stalls or meat stalls, are much higher than the rents of the FEHD markets. On the contrary, tenants of the FEHD markets say that they are in dire straits and no profit can be made. Why is that? It is because their competitiveness is getting lower and lower. One of the major reasons for this is that Hong Kong, instead of becoming colder, is getting hotter and hotter, which is

really disastrous. It is not too bad to go to those markets in winter because people would feel very warm, but it is impossible to go there in summer. We can imagine that the lights of the many pork stalls and roast meat stalls, as well as the refrigerators and freezers, are heat generators. I hope the Secretary will pay more visits to the markets, especially when the temperature is over 30 degrees and preferably in suit and tie, so that you can surely feel the heat.

Apart from air-conditioning, the rent mechanism is another concern of ours. The FEHD has frozen the rents in the past 11 years, and one of the reasons for doing so is to help traders make ends meet. Another reason is that during this period of more than 10 years, the FEHD still failed to solve the problem left by the former Urban Council, which is the difference in the rent mechanisms between markets in the New Territories and urban districts, as there is no consistency between the two. Adopting the principle of "one department, two systems", the FEHD has been charging markets in the New Territories and urban districts different rents. The Urban Council was scrapped. Mr CHEUNG was an Urban Councillor, and so was KAM Nai-wai. Besides, Wong Kwok-hing and I were also Urban Councillors. One of the reasons for our strong opposition to the scrapping of the Municipal Councils was the prevalence of bureaucracy, which would only result in a high degree of negligence or disregard. For instance, the issue of markets, I believe, is neither the major concern nor the main focus of the Food and Health Bureau ..... *(A telephone rang)* ..... I still have time to speak.*(Laughter)*

Furthermore, regarding the issue of rents that we are talking about, I agree with the principles mentioned in the original motion. If the rents are to be adjusted in the middle of this year, then we may have to further discuss the issue and work out a mechanism now. I believe the Democratic Party is very reasonable. We do not disallow rent increase or adjustment, but the point is how we can provide an adaptation period so as to avoid going too fast. Later when talking about the amendments to the motion, we will express our views on the rates, rents and electricity charges of the markets. If they have air-conditioning ..... most of them still do not have it. But if they have it, all these have to be clarified.

Besides, I agree with Tommy CHEUNG that the Government should reissue 61 Itinerant (Frozen Confectionery) Hawker Licences to help frozen

confectionery hawkers (commonly known as "small ice cream vendors") make a living. However, the problem is that when hawking in locations with heavy pedestrian flows, they will be driven away by the FEHD staff. But do they have to hawk in quiet locations? Mr Frederick FUNG just said that if they hawked at the waterfront ..... If the waterfront is a deserted area, people will not go there. This is the art of balance. How can we ensure that hawkers can do business in busy locations on the one hand, and the FEHD staff can perform their duties without receiving public complaints on the other? Complaints are of the utmost concern to the FEHD. Whenever there are any, it will take raiding actions to "nail" the hawkers and issue tickets to them. But the point is how to strike the best balance. This will depend on the efforts of the FEHD as hawker raiding is not a solution but just a way to put the problems at the bottom of the drawer or to sweep the dust under the carpet.

Regarding the amendments proposed by Mr FUNG, Mr Paul TSE and Mr WONG Yung-kan, we would like to give our support. But for Dr Priscilla LEUNG's amendment, which requests the Government to provide traders with electricity tariff subsidy, we have reservations on it. It is because when formulating this policy, we have to consider its fairness. Let us cite an example. Many traders are engaging in commercial activities in government properties such as running restaurants in government buildings, as well as operating refreshment kiosks and snack shops in civic centres and parks. All these, especially the snack shops, are not big businesses either. Does it mean that the Government also has to provide them with electricity tariff subsidy? Since electricity tariffs are expenses borne by business operators, no government subsidy should be provided. In fact, there has been rent subsidy for so many years. We neither believe nor agree that electricity tariff subsidy should be provided by the Government as our policies must be fair. Therefore, we will not support Dr Priscilla LEUNG's amendment.

I so submit.

**MR WONG YUNG-KAN** (in Cantonese): President, if we think that relief measures are essential to the grassroots in the midst of the economic downturn, the amendment I move today, which requests the Government to waive the hawker licence fee for one year and to extend the rent freeze period for public markets for one year, is undoubtedly speaking for the traders at the lowest stratum

such as on-street hawkers and market vendors. These people are simply selling low-priced goods, including fresh foods and daily necessities, which are very much needed by the general public, especially the grassroots. Faced with tight cash flows and unsatisfactory operating environment, small traders have little capability to withstand an economic downturn. It is hoped that the Government will show its concern over the plight of small traders in running their business. As a full economic recovery has yet arrived, without doubt it is good to know that the Budget this year proposed to extend the waiving of the business registration fee. However, most of the hawkers have no business registrations and thus cannot benefit from this concessionary measure offered by the Government. In this regard, I hope the Government can reconsider their needs so as to avoid giving people an impression of partiality. As for traders in public markets, they are also facing many difficulties. Moreover, since a major review of the policy on public markets is now underway, in order to retain the traders' confidence and to show the Government's care for them, it is hoped that the rent freeze period can be extended for one year.

President, this Council has had many discussions on the issue of hawkers. But on the issue of whether hawkers should be abolished, there is a fundamental change of opinion in today's society. In the past, hawkers are considered as the big enemies of urban management. With the Government's measures of the termination of the issue of licences and natural wastage, the number of hawkers has to date declined to an extremely low level. In the recent 10 years, the impact of hawkers on urban management has no longer been as acute as that in the 1970s and 1980s of the last century. On the contrary, the general public has started to view activities in the hawker markets as something with Hong Kong characteristics, local nostalgia and memories of the people. An academic even published a book (together with a free VCD), which considered the issue of hawkers as "on-street political economics", to speak for the hawkers. Gradually, the community has reached a consensus on retaining the hawking activities. Having heard the requests of the community and this Council, the Government has adjusted its policy and started to reissue an appropriate number of hawker licences with due regard to urban management.

Currently, there are about 200 or so vacant fixed pitch hawker stalls in Hong Kong. The Government's original intention is to follow the previous procedure to issue new licences through open application. However, it does not know that hawking is not as easy as it imagines, and that outsiders who are not

familiar with "the ropes" will easily end up in failure. In this case, the stalls will become vacant again and thus affect the synergy effect brought by a bustling market. In fact, at present, assistants are hired by many of the existing fixed pitch stalls. These assistants, who are familiar with the ropes of the trade, could not have their own stalls in the past due to the Government's termination of the issue of licences. Now, with the Government's reissue of the licences, the DAB supports to allocate a larger proportion of vacant stalls to the assistants, especially those in the local districts, for priority application, as this is a more effective way to revitalize the markets.

Last week, I noticed the Government had made arrangements for the allocation of vacant stalls, of which 70% would be provided to the existing assistants for priority application. This measure, which has been subject to deliberations, is a desirable option. However, I have asked the traders for their opinions. They hope that further enhancement can be made by the Department to allow the assistants to have the priority to apply for stalls in the local districts, so that members of the trade who are familiar with the district can continue to work for the success of the market. It is hoped that the Government will give further consideration to this point.

Furthermore, the current operating environment for fixed pitch hawker stalls is far from satisfactory. On a fine day and under the sun, the stalls are as hot as food steamers. On a rainy day, there are worries about water leakage and various hidden hygiene hazards. As the Government has the intention to promote Hong Kong's open-air bazaars to tourists, resources should be invested in enhancing the basic facilities of the stalls as well as in improving the hygiene and greening work. If feasible, more open-air bazaars can be turned into pedestrian precincts so as to improve the shopping environment of the bazaar as a whole.

President, as for the issue of "dai pai dongs", I believe the majority of the public wish to preserve this culinary culture. However, noise nuisances and hygiene problems brought by "dai pai dongs" do trouble residents in the district. Therefore, though the Government has changed its policy to allow the inheritance of "dai pai dong" licences on the condition of having the support of the District Council, the different situations in different districts have given rise to a scenario of "different destinies for the same licences". In some districts, the licences can be retained, whereas in the others, licences have kept on draining. In fact, in

many cases, the livelihood of several families is supported by a "dai pai dong". Hence, I think the Government, whenever possible, should provide adequate facilities such as sewage treatment and hygiene improvement to minimize the nuisance caused by the "dai pai dong". Discussions should also be held with the District Councils and the current stall operators to work out plans for retaining the existing "dai pai dong" as far as possible. At the same time, the Government should also identify suitable districts for setting up "dai pai dong" and open-air bazaars to revitalize the local economy.

President, regarding the management of public markets, we have had discussions of this issue on different occasions. In the past, the trade had strong reaction to the Government's proposals. Now we can see that the Government, having accepted the views of the traders, has made improvement in the drafting of new tenancies. I hope this can gradually narrow down the difference between both parties. Nevertheless, with regard to the setting of rent levels, which is of the utmost importance, a satisfactory proposal has yet to be worked out. Members of the trade have pointed out many times that the so-called "rent levels with reference to the prevailing market rates", in their eyes, are distorted market rates far beyond the actual affordability of small traders. In this regard, as the Government has positioned public markets as the main suppliers of fresh foods for the masses at the grass-roots level and the providers of job opportunities and livelihood for those at the lowest stratum of society, the rent setting mechanism must fully reflect their functions and tie in with the affordability of small business operators.

Lastly, President, in respect of Mr Frederick FUNG's proposal of implementing the voluntary surrender scheme for itinerant hawker licences on a long-term basis, the DAB does not have any comments, but we do support Mr Fred LI's suggestion on the reduction of the tenants' air-conditioning installation fees and the lowering of the threshold. As for Mr Paul TSE's amendment, we think that as long as road safety and streetscape are not affected and regulations are imposed, it is desirable to relax the current restrictions on on-street busking. Lastly, with regard to Dr Priscilla LEUNG's amendment, we do not have any comments either.

President, I so submit.

**MR PAUL TSE** (in Cantonese): My speech can be described as B and B, but it is not "bed and breakfast" as understood by our members of the tourism sector. What I would like to talk about is a matter of bandwidth and balance. As for the issue of hawkers, I believe other colleagues will have many opinions, so I would like to focus on tourism only.

I would like to talk about two Chinese sayings. One is "no fish in clear water" and the other is "keeping one eye open and one eye shut". As we all know, when the economic situation is not so favourable, especially when there are many new immigrants but relatively few job opportunities, or when the wage levels are comparatively low ..... Looking back at the old days when we were small, people all knew that one of the easiest ways to start a working life was to work as a hawker or to engage in on-street activities. This was also the easiest way to ..... As mentioned by some colleagues, every family had its own way to make a living. Hong Kong society has become so fussy now. A nostalgic film like "Echoes of the Rainbow", which has amazed so many people, is actually nothing more than a film version of "Below the Lion Rock". If you ask me how to revitalize Wing Lee Street, I can say that I really do not have any idea. In fact, it would be a rather difficult job.

Let us go back to the topic. In our childhood, there were many different and diversified choices. We did not necessarily shop at supermarkets. In fact, there were not many supermarkets at that time. In our childhood, there were many interesting things in the markets. We grew up with a lot of strange and bizarre things, of which some might be very nasty, and of course, some were very traditional and elusive, and some might be utterly trivial. Still, we found all these things very interesting. Why? It was because the choices were diversified.

Today, our society is gradually moving towards a single bandwidth mode. Super malls, super shops and super chain stores are no longer places of interest of Hong Kong people, not to mention the tourists. In fact, there seems to be no choice at all. When we see Hong Kong-themed movies made by the western world or other foreign countries, we can often find scenes depicting the characteristics of Hong Kong, which include market stalls with the hanging chickens, ducks, meat or the presence of live fish. There are also scenes of on-street slaughtering, which might be very common in our childhood but are rarely seen today. I do not mean that we have to go back to the days when there

were no strict regulations but perhaps some hygiene problems. However, our society is moving towards a direction which may be too monotonous and with too much regulation. Everything has to be ..... Though we are not adopting a planned economy, many of our measures are often carried out in a planned mode. Even for tourist spots, it seems that only developments with an investment of up to hundreds of millions dollars deserve to be called tourist attractions. On the contrary, no opportunities are given to self-made businesses with characteristics and creativity.

On the whole, President, whether in terms of public choices or tourism development, natural sedimentation is always far better than deliberately-planned arrangements. Now, it is even said that ice cream vendors have to be regulated. This may be very different from the measures implemented in our Secretary's father's good old days. In those days, probably it was easy to be an ice cream vendor as you did not need any equipment, nor did you require an ice cream van. You could even choose to ..... As long as there were people and tourists, there were hawkers. Of course, our society today may not fully accept this direction. But at least we have to strike an appropriate balance to avoid going too far, being too clean and having too many regulations. Singapore is renowned for its cleanliness, but at least many bazaars and markets of a large scale can be found there. Without doubt, the characteristics of Hong Kong are different from those of Singapore. Still, we should have had diversified choices, a wide bandwidth and numerous options. I hope the authorities will consider slightly relaxing the restrictions and "keeping one eye open and one eye shut" whenever appropriate. This is an effective way of revitalization. With regard to our District Councils, I have to level criticisms at them sometimes. It seems that they only stick to a single bandwidth, which is to ensure the formulation of a regulation plan and to make some so-called political achievements.

However, over-regulation sometimes will make our society, the tourism industry as well as the tourist spots colourless and uninteresting. On the contrary, for some tasks that should be planned and done, we have not taken any action. For instance, regarding some tourist spots like Repulse Bay, complaints are often received. It is complained that in the current hot spots such as Repulse Bay, Golden Bauhinia Square and Avenue of Stars, there is a lack of tourist facilities, and it seems that even basic facilities like coffee bars and souvenir shops are inadequate. In fact, all these should not have happened in any tourist spots. I do not mean that we have to follow the examples of India, Egypt or

even some less developed places behind us. In these countries, once the tourists get off the coach, they will be surrounded by a large group of people selling the so-called souvenirs, of which most may be fake. Without doubt this is also not a pleasant scenario. But I would like to repeat once again that what we have to do is to strike a balance. We are now losing the balance. We are so spotless and over-regulated that our teenagers and students are not able to do part-time jobs, and our new immigrants cannot start their working life by doing some street jobs that they are most familiar with.

Regarding new immigrants, today in Hong Kong, there are actually many new immigrants from different places of origin and with different customs. As long as we can provide them with a few opportunities, including the opportunity to work as food traders or street buskers, they will be able to make use of their own expertise to offer us attractive and diversified choices.

On the whole, my amendment, with the addition of only one point, is actually very simple. With respect to tourism and hawkers, I would like to once again stress one point. The Disneyland, Ngong Ping 360 and the Ocean Park are not the only things our tourism industry has. Options of various natures and attractions with different characteristics can also be offered. This is the only way to make the tourism culture of Hong Kong more diversified and more ..... Apart from the Mainland tourists, many western tourists from European and American countries also think that there are too many things they are familiar with but very few worth-visiting attractions that can show them local traditions. In this respect, we actually do not have to make much effort to address the issue. As long as we are more willing to "keep one eye open and one eye shut" and offer more choices, it is good enough.

As for food premises, though they belong to Tommy CHEUNG's category, I would like to take this opportunity to say a few words. We all know that many attractions such as the roast goose in Sham Tseng as well as the seafood in Tai O, Lau Fau Shan and Lamma are rather popular and have won our appreciation. But now I repeat once again that it seems there is not ..... At least we must not spoil them, not to mention protecting them. There is a lot we can do to give them support. Even for hot spots like Lei Yue Mun, whether you look for high-end delicacies or low-end restaurants, you can go there to enjoy seafood. However, due to the water problem, now I do not know for how long the food premises there can survive. We have tried and successfully extended the time

limit for solving the so-called seawater problem for one year, but I think the deadline will come soon. Then what can we do? Do we have to draw such a tight line to hinder them from getting usable seawater? Or do we have to force them to use ice to dilute seawater? This method is not only uneconomical but perhaps a bit "stupid", though I know this is not a very decent word. In fact, all of these will suffocate Hong Kong's multicultural and diversified development as well as our pluralistic economy.

Hence, I think the B and B that I have just mentioned should be reconsidered in all respects. I request the authorities to provide more choices and strike a better balance. After all, management is a form of art, and over-regulation would only result in "no fish in clear water". Thank you, President.

**DR PRISCILLA LEUNG** (in Cantonese): President, my original intention for proposing an amendment to Mr Tommy CHEUNG's motion today is mainly to stress the importance of the room for survival for the markets. I know that preservation has become a current trend. Therefore, if we want to extend the room for survival for the markets, their preservation value must be pointed out. Of course, the public markets in Hong Kong surely have their preservation value. It is a trend to talk about collective memories, and the collective memories of many people below the Lion Rock in the past century are the public markets. A lot of people grew up in the markets and many had the experience of going there with their parents to buy food in their childhood. Therefore, many of those grew up in Hong Kong, I believe, would agree that the public markets are worth preserving.

However, regarding preservation and survival, I think the Government should give thorough consideration to the fact that public markets in Hong Kong are under threat from numerous supermarkets and their room for survival is actually getting smaller. Let us look at the example of France, which started the debates on this topic almost 20 years ago. Since the French did not like supermarkets, many academics requested the preservation of markets with local characteristics as early as when supermarkets just began to enter France, so as to avoid a complete replacement of markets by supermarkets. Faced with the heated debates, the French government provided a lot of assistance for the so-called on-street shops (the French do not call them "markets"), so as to give them room for survival and to prevent them from being completely replaced by supermarkets.

It is just simple. People are all looking for comfort, and this is especially true for consumers. Even domestic helpers prefer shopping at the nearby supermarkets. Hence, if the operation environment of public markets cannot be improved to attract more consumers, these collective memories with preservation value, as we describe, will also disappear slowly.

Sometimes it is really ironic because my assistant also reminded me to mention the film "Echoes of the Rainbow". It seems that everything is related to this film. Perhaps traders in the public markets are also wondering the ranking of their survival in the hearts of Hong Kong people. After the announcement of the Budget, I talked with them and expressed my opinions to the Financial Secretary: Since there is a waiving of rents for two months for public housing, why are the public markets managed by the Housing Society not offered the same rent-free period of two months? I have an impression that the Government as well as many people think that public market traders, as businessmen, can have satisfactory income and do not need any support. Therefore, they think that only public housing tenants deserve their so-called support whereas traders are not on the list. For this reason, we have to strive to improve the environment of the markets or even develop them into tourist spots, so as to give visitors a feeling that these markets are part of the Hong Kong characteristics.

Though I have said so much, I still think that the core issue is survival. It is really a matter of survival. Do you know why? While the Government proposes to increase rents, we can see that last year the GDP in a full year dropped by 2.7%, and the GDP of the wholesale, retail and import/export trades dropped by 11.7%. Besides, the private consumption expenditure reported a decrease of 0.3%, and the merchandise exports declined by 12.6% in real terms in a full year. There are still a lot to mention. With all these negative figures and the financial tsunami in September 2008, though the overheated property market of Hong Kong has given us an impression that the economy is going up, there is actually a general pay reduction in public organizations and universities. In fact, what will happen to the consumption power in future? Should we talk about raising the rents to the level of prevailing market rates at this point of time? Is it a premature proposal?

Furthermore, I think the actual conditions of the public markets should also be considered. In July 2008, upon the Government's issue of the avian flu

warning, I immediately went to the Po On Road Market in Cheung Sha Wan. In fact, I have been to the Po On Road Market in Cheung Sha Wan for many times in order to have an understanding of the situation of the traders. One year later, the Legislative Council did mention about that market and some improvement was made. Both the ventilation system and the humidity problem have greatly improved, or at least we are no longer surrounded by darkness when stepping in the market. I remember that a trader in the market fell sick and stayed in the hospital for as long as three months after seeing a big rat. This incident, which had left me with a very deep impression, motivated me to follow the hygiene issue of the Po On Road Market. However, they are not willing to spend a large sum on electricity and air-conditioning. It is because relative to the expenses — Actually I would like to respond to Mr Fred LI's comments. Perhaps the wording of my amendment is not clear enough as I do not mean to provide individual traders with electricity tariff subsidy. Instead, I hope the Government will introduce more incentives when a collective decision on the installation of air-conditioning systems has to be made. Undoubtedly, good ventilation is always preferred. But once they think of the expenses involved, they may have great reservations.

Currently we have 104 public markets. According to the figures in hand, 32 of them already installed air-conditioning systems in July last year, which means that 70% of the markets are still without air-conditioning. If we compare our markets with those in Singapore, we will find that the ventilation systems of the latter are very satisfactory. We ourselves, not to mention others, also like shopping in markets because you can always find a sense of human touch there and the traders always say hello to you. Sometimes we even go to the markets with our children to let them learn the names of various kinds of fruit. In fact, consumption also involves emotion. We do not want to see the gradual deterioration of the traders' business, which will result in the closure of markets.

Nevertheless, in what situation and at what ratio can we reach an agreement on the installation of air-conditioning systems? Mr Fred LI proposed that 65% was required. But I am more cautious and usually prefer more flexibility. It is because if we state clearly that 65% is required, then some people may ask why it is not 90%, just like the lowering of the threshold for compulsory auction. I think the main point is that more consultation should be conducted by the Government. If the Government is really willing to offer assistance, it can provide subsidies for the works, as well as the maintenance and

installation of air-conditioning systems. What I mean is that the Government only bears the electricity cost of the public spaces, while the traders have to pay the expenses of their own premises. I believe when it comes to the sharing of responsibility for the environmental hygiene of public spaces, this is a rather attractive incentive to traders.

Hence, the last item, that is, item (f) of my amendment mentions that in a particular year (it is this year actually), if the Budget proposes a rent reduction for public housing tenants, which is only for a particular year instead of every year, I hope the Government, which gives no consideration to commercial tenants whenever it offers assistance, can treat them fairly and understand that not only residential tenants need assistance. In fact, many small traders in the public markets, though paying a rent of just several hundred dollars, may only earn an income of about \$10,000. There are traders facing different situations. Not all the public market traders are so wealthy that they do not need any "candies".

I only hope that the Government can be fairer, and instead of excluding them from the list of "candy receivers" in all of the Budgets, it should take their actual situations into consideration. President, I so submit.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, first, I am very grateful to Mr Tommy CHEUNG for proposing this motion because — to borrow the expression "B and B" employed by Mr Paul TSE just now — this is really a motion on people's "bread and butter" with great bearing on their livelihood, be it on the employment or business environment of traders or even on customers, particularly those from the grassroots, who can buy quality commodities at reasonable prices from these traders.

All along, the hawker policy and public market policy are closely related. The former Urban Council started building public markets in as early as the 1950s, mainly for the purpose of relocating hawkers and controlling the environmental hygiene problems and obstruction to pedestrians and traffic caused by street-hawking activities. With the development of society, the hawker policy and public market policy also need to keep abreast of the times. Nowadays, we cannot possibly, nor will we continue to consider hawker issues and the related policies solely from the perspective of environmental hygiene. As to whether or not we should, as suggested by a Member, "keep one eye open

and one eye shut" at the law-enforcement level, or to put it in English, be blinkered, President, I can say for certain that we definitely will not be blinkered and blind when formulating policies and we definitely will not lose sight of these issues because there is an obvious demand in society to preserve the street-hawking trade, which has its special characteristics. This new factor was clearly reflected in the recommendations made in the review of the policy on hawker licensing completed in 2008. I also hope that the scope for this trade can be expanded to enable traders to flourish, or broaden to blossom, so to speak.

President, insofar as public markets are concerned, we will continue to strive to forge a desirable business environment for commercial tenants while providing quality market services to the general public. To this end, the Food and Environmental Hygiene Department is actively implementing various measures to improve market facilities, conduct promotion and publicity, as well as relax tenancy conditions and letting strategies.

Although hawkers and market traders have experienced many changes in the past several decades, President, there is one thing that will not change: They will continue to provide relatively inexpensive fresh food and daily necessities to the general public and many job opportunities to the grassroots.

Over the past year, we have consulted the Panel on Food Safety and Environmental Hygiene a number of times on issues relating to hawkers and public markets. Having regard to the views of its members and various stakeholders, we are now actively examining and introducing various measures to enhance the policy on, and the management of, hawkers and public markets. President, I believe that through this debate, we will definitely be able to collect more valuable views.

President, I shall stop here for the time being. After listening to the speeches to be given by Members on this motion, I will give another response. Thank you.

**MS LI FUNG-YING** (in Cantonese): President, I will focus my speech on the present situation of small traders in the shopping centres managed by The Link. I hope that after the new management has assumed duty, there will be changes in the management philosophy as well as management mode. Last week, it was

reported in the newspapers that there was another reshuffle in the senior management of The Link. The announcement by The Link that Chief Executive Officer Mr Ian ROBINS would not renew his contract after the current contract came to an end has implied the "Australian clan" referred to by the media will no longer work at The Link. Their complete withdrawal from The Link means that the future person-in-charge of The Link will be a local. At present, the Chief Financial Officer of The Link is Mr George HONGCHOY. President, I would like to clarify that I do not have xenophobia. However, it is obvious that in the past several years, there really are serious deviations in the management of The Link. This may be due to the fact that the management of The Link does not understand the community of Hong Kong. Hence, I really hope that the changes in The Link's senior management and the resumption of management by Hong Kong people will bring a new outlook to The Link, so that a balance will be struck among the interests of consumers, traders and shareholders in the management direction of the shopping centres.

Since The Link took over the management of the shopping centres from the Housing Authority, there have always been criticisms. The causes of which are not attributable to the public objecting to the refurbishing of the shopping centres under The Link, the improvement of their management, the provision of a better shopping environment for local residents, and the creation of a better room for business for small traders. What the public criticize is that The Link, in its attempt to achieve the target of enhancing the value of the shopping centres, has transformed the nature and outlook of these centres from originally targeted at kaifong businesses and providing services for the residents of public housing estates into shops in the Central. Under the pretexts of redeveloping the shopping centres and improving their management, The Link has introduced into the shopping centres a number of large consortia, chain stores or famous brands, forcing small traders doing business there into a plight to the extent that whenever The Link places a shopping centre under its list of asset enhancement project, the small traders of that shopping centre will be on pins and needles, and on tenterhooks, worrying that The Link will bring in large consortia and chain stores that will take away their kaifong business, or will increase rent rampantly to a level beyond their affordability. I think these instances are very common.

According to the data of an opinion poll posted on the website of The Link, a greater number of consumers were satisfied with The Link's performance in the enhancement of its shopping centres. President, I have to emphasize that

although the poll was conducted by a local tertiary institution two years ago, it had only targeted at members of the public spending money in the shopping centres. In my opinion, the results of the poll are extremely unconvincing because the disadvantaged groups were not among those who spent in the shopping centres. As the disadvantaged groups cannot afford spending in the shopping centres, they have long disappeared from the shopping centres of The Link. As for the views of small traders, it is even more difficult for them to be reflected in the data of the poll.

President, it has been recently reported by the media that with changes in the management of The Link, there will be adjustments in the management strategies. New initiatives include funding the maintenance of recreation facilities of the shopping centres under The Link so as to enhance the appeal of these centres; and conducting studies to introduce more specialty small traders in order to establish an image for the shopping centres. I believe all these initiatives are good news. However, it all boils down to the fact that small traders providing quality services at low prices for local residents should remain the major business operators of shopping centres in housing estates. If the management of The Link works on the current new concepts, I think it should move towards this goal in future, which will be well received by the public.

President, apart from shopping centres under The Link, there are other markets for traders running small businesses, examples of which were mentioned by many colleagues just now. Generally speaking, the role of the Government is pivotal to the market for small traders in the community. At present, the culinary and shopping culture of Hong Kong is extremely monotonous and uninteresting. What is the fundamental cause to this phenomenon? It is the outcome of the Government's long-standing policy of eradicating small traders and "dai pai dongs". Some people will surely point out that itinerant hawking activities have caused traffic obstruction and "dai pai dongs" have generated many hygiene problems.

President, I think government policies are needed to resolve these problems. However, the key to resolving the problems does not lie in the eradication of small traders across the board, with the focus on making way for bureaucrats only. In my opinion, the Government should seriously consider

how to revitalize the market for small traders while taking into account environmental and hygienic issues. Striking a balance between the two is the proper way of resolving the problems. Thank you, President.

**MR TAM YIU-CHUNG** (in Cantonese): The market for traders running small businesses has substantial economic and social values. It does not only provide opportunities for the unemployed or low-income earners in the local district to maintain their livelihood through operating small businesses, but also provides daily necessities at low prices to local residents, thereby stimulating the local economic activities. This is particularly so during the times of economic downturn when the market for small traders creates instant employment opportunities, while goods at low prices help alleviate the financial pressure of low-income families. Thus, supporting the market for traders running small businesses is conducive to social stability and hardship relief.

One of the important measures in supporting the market for traders is to improve the business environment of public markets and reduce the operating costs of tenants. At present, the public market is the major channel through which the grassroots buy fresh provisions. However, in the face of competitions from large supermarkets and changes in the culture of consumption, the operation of public markets is becoming increasingly difficult. The Government has put forward a number of relief measures in this year's policy address. We opine that the extension of the rent freeze period for public markets for one year should be added. As the new rent setting mechanism is still under discussion at the moment, it is not suitable to adjust rents at the present stage. Besides, there are no signs of improvements in the business of market stalls; instead, rising prices have resulted in weaker consumption of the public in markets. Thus, the Food and Environmental Hygiene Department (FEHD) should continue to implement rental freeze for one year.

As negotiations on new tenancy agreements and rent setting mechanism of public markets are underway, the Government should implement new measures with circumspection, so as to avoid new conflicts. At present, many public market stalls are not operated by their original tenants, but by "sub-tenants" or "purchasers" operating under the name of "assistants". In accordance with the requirements stipulated by the Government, these current operators do not have

the legal right to sign new tenancy agreements, resulting in their possible loss of job opportunities. In view of this, the Government should put in place a mechanism for transferring licences under the consent of the original stall operators, to enable "assistants" or operators other than immediate family members who are current operators to become legal tenants, thereby allowing them to continue operating the existing stalls.

With respect to the rent setting mechanism, the Government should not use market value rent as a basis for assessment of rental adjustment. Some of the stall tenants in public markets were relocated by the Government back then. There is an element of compensation in their rent. Using the market value rent as a basis for future rental adjustment will undoubtedly deprive them of the right previously enjoyed by them. Secondly, technically speaking, the so-called market value rent is unable to reflect reasonable rental value accurately. Many human factors are involved in the distortion of rents in public markets. For instance, some operators enjoying low rents in markets often bid for vacant stalls at high prices. By means of setting off high rents with low rents to arrive at average costs, they are attempting to avoid stiff competition brought by new comers. Moreover, due to loopholes in the leasing policy, tenants successfully bid for vacant stalls at high prices are allowed to give up the stalls after three months. Thus, market value rents manifested in bidding prices are absolutely higher than the actual value. Unfortunately, in reassessing rental value of markets, the Rating and Valuation Department often adopts these exorbitant rents for reference. As a result, the rental value of the entire market is forced to go up to an unreasonable level. With respect to setting future rents of public markets, we believe the affordability of the grassroots should be the major factor, coupled with a basket of other factors such as the economic condition, the employment market situation and the element of compensation for stall operators, so that small traders can lead a life with dignity.

In order to help the grassroots alleviate the burden on their livelihood, the Government can also identify some suitable locations and encourage the development of open-air bazaars in the local district. For instance, there are very few job opportunities in Tin Shui Wai. It is very difficult for older persons, workers with low education attainment and low skill to secure permanent employment with a steady income. Since it is almost impossible to rely on the

income of a single family member, for example, the husband to provide for the whole family, many women wish that they will be able to find a job and earn more for the family. As they have to look after young children, they need flexible working hours. Due to various reasons, many have attempted to engage in hawking activities in the district to earn a meagre income to make ends meet. Under the heavy burden of livelihood, although these small traders are well aware of the strict enforcement of the FEHD, they have to continue risking in street hawking activities. Members may recall the tragedy of a hawker being drowned to death in his attempt to evade the law-enforcement exercise of the FEHD staff in June 2006. Thus, we suggest that under the premise of not affecting the living environment of near-by residents, the Government should use some vacant sites in Tin Shui Wai and convert them into public bazaars. This will not only provide suitable employment opportunities for the grassroots living in the district, but also allow people to buy quality basic necessities at low prices.

At present, a "riverside dawn market" has naturally been formed along the open nullah in Tin Shui Wai, where farmers from villages in the vicinity are selling farm produce from their own farms daily at 5 or 6 o'clock in the morning. Some small traders are also selling daily necessities there. Their patrons include elders and housewives. It has shown that such a dawn market can exactly meet the needs of the local grassroots. The location of the dawn market is far from the residential blocks. Thus, it will not disturb the residents' rest. We hope that the Government will make co-ordinating efforts to regularize the operation of the riverside dawn market, so that environmental hygiene can be maintained. Proposals of setting up this kind of public bazaars are supported by many members of the Yuen Long District Council. We hope that the Government will provide suitable assistance so as to promote diversified economic development in the district.

**DR LAM TAI-FAI** (in Cantonese): President, the problems of poverty and people's livelihood in Hong Kong have become increasingly serious in recent years, arousing grave concerns from all sectors in society. Even Premier WEN Jiabao has reminded us that one of the five deep-rooted conflicts that needs to be addressed in Hong Kong is "the focus on improving people's livelihood".

Although the Government of the Special Administrative Region has indicated that the worst moment of the financial tsunami is over, the economy has not fully recovered so far and we are actually facing many uncertain factors. The unemployment rate still stands at a high level, coupled with rising prices, the general public are having an increasingly heavy burden on their livelihood. Today's motion is closely linked with the life of the general public, and in particular, that of the grassroots. The Government should consider and address the problem more from the perspective of people's livelihood.

Irrespective of hawkers, operators or patrons of "dai pai dongs" and public market stalls, the majority of them are the grassroots. To them, goods sold at these stalls, ranging from snacks, food to daily necessities, are of wide varieties and at relatively low prices. They do meet the needs of the general public.

On the other hand, hawking trade is also one of the channels for the grassroots to earn a living. As hawking involves small capital and little technical requirement, it is relatively easy to join the trade. That is why many of the grassroots often rent some stalls to run small businesses or take up hawking activities to strive for self-reliance. This is a common phenomenon particularly during the economic downturn (especially when the unemployment rate stands at a high level). Hence, traders running small businesses have actually made enormous contributions to the employment and livelihood of the grassroots.

Of course, due to the progress of the times, the operation mode of hawkers and "dai pai dongs" should be different from that in the past. Nowadays, operators must take into account issues such as environmental hygiene, noise pollution, public safety and traffic. Nevertheless, it does not mean that the Government should eliminate or wipe out these traders. Instead, the Government should help them strike a balance between their activities and the surrounding environment by means of improved management. For instance, installing air-conditioning systems in markets will provide a better business environment for them.

As a matter of fact, preserving stall traders is preserving "a single spark" for starting self-reliant businesses. Every stall trader is actually an entrepreneur. While he is starting his own business, he may also boost employment for all members of his family. Through their own hard work and endeavour, they are able to feed the whole family.

If they are able to seize favourable opportunities, they may gradually accumulate experience and wealth. In times of good businesses, they may afford employing helpers or assistants, and even apprentices. In other words, their starting up of businesses may indirectly increase the number of people employed in society. It can be said that starting up businesses boosts employment.

In addition, more employment among members of the grassroots will help reduce the number of applications for Comprehensive Social Security Assistance, which will in turn lower the government expenditure. As this is the case, the Government should offer more encouragement, support and assistance to stall traders, and provide them with more helpful measures, particularly for financing and rental assistance.

In terms of size, stall traders cannot be categorized as small and medium enterprises but rather "micro enterprises". Generally speaking, these micro enterprises are facing difficulties in raising funds. When they start their businesses and proceed to buy goods, they have to rely almost solely on their own savings, or borrow money from friends and relatives, and even resort to borrow from loan-sharks. They are not eligible for the application for the Small and Medium Enterprises Loan Guarantee Scheme and the Special Loan Guarantee Scheme, and thus, are unable to benefit from these Schemes.

In other words, the most needy in the community are overlooked. Hence, I propose that the Government should set up a special scheme called the micro enterprises loan scheme for the application of micro enterprises to assist their operation.

Government fees and charges borne by these micro enterprises are relatively substantial. In fact, their room for profit making is very limited. It will be difficult for them to survive and develop if the Government does not reduce their fees and charges. The Government should treat all equally without discrimination. When it waives business registration fee for one year, it should also waive all hawker licence fees, so that their chances of survival can be strengthened.

As for public markets, I understand that the current rental freeze period is due to expire at the end of June this year. I think that the Government should continue freezing rents and other fees and charges, such as air-conditioning fees and rates, so as to help small traders continue their operation and strengthen their competitiveness. Such a move can also avoid driving up prices and impacting on people's livelihood. Meanwhile, the Government should implement policies to upgrade public markets as soon as possible, with a view to improving facilities and business environment, as well as attracting greater people flow, so that both traders and members of the public will be benefited.

President, stall traders are part of our local economy. Many grassroots are relying on the trade to earn a living. In my opinion, the Government should not suppress their room for survival. When circumstances allow, the Government might as well minimize the number of illegal hawking blackspots, and try not to always drive them away or catch them. Meanwhile, the Government should consider increasing hawking locations in various districts and centralizing the management, thereby providing channels for the grassroots to earn a living and chances for the public to buy goods at low prices.

It appears that without stall traders, a city will lose its vitality and vibrancy. When the unemployment problem becomes increasingly serious, social harmony will surely be jeopardized. In addition, hawkers and "dai pai dong" bazaars are the cultural characteristics of Hong Kong. If the Government does a good job in its enhancement efforts, these cultural characteristics will certainly become the selling points of our tourism industry, just like the popular Temple Street and Women's Street, which attract many overseas visitors, thereby boosting the entire tourism industry and bringing benefits to our local economy.

President, "building a caring society" is one of the three major objectives proposed by the Financial Secretary in the Budget. He has put forward some measures in response to the aspirations regarding people's livelihood. I think the motion on stall traders under discussion today is definitely closely linked with people's livelihood. Similarly, they need to be cared as well. If the Government proactively supports their operation, not only will the hardship of the public be relieved, impetus will also be given to our local economy, while our

traditional culture will be promoted. In short, it will achieve several objectives with one stroke.

President, I so submit.

**PROF PATRICK LAU** (in Cantonese): President, according to yesterday's news headline, the Urban Renewal Authority (URA) has suddenly decided to take out Wing Lee Street from the category of Comprehensive Development Area, and put it under the "preservation zone". The URA will also rehabilitate its acquired units as well as assist owners to upkeep the conditions of the buildings through the Building Rehabilitation Scheme, with a view to preserving the originality of the street.

President, as a matter of fact, the buildings in Wing Lee Street are not very special. They have not been graded by the Antiquities Advisory Board either. However, the crux lies in the fact that the entire area is a district of early development of Hong Kong, which makes it very special. There is a very long Ladder Street in the vicinity — if you are aware of this — which is also very important. When I was a member of the Town Planning Board (TPB), the URA had put forward a very undesirable proposal of placing a huge building in the middle of Ladder Street. Of course, this was not allowed to happen when I was with the TPB because this would have changed the history of the Hong Kong district. That would have been very awful.

To come back to the subject, I would like to talk about what is so special about Wing Lee Street. When we go to Wing Lee Street, we must go through a section of Staunton Street called "Sam Sap Kan". Previously it was a bustling traditional open-air market. Kaifongs used to call it "Sam Sap Kan" Market. Unfortunately, since the Government got rid of the "Sam Sap Kan" Market many years ago, the place has become forlorn, except at the time of the annual "Meng Lan" Festival.

The concept of a good conservation project should be based on the overall planning of the entire district. Of course, conserving Wing Lee Street is a very good idea. But a more desirable option is to consider how to revive such bazaars as "Sam Sap Kan". I very much hope that through the measures

proposed in the original motion in support of the culture of hawking stalls and "dai pai dong" open-air bazaars, "Sam Sap Kan" Market will return to Staunton Street. This is an option worth adopting.

President, I am very supportive of the culture of hawking stalls and "dai pai dong" open-air bazaars because they are the local characteristics of Hong Kong, which have strong appeal to local people, particularly the younger generation, as well as overseas visitors. For those who have visited India or Turkey, they must know that the spice markets are a must-go for tourists. The simplest way is for Members to go and have a stroll at the open-air market near Gage Street and Graham Street in Central — it is just a short way from here — I can guarantee that you will find many visitors from various countries and some local young people taking photos there. We can come across information of open-air markets in Hong Kong from the discussions of seasoned travellers or researchers of various cultures, or from different Japanese books. Just as Mr Paul TSE mentioned just now, understanding our local culture and social customs is one of the important factors in developing tourism industry.

I wish to call your attention to the fact that "dai pai dong" open-air bazaar culture and street culture are inseparable. Many tourists who have visited the modern "dai pai dong" bazaars in Singapore have remarked that the arrangements there are very good. People are able to go sight-seeing and enjoy local delicacies in a clean and comfortable environment. However, after many people have visited Hong Kong, they like our traditional Hong Kong-style open-air bazaars more because street bazaars and "dai pai dong" in Hong Kong have retained the original flavour and unique characteristics after all. Of course, putting aside tradition, "dai pai dong" and open-air bazaars have brought a number of problems in respect of hygiene, safety and environmental pollution. Thus, it is imperative to formulate a sound monitoring system for environmental hygiene when measures concerning hawkers, "dai pai dong" and open-air bazaars are implemented, so as to ensure that the bazaar culture of Hong Kong is enriched with local traditional characteristics as well as a comfortable and safe environment.

President, regarding the open-air bazaar near Gage Street and Graham Street mentioned just now, Members are aware that the URA is planning to implement a large-scale demolition and redevelopment project then. I have to

remind the authorities that a bazaar, just like the tea stain in a purple sand teapot, has to be "steeped" year in and year out. If revitalization is to be implemented, we must make efforts to understand the genuine needs of the hawkers who have operated in the area for two to three generations. Thus, I wish to ask the Secretary — and I hope the other Secretaries will also give this a thought — since the authorities have not yet decided the direction of revitalization of the Central Market in Central, can they consider temporarily rehousing hawkers of Gage Street and Graham Street affected by the redevelopment project to the Central Market in the process of the redevelopment works? The Central Market is a market itself. Since it is currently out of operation, it can be used to rehouse these hawkers so that they can serve the local kaifongs and continue to do business. On completion of the redevelopment of the bazaar, hawkers can return to Gage Street. Is this not a good option?

Lastly, President, I have great reservation about the proposal of installing air-conditioning systems in public markets. Markets are markets. In fact, the design of our new markets is actually very satisfactory. Under Secretary LEUNG, in fact, last time when I put forward the idea, Secretary CHOW shared with my view, which is to demolish all the walls of the modern markets, so that they will become genuine markets. Markets should be located in the street where they are naturally ventilated instead of being separated by walls. In this way, it is not necessary to install air-conditioning systems in markets because they will be properly ventilated. This will be conducive to the environment, energy saving and environmental protection. Only in this way are they markets with genuine characteristics of Hong Kong.

In this regard, I hope you will agree that health is very important, so it is advisable to rectify the situation of the ventilation system and the historical markets in Hong Kong. Thank you, President.

**PRESIDENT** (in Cantonese): Prof LAU, you mentioned the annual "Meng Lan" Festival in your speech just now. I believe it should be "Yu Lan" Festival, right?

**PROF PATRICK LAU** (in Cantonese): Yes, it is "Yu Lan" Festival.

**MR WONG KWOK-HING** (in Cantonese): President, in proposing this motion, Mr Tommy CHEUNG of the Liberal Party has put forward more comprehensive proposals concerning the trader policy and issues of great concern to hawkers. I think this is a sign of progress of the Liberal Party, to which I give a great applause. Prior to putting forward this motion, Mr Tommy CHEUNG had solicited my views. But I did not make any amendments.

President, small businesses should be given weight in the community, and should merit due recognition. However, the Government of Hong Kong has all along overlooked the social role and social status of small businesses and has attached little importance to them. The Government has spent \$20 billion in this year's Budget to implement the so-called measures of "handing out candies". While the Government has waived the business registration fee for one year across the board, from which large consortia also benefit, it has forgotten the interests of small business operators. That is why many colleagues have strongly requested the Government to similarly waive the hawker licence fee for one year in their amendments and in their speeches. I hope that the Government will listen to this demand. Meanwhile, I also hope that the Government will listen to another demand, and that is, to further extend the rent freeze period of municipal markets under the Government for another year, so as to facilitate more viable operation for operators when the economy is currently at an early stage of recovery. I hope that the Secretary will provide a reply on this later.

President, I wish to talk about the following two aspects. Firstly, has the Government addressed the present problems faced by hawkers and small business operators? Secondly, I wish to talk about market traders. What are the most immediate problems faced by them now? And has the Government listened to our views?

Regarding the current operations of hawkers, I would like to discuss the following points. The first point is about the Itinerant (Frozen Confectionery) Hawker Licence for ice cream vendors. There was a policy change of the Government last year when it endorsed my proposal to re-issue these licences. I appreciate such an initiative which represents a breakthrough. However, with over 3 000 applicants waiting for the issue of the licence through a ballot exercise, only 61 licences were issued last year. Currently, only 25 operators are officially operating. What is the reason behind? It is because of the difficulties

they have to face in their operation. In the face of their difficulties, have they been offered assistance by the Government? There are inconsistencies in the policies of the Government. Even though the senior level has introduced a policy, their subordinates may act counter to it. On the one hand, the Government issues the licence, on the other hand, it tries to drive away the operators wantonly by claiming they cause obstruction to the street. If ice cream vendors are not allowed to park their motorcycles along the pavement, does it mean that they should park and sell ice cream on the vehicular access? Under Secretary, will you go onto the road to buy ice cream? If so, you will surely be killed by a car. An operator who has been parking his ice cream vehicle at the same spot near the Tsim Sha Tsui Pier for 60 years was recently charged with obstruction. As he had to appear in court, he stopped doing business for one day. As a result, all his ice cream melted. His monthly business volume is several thousand dollars only. How can the Government endorse the value of small businesses and accept my proposal to re-issue the licence on the one hand, while its front-line management lags far behind and fails to catch up with the policy of the Government on the other hand? I wish the Secretary will follow up on this.

The second point concerns the issue of licensed itinerant hawkers selling dry goods. They are different from the licensed itinerant hawkers selling ice cream. They strongly demand the Government to review the so-called blackspots, assess whether these blackspots are necessary, and study whether time slots for hawking should be designated and whether consultation should be conducted. The authorities should not act like black kites poaching chicks or cats chasing mice, treating hawkers as if they were burglars or robbers. Instead, it should discuss with them to determine which area, district or time slot should be designated for operation under the circumstances that they will not cause obstruction to pedestrians. I hope that the Secretary will follow up on this matter.

The third point concerns the dawn markets. During the economic downturn in the previous two years, the Government appeared to make efforts to offer help. However, President, I can tell you, up until now, not a single dawn market has been successfully organized. Earlier, an old hawker operating in the Tin Shui Wai dawn market fell into a river and lost his life when he was evading the chase of the hawker control team. More than 60 hawkers operating in the dawn market sent their representatives to meet with me and asked me to take this

up with the government departments. Their present operation is hawking for two hours from six or seven o'clock in the morning to support the family income. What measures has the Government formulated to help them? Until now, this issue is still unresolved. Furthermore, the "assistants" wish to operate in the same street and in the same district through balloting for vacant fixed pitches. But the Government seems to have turned a deaf ear and claims that there are difficulties involved. I hope that the Secretary will genuinely listen to their views.

President, I have reserved some time to discuss the issue of market traders. The market traders are most concerned with the new tenancy agreements soon to be signed with the Government. In the new tenancy agreements drafted by the Government, the Government has resorted to tricks and used some obscure wordings that require tenants to bear the rates and air-conditioning costs. The traders consider this move unreasonable as rates have all along been included in rents to serve as a kind of government subsidy. They find it difficult to accept that rates are imposed as additional charges now. As for air-conditioning costs, they opine that they should be charged in accordance with the area of the tenants' stalls, and that air-conditioning costs of the public area of the entire market, with offices inclusive, should not be borne by them. I hope that the Government will consider this in a serious manner, and will not act wilfully in its own way.

Lastly, President, I do not agree with the amendment put forward by Dr Priscilla LEUNG because the mention of rent setting and economic situation may become a hint foreshadowing a substantial rental increase. When the economy improves, will small traders be able to share the fruits? It is not necessarily so (*The buzzer sounded*) ..... Thank you, President.

**MR LEUNG YIU-CHUNG** (in Cantonese): President, just as Dr LAM Tai-fai said, people's livelihood is indeed a very important issue and is a deep-rooted problem currently faced by Hong Kong. And yet, the Government has dealt with it in a haphazard manner. For instance, when it thinks that there seems to be mounting discontent in the community, it aims to "hand out candies" in this year's Budget to ease some of such grievances. Undoubtedly, "handing out candies" is a sweetener which would definitely help vent some grievances. The question is, however, should the Government be so short-sighted as to feel satisfied with the scattered applause at the moment and turn a blind eye to the long-term development?

In fact, I think the most important point is that, from a long-term angle, the issue is related to a number of policies. Very regrettably, we fail to see how the Financial Secretary saves the community, the market and the grassroots from the policy perspective. When the economy was in the doldrums in the 1960s, 1970s and 1980s, it was a common phenomenon to find plenty of hawkers hawking in the street. Why? Because people who were unskilled or older would try to make a living by engaging in small businesses or hawking when the economy was sluggish or when they were unemployed. This could really help them out.

Hawkers, however, do give rise to many problems, such as environmental hygiene, noise or pavement obstruction, which must be dealt with. The problems were subsequently dealt with by either assisting them to move into the markets and provide fixed locations for hawking, or issuing them with itinerant hawker licences. Yet, either way has its problems. Firstly, what is the point of the Government to allow them to operate at the hillside where there are no passers-by? This is pointless. Secondly, it is certainly good to move into the markets, but very regrettably, the markets have been undergoing drastic changes in our society. Weather, for instance, poses a serious problem.

Worse still, the Government has neither actively considered how the markets' enclosed design or ventilation system can be improved, nor done anything about it. Even if it has done something, they were done in a slapdash manner or merely meant to be a gesture. The Government has therefore received more criticisms than praises. Despite that a lot of fans have been installed to improve the ventilation of the markets, the room temperature has nonetheless risen and the problem is still left unresolved. Why? Because the enclosed markets have poor ventilation and a lack of fresh air. So, what is the use of the fans then? We can only say that, after all, it is necessary to install air-conditioning systems. Prof Patrick LAU has just expressed his disagreement and suggested to tear down the walls of the market to make it a through passage. Of course, the best way is to tear down the walls of the markets, but since this is not the Government's decision at present, the installation of air-conditioning system is therefore necessary. The Government has not dealt with the problem in a proactive manner at all.

Previous policies pointed out that the consent of more than 70% of stall tenants must be obtained before any air-conditioning system can be installed, which is rather difficult to achieve. This is because the tenants have to bear a

very high air-conditioning charge, which is beyond their affordability. Why does the Government not consider subsidizing their air-conditioning charge? The Government must give them room for survival, and I think that more should be done in this respect to help them. Summer is around the corner and everyone knows that it is going to be very hot. In my constituency, a resident once fainted while shopping in the market under the high temperature. As a result, nine out of ten stalls in some markets are now left vacant. Again, what is the point of this? This is the first point.

The second point is that the Housing Department used to provide a large number of shops for small operators, which does not only benefit the small operators by providing them a place for business, but also enables the grass-roots residents living in those housing estates to buy lower-priced goods. Unfortunately, the right of management has been transferred to The Link now, which only welcomes famous brands. As a result, only large operators are allowed to do business and small operators are all kicked out. From then on, not only small operators are unable to make a living, but members of the public also face increasing pressure from rising prices. Although this is undesirable, the Government has allowed the situation to further deteriorate. The rent is now out of control, rising so high that small operators can no longer operate, whereas goods sold by large operators are so expensive that lives of the ordinary people have become even harder. If this vicious cycle continues, I wonder how the Government is going to tackle it.

Mr WONG Kwok-hing mentioned the hawker problem earlier, and I would like to give some examples. In Tai O, there is a man selling newspapers for many years, and the local residents will have no newspaper to read should he not do business in the morning. However, to everyone's surprise, he has become the target of arrest of the Hawker Control Team. Two team members were deployed to keep an eye on him as early as at six or seven o'clock in the morning, and arrested him whenever he was spotted selling newspapers. As a result, he cannot earn a living. I wonder why the team members are so diligent and strict. How much space does a man selling newspapers take up? He does not set up any stall, but simply uses a trolley. But still, the team members have to arrest him until he cannot make a living. The working ability of these grass-roots people are not particularly strong, and they can only look for a living somewhere at dawn. How can the Government help them out? This is just one example, and there must be many more. In Yuen Long, there are many old men and women selling vegetables in the street in the morning. They neither cause

obstruction nor stay long. How can the Government help them? Arresting them is not a solution to this problem. While accusing them of causing obstruction or affecting environmental hygiene, what else has the Government done to help them resolve their problems? No, it has never figured a way out for them. The case is the same for the licence issue mentioned earlier on. The Financial Secretary has merely "handed out candies" without giving any thought to the long-term policy. What can be done to help them in respect of the hawker licence and rent? This is the crux of the matter.

President, I so submit.

**MR VINCENT FANG** (in Cantonese): President, to us, those in the wholesale and retail trade, the most important thing is "doing business" and that is, "to be open for business". However, a large group of hawkers left their business at the stalls yesterday morning to come here before the commencement of the Legislative Council meeting to hand in a petition. In fact, this is not the first time they have done so, for they have been here to petition, make demands or express their views, almost every time when the Legislative Council or its Panels address issues on the hawker policy.

Exactly what has prompted them to take a break from doing business and time off from "making a living" to express their demands? The reason is very simple, and that is, they have done so to fight for a reasonable treatment and a reasonable business opportunity. If they do not fight for them today, they may not even have a chance of "making a living" in the future.

This further reflects that the Government's existing policy on trader operations has virtually failed to take into account the special features of traders and to meet the needs of the trade. We only have to take a look at the new public market tenancy agreements which caused a furore last year and would find that they are simply as harsh as those of The Link.

We have held many debates at the Legislative Council over the past several years and pointed out that small traders and open-air bazaars are not only a feature of Hong Kong, but also found in big cities around the world. As the trade gains the support of nearly all Members of the Legislative Council, the Government has finally listened to our views and changed its previous policy of

striving to ban street traders. However, the Government's subsequent actions have shown that it is very reluctant to accept the existence of street traders. When the motion on retaining open-air bazaars was passed back then, we requested the Government to revitalize and beautify open-air bazaars at the same time, and improve the environment of bazaars, so that street traders and shops can harmonize with each other. We also suggested the promotion of such bazaars to international travellers. However, as of today, we have yet to see any results. If the Government does make some efforts, there is no need for us to move today's motion.

On the issue of revitalization, we have spent more than three years on the discussion of the filling up of vacant fixed pitches to enrich the bazaar and boost up the business of the whole bazaar, as well as increase employment. However, issues ranging from unappealing back-row pitches at Women Street and Temple Street to whether hawker assistants can be accorded priority in applying for operating in the same street under discussion today, have yet to be satisfactorily resolved.

The relevant departments may assume that hawking is a trade which can "make profits without any capitals" for hawkers do not have to pay rents or refurbishing expenses, and can "earn endless profits" simply by displaying their goods for sale. Thus, though members of the Panel on Food Safety and Environmental Hygiene has unanimously agreed that hawker assistants should be accorded priority in applying for operating at vacant pitches in the same street or in the same district, the Government has still insisted that the proportion should only stand at 70%. In fact, we only have to look at the case in which applications for new ice-cream automobile licences are lower than expected, we can see that the public will act according to their capability and not over stretch themselves. After all, this is not a trade which "auto-pays" or "auto-pays salaries", but a trade where one has to "be exposed to the sun and rain" and "start work early in the morning and finish late at night".

Since the Government has insisted that 30% of the vacant pitches have to be allocated by open bidding, we have no alternative but to accept. However, I hope that the Food and Environmental Hygiene Department could report to us later on the response to the open bidding, and the operation situation of new

traders who have successfully bid for the licences, such as whether any traders have eventually surrendered their licences because they cannot continue to operate.

We absolutely support giving licensed itinerant hawkers more room for operations since the Government only controls licensed hawkers but can do nothing about unlicensed operators. Some unlicensed hawkers are not only reckless and unbridled but also cause obstruction to shop entrances. Apart from having to operate under difficult conditions, traders are also ignored by the Government. They have always been left out whenever the Government introduces any relief policies.

When the Government returned wealth to the people by waiving the business registration fee and rates the year before last, street hawkers who did not have to pay the business registration fee got nothing. It was only after repeated fights that the Government agreed to waive the proportion of hawker licence fees equivalent to the amount of government rent. Consequently, only less than \$100 was reduced from the fees of each licence.

And, even when multinational consortia could enjoy some petty favours from the \$100 billion relief measures rolled out last year and this year, street hawkers still got nothing. The Government has kept saying that the amount of licence fee only covers its cost, but since it is "giving out candies", it should not bother about losing money or otherwise, not to mention recovering costs. I would like to thank Mr WONG Yung-kan for making relay efforts with me on putting forward the suggestion on waiving hawker licence fees.

Lastly, I earnestly hope that the Secretary could carefully instruct his colleagues and seriously review the Bureau's internal policy on hawkers under the guiding principle of protecting public interests and balancing the interests of business operators.

I so submit. Thank you, President.

**MS AUDREY EU** (in Cantonese): President, I read from the newspaper early last year that Uncle LEE, a bootblack hawker who used to earn a living outside the Murray Building Car Park, was arrested by the Food and Environmental Hygiene Department (FEHD). He was prosecuted and fined \$400, and his

paraphernalia was confiscated. I was shocked by the news report because he merely provides bootblack services for people who wear leather shoes to work in Central, and he has many customers. Also, he has absolutely not caused any obstruction. I guess the President may also notice a tiny place beside the footbridge at Murray Road when he walks in the Central. It is a hidden area quite near to an elevator, and providing bootblack services there should not cause any obstruction at all. In this circumstance, how can the FEHD staff arrest him? Some members of the public have raised opposition, saying that Uncle LEE only earns a meagre living and has to take care of his wife. They asked the FEHD staff who made the arrest how Uncle LEE could live on if he was arrested. The staff replied that he could apply for Comprehensive Social Security Assistance (CSSA). Such a reply is really outrageous, and I also think that it has gone over board when I read it in the newspaper. So, I made enquiries with Mr CHEUK Wing-hing, Director of Food and Environmental Hygiene, and Dr York CHOW. I also wrote in my blog and even created a social webpage to support Uncle LEE. Obviously, he has not caused any obstruction and has been providing services there for more than a decade, so why did the FEHD arrest him and ask him to apply for CSSA? The FEHD replied that they did so because there were complaints from members of the public.

President, what does this incident reflect? An absence of government policy. It has refused to issue any licence to these itinerant hawkers, and not a single hawker licence has been issued over the past 30-odd years. Whenever there are complaints, it has no choice but to make arrests. Subsequently, even hawkers operating on Theatre Lane were issued fixed penalty tickets. Since the social webpage created by us has received wide community support, including the District Council — honestly speaking, the District Council has been pursuing this for many years too — the Government gave up its more-than-three-decade-long policy of not issuing new licences in the end, and several licences were issued to those bootblack hawkers operating in Central.

President, this case has something in common with the Government's decision to preserve Wing Lee Street as reported in newspapers recently. Both share the same rationale behind. It is the Government's original policy to pull down the buildings on grounds of safety and high conservation cost, but after a movie filmed there won the Gold Bear or Silver Bear Award — right, it should be the Crystal Bear Award, I only know that it is a bear — the authorities suddenly changed its policy and propose to preserve Wing Lee Street. This has indeed reflected what often happens to government policies, and that is, a little

concession would be made in the wake of vigorous public outcries, but in the absence of consistent policies. Just like the ice-cream automobiles, several licences are issued in the face of mounting public anger, but what happens afterwards? Those who have watched the television programme should know that the situation is indeed very saddening. Even though those ice-cream vendors only sell ice-cream at places that do not cause obstruction to anyone, they are driven away regardless of whether they do business under a flyover or at some shady spots. Why are they being driven away? Because there are complaints from members of the public. The authorities will drive them away so long as a complaint is received. This shows that not only is the Government reluctant to take up its responsibility, but it has also failed to formulate a proper policy. When someone gives it a kick, it makes a move, which is not a solution at all.

I concur with many of the views expressed by Members who have spoken today. Even hawkers and small businesses can become something big, and they are indeed one of our special features. When we travel abroad, we may not patronize those large, air-conditioned shopping arcades. Rather, we may go to a bazaar to see which kind of local cheese tastes best, what kind of food is the most delicious and where the artists will perform. These are things with the best special feature. And yet, they have been stifled in Hong Kong. I think that, in this regard, the Government has completely ..... When we were small, the hawker policy of the Government obviously aimed at helping the poor people so that they could operate a small business at a lower cost, thereby supporting the whole family. Our next motion debate is concerned with promoting upward social mobility, which also owes its success to the flexible way of doing business like hawkers.

Nonetheless, no more room is left nowadays. As we can see, snacks like ox offal and black sesame paste are now only available in shops. However, the design of the shops in the markets is so inconvenient that it has caused many grievances among the hawkers. Since the Government has moved them into the markets, so they have to work very hard to pay for the bills of air-conditioning, licence and rent. There is thus a genuine need for the Government to conduct a comprehensive review of the policy on hawkers and hawking. Apart from providing suitable land, it is also necessary to reduce the number of illegal hawking black spots and clearly inform the itinerant hawkers of the locations. Moreover, insofar as cleanliness and hygiene are concerned, electricity supply and adequate facilities should also be made available to hawkers, which is very important.

Earlier on, the Civic Party has suggested that the Government could make reference to the Charleston Green Fair in the United States and set up green flea markets in all the 18 districts in Hong Kong. Since plenty of new green products are now available for the promotion of environmental protection, it is therefore a good move to set up green bazaars in Hong Kong to give the general public a better understanding of the new products. The Civic Party supports today's original motion and most of the amendments, except Dr Priscilla LEUNG's amendment because she suggests that the Government should also bear the electricity tariffs, to which we cannot support. President, we hope that something like the cooling system at the Kai Tak Development can be used, which provides environmentally-friendly air-conditioning by connecting to a central chilling system. We agree with her views on the maintenance of air-conditioning, but disagree that the Government should bear the electricity tariffs for good. I think we cannot give it our support. And it does not adhere to the principle of environmental protection either. However, neither do we wish to see any market design that would push air-conditioning charges to higher than the rent. This is obviously a problem of the design and we hope that improvement can be made.

Thank you, President.

**MR KAM NAI-WAI** (in Cantonese): President, originally I do not intend to speak. However, after listening to the two points mentioned by Prof Patrick LAU, I would like to respond briefly. The first point is on the issue of air-conditioning in markets as mentioned in today's motion. He said earlier that there was no need for markets to install air-conditioning facilities for markets would be ventilated if all the walls are removed. However, I think he may not have visited the markets very often. Prof LAU may have a lot of book knowledge on design, but in reality ..... Why have so many of our colleagues talked about installing air-conditioning facilities in markets today? Perhaps, it is because we all find the ventilation systems of markets to be very poor.

The Democratic Party has also discussed the issue of who should actually be responsible for paying air-conditioning fees in markets? However, a very crucial principle is involved, and that is, the health of people who shop for food and small traders who operate in the markets would be greatly affected. If air-conditioning facilities could not be installed because tenants of the markets are unwilling to bear the air-conditioning fees and ventilation systems could not be installed, then what should be done? I hope that the Secretary — with your wisdom, and the fact that among various Under Secretaries, you could be said to

be a very "good fighter" — please consider that, for many small traders or members of the public, health is very ..... I do not want to simply talk about business environment, though it is also a very crucial factor. After all, how could we deal with this issue? If air-conditioning facilities could not be installed because tenants are unwilling to bear the air-conditioning fees, then could the ventilation systems be improved? Could the Secretary inspect the ventilation systems of all markets, to see whether it could, simply put, be made more humane, so that people who work, operate business or shop there ..... I hope that the Secretary could respond later on whether a better job could be done. I do not agree to the suggestion made by Prof Patrick LAU on removing all the walls in markets. A big problem would emerge if all the walls were removed since the markets have already been poorly managed. I do not know what could be done if all the walls were removed and perhaps all the stalls would have to be moved outdoors.

Secondly, Prof LAU also mentioned earlier that all hawkers at Graham Street could be moved to the Central Market so that they could operate on a temporary basis in the process of the redevelopment, but I also do not agree to this. On the issue of Wing Lee Street which Ms Audrey EU mentioned earlier, I heard a radio programme yesterday, saying that if the movie on Wing Lee Street were filmed at Graham Street, then perhaps Graham Street could be preserved and the whole street might not have to be demolished. If the movie were filmed at the Wedding Card Street, then the whole Wedding Card Street might have been preserved. That is to say, wherever the movie is filmed, the street in question can be preserved. The Government's principle could sometimes be very ridiculous. Yesterday, I also said that big problems would emerge if things were done in accordance with the Government's principle. It was only two weeks ago when the staff of the Urban Renewal Authority came to the District Council and pledged in all sincerity that: "Mr KAM, if we do not demolish the nine buildings at Wing Lee Street, then they would all collapse, so should we just ignore the safety of these buildings? In that case, we could not look after the interests of the residents". However, two weeks later, it has turned out that the buildings could be spared from demolition. I really find this very ridiculous.

Let us get back to the issue of Graham Street. The stall operators there actually wish to continue their operations on that street, even during its redevelopment. So, how could the street be preserved? As we have discussed in the past, since under the existing policy, firstly, when the tenant vacates a stall,

it would be left vacant and everyone knows that no new tenant could move into the stall under the existing policy. If the policy is changed in future and the vacant stalls could be filled by new tenants, then the whole street could regain the atmosphere of a bazaar and people would then be attracted to go there and shop. I think that this is very important. Secondly, as most residents of the redevelopment area have already moved out, and the business of that area — I used to live at Graham Street when I was a child and the business of that area was very prosperous back then, for people who travel to the outlying islands would first stop and shop there for food before going to take a ferry at the pier. However, things have now changed, for the pier has been moved miles away and nobody would shop there again before taking a ferry. Therefore, as the ferry pier moves further and further away, the business at Graham Street has also become less and less. And, its pedestrian flow has become even less, as the residents gradually moved out recently. I am sure that the stalls would fail to operate if they were relocated to the Central Market. As such, it is essential that ways should be found to allow stall operators to continue their operations on that street.

Of course, these are only two of the many cases. In fact, there are still many other problems in Central, such as the issue of bootblack hawkers which everyone has talked about, the issue of "dai pai dong" brought up by Man Yuen Noodles and that of the open-air bazaar at Graham Street. I think that these issues should be dealt with under the whole policy review. The key principle is how all of the above could be preserved. If everyone agrees to the principle, then we would come to the issue of providing ancillary facilities under this principle, such as, what someone said earlier about what should be done in respect of drainage to improve the environmental hygiene, whether there should be electricity supply and so on. All this is essential to preserving the bazaars and stalls. And this policy is important.

As regards the amount of licence fees, whether there should be inheritance rights, area of the stalls or how goods should be displayed, they are all determined by how in-situ operations could be made possible, and thus this is the most important major policy.

I hope that in examining this policy, the Under Secretary could take social changes into account, unlike Mrs LAM who took a 180-degree rapid turn simply because of a movie, and I do not think that this is a good thing. Of course,

social changes are only natural. The voices in our society are actually very consistent, from the earlier request of moving "dai pai dongs" into markets to the existing request of moving them back onto the streets. I hope that the Government could make clear and definite changes in its policy.

Thank you, President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR RONNY TONG** (in Cantonese): President, I do not eat ice-cream, but as someone described me as an ice-cream van when I ran for election, I have a special warm feeling towards ice-cream. As many colleagues have talked about ice-cream earlier, I would also like to tell a story about ice-cream.

President, I recently read about a "post-80s" youth in the newspaper, who failed to find a job after graduating from college and thus wanted to have a taste of entrepreneurship and started a small business by following the advice of the Government, with a hope to succeed. He invested \$10,000 in a joint venture with his family to order a custom-made ice-cream tricycle and obtained a licence for selling ice-cream over the territory. However, after being driven away by the Hawker Control Team a dozen times a day, he finally had to ply his trade underneath a flyover, a place without any passers-by. 80% of the pedestrians who walked pass his stall only asked for directions and his daily income was even less than that of the beggar right next to him. President, I do not know whether this story is true or not, but it is reported in a magazine. The story has precisely depicted the controversies and harsh reality of Hong Kong's society.

On the one hand, we criticize the young people of today severely for lacking the vigour of the 1960 and 1970 generations. We hope that they could struggle against odds, tolerate hardships and set up their own businesses, even if it is only to become a hawker. They could still start at the lowest rung of the ladder to "blaze a new trail". However, on the other hand, our policies have unwittingly and slowly deprived these young people of their chances of survival. Over the past 20 years, our society has stopped issuing itinerant hawker licences. The slim chance of survival and escape from poverty, which young people at the

grass-roots level got from hawking on the streets in the past, at times of unemployment or despair, has almost been long lost. It was only due to their repeated strenuous efforts that the Government finally agreed last year to reissuing itinerant hawker licences. In the past, "dai pai dong" are the places where we, the ordinary people, could enjoy relatively low-priced, convenient and delicious food after work, but "dai pai dong" have now become collective memories and spots of attraction, which are fewer and fewer in number.

President, when the policy on hawker licences were reviewed with a view to reissuing the licence last year, many colleagues mentioned that only several tens of people among the several thousand applicants were successful in obtaining a licence. This is entirely due to the lack of a consistent government policy. In fact, today's hawker issue is none other than the aftermath of the highly-developed real estate-ism. As the majority of shopping malls and shops are monopolized by developers, it is actually extremely difficult for people at the grass-roots level, who have no capital, special or professional skills to become their own boss and set up their own businesses, if they do not wish to work as employees. They could only afford to lease shops at housing estates where rents are cheaper for setting up their own businesses. Even so, frankly speaking, they are still being ruthlessly driven away by The Link. And, even if they are lucky enough to lease a better place, they would either have no business or have to live in fear of rent increase if they have business. The better the business, the higher will be the rate of rent increase and they would still have no way out in the end. President, under such circumstances, we must abandon our high land price policy, and the Government should regain control over the management rights of housing estates and reformulate policy on revitalizing hawker precincts. This policy should have three aspects: firstly, to allow people at the grass-roots level to set up entry business at relatively low costs, and encourage the people to solve their livelihood problems and alleviate the pressure resulted from disparity between the rich and the poor through achieving self-reliance. Secondly, to encourage the development of hawker precincts, so as to preserve traditional and distinctive trades and cultures and encourage innovative new trades. Thirdly, to allow distinctive trader markets to develop into distinctive communities and become local tourist attractions.

President, though the current proposal of the Government on reissuing itinerant hawker licences, to allow assistants at fixed hawker pitches to apply for other vacant stalls in the market is an acceptable direction for the review, it is also rather superficial. As illustrated in the case of the young man I talked about

earlier, who custom-made an ice-cream tricycle, the number of places available for ice-cream stalls have not been increased, despite the fact that the Government has proposed to issue 30-odd more itinerant licences for selling frozen confectionery. As a matter of fact, the existing unlicensed hawker black spots listed by the Food and Environmental Hygiene Department are quite numerous, and even licensed hawkers have often been prosecuted without warning. I have also checked out the so-called black spots and found that many of them are in familiar districts, like nearly every street with a pedestrian flow in Sha Tin, Taipo and Sheung Shui are listed as black spots against itinerant hawkers. So, may I ask how hawkers could possibly operate when they have got licences but no place to operate? In order to reach at the core of hawker policy, so that hawker markets could really be revitalized and meet the demands of the local community, the most effective way is to proceed from planning, for example, we could follow the practices of the olden days by designating market days, or the practices of other places by designating specific locations in the local community to allow licensed itinerant hawkers to congregate during a certain period of time on the market days on a regular basis. On the one hand, we could prevent hawkers from occupying certain lots on a long-term basis and turning the area into a disguised market or bargain shopping mall, thus engaging in vicious competition with other merchants in the area; and on the other hand, we could provide such hawkers with a living space. Furthermore, we could also set a theme for such fair markets, such as one specifically catered for the sale of organic products, home-grown products of grannies, or everyday trinkets, appliances and so on, so as to add a special flavour to such fair markets. In fact, such fair markets could also be found in the United States or European countries, for example, there is a market in London — Portobello Road, for selling antiques, which I believe everyone would be very familiar with and have heard about.

We saw that some young people had set up cooked food stalls outside the Legislative Council Building on the day of the high speed rail assembly, and the scene was actually very unique and full of vitality. Many people who were there on that day did not come specifically to show their support, but to patronize the stalls while they were passing through after getting off work. The scenario could actually be replicated in other places of Hong Kong, making our hawker markets more vibrant and giving our young people more opportunities and hopes to start up their own businesses. President, I think that the SAR Government should consider such issues.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Mr Tommy CHEUNG, you may now speak on the five amendments to the motion. You have up to five minutes.

**MR TOMMY CHEUNG** (in Cantonese): President, I support Mr Frederick FUNG's amendment. In fact, as there is still demand for itinerant hawkers under the current economic conditions, I do not think that a deadline should be set for surrendering the licences at the moment. I also have no objection to the proposal on allowing itinerant hawkers to move into vacant fixed pitches, for this would not only offer new opportunities for itinerant hawkers, but I believe that their move would also promote the revitalization of the fixed pitch market since they operate in ways which are similar to those of fixed pitch traders.

As regards Mr Fred LI's proposal on lowering the threshold of consent for installing air-conditioning facilities in public markets from 85% of the tenants as required by the Government to 65%, I do not have any objections, for provided that the Government is willing to bear the installation and maintenance costs of installing air-conditioning facilities in the public markets, many tenants would agree to the installation since this would not impose a heavy burden on them.

As regards to what Mr Fred LI said in his earlier speech on asking the Secretary or the Under Secretary to go on an inspection tour to the Tai Shing Street Market in a suit, President, I have a new suggestion. I think that instead of wearing a suit and tie, the Secretary or the Under Secretary could wear shorts and wooden clogs on the inspection tour to the Tai Shing Market and I am happy to accompany him. Apart from Mr WONG Yung-kan and Mr Fred LI who need to slim down, I think the Secretary also needs to do so, and though I do not think that I need to lose any more weight, I am willing to offer my support. I propose that the four of us could go together on an inspection tour to the market for one day on a week-end or a week-day, so as to learn more about the conditions of the market and I believe that this would be beneficial to the Under Secretary in formulating the policy.

As regards Mr WONG Yung-kan's request to add "to waive the hawker licence fee for one year and to extend the rent freeze period for public markets for one year" to the motion, Mr Vincent FANG of the Liberal Party has also pointed out earlier that it is unfair that only the business registration fee was waived in the Budget of this year, whereas hawkers and market tenants were not benefited, thus the Liberal Party would definitely support Mr WONG Yung-kan's amendment. In fact, we have already responded to this issue.

The Liberal Party also greatly support Mr Paul TSE's request on appropriately relaxing the restrictions on on-street busking and hawking in various districts, particularly at locations with tourism value or special features. This is especially true for remote districts. For instance, the dawn market is very popular with the public, and may also help people at the grass-roots level. Tourists may also be attracted to such open-air bazaars with special features held over the week-end.

Lastly, as regards Dr Priscilla LEUNG's amendment, I would like to make two points. Though we support one of her amendment items, we have reservations on Dr LEUNG's request on asking the authorities to "actively explore", for this Council has already reached a unanimous agreement on asking the authorities to bear the maintenance costs of air-conditioning facilities. As such, we hope that the authorities would act now and not explore again. If we were to argue further about electricity tariffs, the authorities might as well install a separate cooling meter for every tenant, so that they only have to pay electricity tariffs for the air-conditioning of their own stalls, instead of sharing the air-conditioning fees of the whole market and this may be a more acceptable practice. Dr Priscilla LEUNG said her amendment has not asked for the exemption of air-conditioning fees and that we may have misunderstood her. However, the Liberal Party finds it quite hard to accept just by looking at her amendment.

As regards the second point, I also have reservations on Dr LEUNG's amendment in regard to public market rental revision. First of all, Dr LEUNG proposed to add "to use the economic condition of the current year and employment market situation as reference indicators", and I think that there is still much room for discussion, for public markets are different from privately-run shopping malls in that they may not be directly affected by economic or employment conditions. And, even if the economy has improved, the conditions

may still not be right for rental increase, since public markets have to offer assistance to small traders to compete against supermarkets in The Link's malls in the neighbourhood.

Moreover, since Dr LEUNG has downgraded "principles" to "reference indicators", I am worried that once various factors are listed as reference indicators instead of principles, the authorities may say that they have already referred to all the factors and finally make an ambiguous choice on balance.

On the contrary, since we all agree that the position of public markets is to serve people at the grass-roots level regardless of the economic conditions, the principle of rental adjustments should be based on the affordability of the grassroots. This is the consensus we have reached after much discussion, and the only way in which our objective of requesting the authorities to draw up leases only after determining the position of public markets could be realized. As such, the Liberal Party does have reservations on Dr LEUNG's amendment.

President, I so submit.

**SECRETARY FOR FOOD AND HEALTH** (in Cantonese): President, first of all, I would like to thank all Members who have participated in the discussion for their concern about policies on hawkers and public markets and their views, including various proposals in other areas. Regarding some Members' reference to The Link and some other policy areas, although they are neither under the purview of the Food and Health Bureau (FHB) nor directly relevant to the questions today, I believe the relevant colleagues have already noted Members' views and we will actively examine and follow up these proposals. I will now respond to the hawker issues before going on to public markets.

As already mentioned by various Members, street hawking has a long history in Hong Kong. Not only does the hawking trade provide a cheaper source of various goods to the public as well as opportunities of running small businesses and job opportunities for the grassroots, it has also become one of the cultural icons of Hong Kong.

In recent years, as there were views in the community on retaining and revitalizing the hawking trade because of its traditional characteristics, the FHB and the Food and Environmental Hygiene Department (FEHD) reviewed the

hawker licensing policy between 2008 and 2009. After consultation with the Panel on Food Safety and Environmental Hygiene (the Panel), 18 District Councils (DCs) and various hawker associations, the Panel expressed support for our proposed policy direction on hawker licensing in April 2009. In general, we proposed to re-issue the licences for some specific hawker trades and relax the requirements for inheritance and transfer of certain types of hawker licences, provided that environmental hygiene is not compromised. Just now some Members have also mentioned that we have already put in place corresponding measures with regard to holders of Itinerant (Frozen Confectionery) Hawker Licences (commonly known as "small ice cream vendor" licences) or bootblack hawker licences. We also proposed to strengthen the role of DCs in terms of hawker licensing at the district level. In the motion debate today, a number of Members who have spoken mentioned the follow-up work of the review on hawker licensing policy. I will now give a brief account of the progress of such work.

First of all, regarding Fixed-Pitch Hawker Licences, that is, "dai pai tongs", as the authorities have not issued any new hawker licenses for years, there are vacant stalls in some open-air hawker bazaars arising from vacation by stall owners or the return of licences. The Panel also supported our proposal of giving priority to fixed-pitch hawkers in the front row in taking up adjacent vacant fixed pitches in the back row. This will not only allow better utilization of the less attractive back row pitches but will also enhance the vibrancy of hawker bazaars. As for the remaining vacant pitches, they will be open to application by anyone interested in the hawking trade. At present, it is envisaged that about 640 pitches will be involved, subject to the completion of the priority selection of vacant fixed pitches in the back row by fixed-pitch hawker licensees in the front row.

Regarding the allocation arrangement for the remaining vacant fixed hawker pitches, the Panel discussed this subject and listened to the views of hawker associations in January this year. Deputations and Members present at the meeting generally considered that arrangements should be made to give priority to registered assistants of fixed pitch hawkers in selecting vacant pitches on the same street, and make available the remaining vacant pitches for balloting by interested people in the same district, followed by all registered assistants in the territory, and lastly, make the remaining vacant pitches open for application by interested members of the public. We consider that as vacant pitches are not evenly distributed, mandating the allocation of vacant pitches to registered

assistants on the same street or in the same district may render some registered assistants working in hawker permitted areas without vacant pitches unable to select vacant pitches, thereby causing unfairness to them. Therefore, we have decided to give existing experienced registered assistants priority to apply for 70% of the vacant fixed hawker pitches, irrespective of the districts in which the pitches are located. The Panel has been informed of the relevant arrangement. As for the remaining 30% of the vacant pitches, applications will be invited in an open manner from existing registered assistants who have not been allocated any fixed pitches in the first round as well as other members of the public. The FEHD has already made 218 vacant on-street fixed pitches available for application by people interested in the hawking trade. Applications should be submitted from 10 March this year to the 30th of this month. The FEHD expects that an open computer random number allocation process will be conducted in late April to determine the priority of eligible applicants for pitch selection.

Regarding itinerant hawkers, as they usually operate at prime locations — as mentioned by a number of Members, business will only prosper at prime locations with heavy flow of people — we will have to balance their business prospect with the impact on the public, including avoiding obstruction to public passageways. Therefore, the Panel agreed that to maintain the existing policy, that is, maintaining the existing number of Itinerant Hawker Licences (IHLs) for selling wet and dry goods and not relaxing the current arrangement of not allowing the inheritance or transfer of the IHLs.

On the other hand, President, the mode of operation of holders of Itinerant (Frozen Confectionery) Hawker Licences is different from that of other types of itinerant hawkers. They are scattered at different locations, hence providing convenience to visitors at remote areas. Taking into account the market capacity, the Panel agreed to additionally issuing not more than 61 new small ice cream vendor licences initially to allow room for both new and existing operators.

The FEHD conducted a computer ballot in June last year to decide the priorities of applicants for small ice cream vendor licences. Out of the some 3 600 eligible applications, 61 were chosen and accorded priorities, and other applicants were placed into priority on a waiting list by a computer random number allocation process. The first new small ice cream vendor licence was issued in July last summer and as of today, there are 25 newly issued small ice cream vendor licences, as mentioned by Mr WONG just now, and together with

the original 27 vendors, there are now a total of 52 licensed small ice cream vendors in Hong Kong. For various reasons, some of which have already been explained by Members, such as having secured other jobs and poor health conditions, some applicants at the top of the list have voluntarily given up their priorities, and these priorities will be taken up by other applicants according to the balloting result last year until all the additional 61 licences have been issued.

We understand that Members are gravely concerned about the so-called hawking blackspots. Actually, the authorities also hope licensed itinerant hawkers, particularly holders of newly issued small ice cream vendor licences, will have as much space for hawking as possible. As a matter of fact, however, Hong Kong is a small place with a huge population. Licensed itinerant hawkers gathering at main passageways and places with heavy flow of people will inevitably cause obstruction to pedestrians and vehicular traffic. Under the Hawker Regulation, a licensed itinerant hawker shall ensure that no stall or other equipment used by him in the course of his trade obstructs or interferes with the free flow of vehicular traffic or the free movement of pedestrians, or he will be guilty of an offence. President, it should be noted that prosecution cannot be initiated solely on the basis of the hawking location, and it has to be legally established that the hawking activity concerned would cause obstruction. To enhance transparency and avoid misunderstanding arising from hawkers' lack of knowledge of the locations at which no prior warning would be given before enforcement action is taken against hawking offences, colleagues of the FEHD already informed all licensed itinerant hawkers, the relevant hawker associations and DCs in writing of the relevant locations in 2007, and displayed a list of such locations at FEHD offices in various districts and certainly uploaded the list onto the FEHD website for public reference. We have also given a detailed account of the matter at different meetings with hawker associations. The authorities will continue to strike a proper balance between allowing licensed itinerant hawkers as much room for hawking as possible and ensuring that main passageways are free from obstruction, and will review the relevant enforcement procedures when necessary. Regarding some Members' proposal of studying the designation of hawking locations with time limits or conditions, we will examine the feasibility of this approach.

In his amendment, Mr Frederick FUNG proposed to implement the voluntary surrender scheme for IHLs (the Scheme) on a long-term basis. President, as Members may recall, the Scheme which was introduced in 2005 for

a period of five years mainly aims at encouraging itinerant hawkers to voluntarily surrender their licences as soon as possible. Under the Scheme, an IHL holder who voluntarily surrenders his licence may choose to select a vacant fixed pitch and be regarded as a fixed-pitch licensed hawker; or select a vacant stall in public markets and enjoy concessionary rental arrangements, or receive an *ex gratia* payment of \$30,000. As a review of the hawker licensing policy was being conducted by the Government, and in view of the possible implications of the review on the future operation of IHLs, the validity period of the Scheme had been extended twice. At the end of last year, in response to the requests of hawker associations for allowing the relevant licensed itinerant hawkers more time to consider whether or not to surrender their licenses and how to choose from the options available under the Scheme, we decided to further extend the validity period of the Scheme by one year to 31 December this year. Given that the Scheme involves the use of public money and its primary aim and intent is to encourage itinerant hawkers to voluntarily surrender their licences as soon as possible, we have to carefully consider the justification and implication of implementing the voluntary surrender scheme for IHLs on a long-term basis.

President, there are now only 28 Fixed-Pitch (Cooked Food or Light Refreshment) Hawkers ("dai pai tongs"). They are mainly concentrated in Central and Western and Sham Shui Po Districts. Some of them mainly prepare western light refreshments such as tea and coffee, others serve Chinese food such as seafood and other stir-fry dishes. Depending on the type of cooked food they prepare, mode of operation and locations, some "dai pai tongs" have indeed created environmental hygiene problems, noise nuisance as well as obstruction to public passageways. However, others may have successfully blended in with their surroundings, providing specialty cooked food and showing the public part of the local heritage that deserves preservation. The review proposes that when a "dai pai tong" is to be closed down because of the old age or death of the licensee or other reasons, and if the relevant DC supports the continued operation of the "dai pai tongs" *in situ*, we may actively consider relaxing the inheritance and transfer arrangement of the "dai pai tong" licence to align with that of other fixed-pitch hawker licences so that the licence can also be inherited by or transferred to the licensee's "immediate family members" other than spouse, or issuing new licences to other interested operators. The Panel has expressed support for our proposal.

Regarding "dai pai tongs" whose continued operation has received the in-principle support of the relevant DCs, the FEHD has planned to carry out projects to improve their environmental hygiene facilities. A case in point is our proposal to carry out sewerage system works for "dai pai tongs" in Central. But to my understanding, President, some DCs and residents of different districts have expressed objection to the continued operation of certain "dai pai tongs" *in situ*. If the community's concerns are addressed with the active co-operation of "dai pai tong" operators, we will also consider carrying out improvement works for the relevant "dai pai tongs".

We understand very well the aspiration of society for conserving open-air bazaars with a long history. Regarding the proposal of developing open-air bazaars and relaxing the restrictions on on-street hawking and busking at suitable locations, including Tin Shui Wai mentioned by a number of Members, the Government has been maintaining an active and open attitude. If the proponents can identify suitable sites and secure the support of members of the community and the relevant DCs, the FEHD is more than willing to provide suitable assistance in collaboration with colleagues of relevant government departments, particularly those in charge of planning and development, so that our colleagues can balance the different needs of the whole community and make suitable responses with regard to planning and allocation.

All in all, we will adopt a flexible attitude in relation to the hawker licensing policy and make our best effort to consider how to re-issue the licences for some specific hawking trades without compromising food safety, environmental hygiene and the free movement of traffic. The decision of issuing licences to eight bootblack hawkers in Central at the end of last year precisely demonstrated our policy intention in this regard.

Some Members proposed waiving the hawker licence fee for one year. The Financial Secretary announced a package of relief measures in May 2009 to alleviate the burden on the people of Hong Kong and sectors that are most seriously affected by the economic downturn and the Human Swine Influenza epidemic. These measures include waiving the hawker licence fee for one year until 30 June this year. It must be noted that there has been no adjustment to the hawker licence fee since 1998 and as the Government is currently unable to achieve cost-recovery for licensing, subsidies by taxpayers are still required.

Another focus of the motion is public markets. President, the Government conducted a survey on the usage of public markets in the first half of last year to gauge the perception of tenants and patrons on public markets and collect information on the usage of these markets. According to the findings of the survey, despite competition on various fronts, public markets were still able to fulfill their important social function well and were popular sources of fresh provisions for the mass public. The total patronage of the 79 FEHD wet markets during peak business hours was over 540 000 people per day. Actually, public markets are also places which provide job opportunities and means of living. Over 95% of market tenants, that is, about 9 000 stalls, are small-scale stalls operated by self-employed tenants, who have also employed nearly 6 000 assistants.

A number of Members were concerned about the rental policy of public markets. In the reports on the management of public markets published by the Director of Audit and the Legislative Council Public Accounts Committee published in October 2008 and February 2009 respectively, limited coverage was devoted to the rental policy of markets. The Government has all along been subsidizing public market operation, and stall rentals account for the largest part of the Government's subsidy. At present, the average market stall rental is only about 60% of the Open Market Rental (OMR), and more than 80% of the stall tenants are paying rentals below the OMR.

In view of this, it was pointed out in our paper submitted to the Panel last year that the authorities recognized the need to progressively align market stall rentals with the OMR in the long run. However, as the majority of public market traders are self-employed and low-skilled workers, any adjustment in rental should not be too radical and has to be made in a gradual manner, giving due regard to the overall affordability of these operators and the prevailing economic situation, so that the impact on operators can be reduced to a reasonable and acceptable level, as we have been reminded by some Members just now. Based on this principle, we have formulated a proposed rental adjustment mechanism and consulted the Panel and tenant representatives.

During the consultation period, the Legislative Council Panel and tenant and trader representatives generally considered that as the current operating environment of public markets was difficult, it was not the right time to discuss the rental adjustment mechanism. Actually, just now I have already pointed out the importance of public markets on the grassroots as a major source of fresh

provisions or daily necessities and in the provision of living and job opportunities. We will carefully consider the views expressed by Members on this issue today and further examine ways to enable the public market rental adjustment mechanism to better meet different expectations, giving due regard to the tenants' affordability.

President, Mr WONG Yung-kan's amendment proposes to extend the rent freeze period for one year. The current rent freeze period will expire on 30 June this year. Besides, the tenancy agreements of over 10 000 tenants will expire also on 30 June. The FEHD has commenced the preparatory work for renewing the tenancy agreements with various tenants, and we will report the progress of the exercise to the Panel in mid-April. We have noted Mr WONG's opinion on extending the rent freeze period and will give serious consideration to the relevant proposal and announce the result in due course.

Dr Priscilla LEUNG proposed that if rent reduction or waiver is proposed in the Budget of a certain financial year, consideration should also be given to including tenants of public markets as the target beneficiaries. In considering introducing relief measures to certain sectors, the Government will take into account factors such as the situation of individual industries, the actual economic conditions and the Government's fiscal position. Actually, under the relief measures announced in the Budget last year and subsequently in May, public markets could also enjoy a rent reduction of 20% for a period of six months, just like most other government premises did.

With regard to improving the environment of public markets, the Government has all along been prepared to carry out improvement works on the premise of putting public resources to rational use. Over the past three years, President, we have spent an average of more than \$67 million on public market improvement works each year. In the current financial year, the FEHD will continue or commence improvement works at 13 public markets at a cost of \$195 million. These works include upgrading of fire services installation, replacement of wall/floor tiles, upgrading of drainage, ventilation systems and general lighting and refurbishment of ceilings and toilets. Besides, ever since the FEHD has embarked on the policy to offer rental concessions in February last year to put up long-standing vacant stalls for bidding with the upset price fixed at 80% or 60% of the OMR, very positive responses were seen in the market. To

date, over 1 000 vacant stalls have been successfully leased under this policy and the business environment of public markets has improved significantly.

Besides, the FEHD held three regional brainstorming sessions on public markets in December 2009 to gauge the views of relevant DCs, Area Committees, market tenants and trader representatives on improvement measures and design concepts of new public markets. Colleagues of the FEHD are actively pursuing some feasible proposals.

Some Members mentioned the installation and maintenance costs for air-conditioning (A/C) systems of public markets. President, the Government has all along been responsible for all the capital costs for installing the A/C systems in public markets and the costs for subsequent large-scale or system maintenance, while electricity charges and daily maintenance costs are borne by stall tenants on a pro rata basis of floor area. Based on the "user pays" principle, this arrangement will remain unchanged.

Besides, some Members proposed installing A/C systems for public markets. Based on past experiences and assessment results, the project costs for installing A/C systems for public markets are very high. Subject to the size and architectural constraints of the markets, each installation project may incur tens of million dollars, which also involves the use of public money. Besides, market tenants are responsible for paying the recurrent cost, such as electricity charges and maintenance fees. Also, full co-operation from market tenants is also needed as partial closure of the market may be required during the course of installation works. Therefore, the installation of A/C systems in public markets is subject to the support from tenants. At present, we will consider the feasibility of implementing the relevant project if the agreement of 85% of the tenants or more is secured with regard to installing the A/C system and bearing the recurrent expenditure. After listening to Members' views, we will examine whether it is feasible and reasonable to lower the tenant agreement threshold of 85% and will consider this in connection with other measures to improve the environment of public markets. Actually, various sectors have expressed divergent views here in this Council on whether or not A/C systems should be installed in public markets. Some considered that installing A/C systems would enhance the appeal of these markets, while some market tenants were of the view that this would increase their operating cost or even run contrary to the original idea of operating business in public markets, as mentioned by Prof Patrick LAU

just now. When Members considered whether funding should be provided to install A/C systems in public markets and cooked food centres in the past, there were also divergent views.

President, hawkers and public markets serve the mass public by providing a cheaper source of goods, and many market traders rely on this to make a living. They have provided for the living of many members of the public, among whom many are elderly people and low-skilled workers. The Government is keenly aware of this. After over half a century, society and the living style of the people have obviously changed, and there have been changes in people's aspirations and values, too. Therefore, the relevant policies should be kept abreast of the time. With regard to hawkers, it was our policy to deal with related matters solely from the perspective of environmental hygiene, but now we have also included the element of heritage conservation. Insofar as public markets are concerned, we are actively considering various feasible proposals and making every effort to improve the design of markets and introduce new industries so that public markets can best meet the current needs of the public with enhanced competitiveness. The Government will definitely keep on working together with this Council, members of the community and tenants to implement all policies and measures which are beneficial to hawkers and the operation of public markets. We will actively follow up the valuable views expressed by Members today.

Thank you, President.

**PRESIDENT** (in Cantonese): I now call upon Mr Frederick FUNG to move his amendment to the motion.

**MR FREDERICK FUNG** (in Cantonese): President, I move that Mr Tommy CHEUNG's motion be amended.

**Mr Frederick FUNG moved the following amendment: (Translation)**

"To delete "as the Hong Kong economy has yet to see a strong recovery" after "That," and substitute with "although the impact of the financial

tsunami is gradually subsiding, the Hong Kong economic outlook remains uncertain"; to add "(c) to implement the voluntary surrender scheme for itinerant hawker licences on a long-term basis, including arrangements such as allowing itinerant hawkers who have voluntarily surrendered their licences to select a vacant fixed pitch;" after "access by itinerant hawkers;"; to delete the original "(c)" and substitute with "(d)"; to delete the original "(d)" and substitute with "(e)"; and to delete the original "(e)" and substitute with "(f)"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mr Tommy CHEUNG's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr Fred LI, as Mr Frederick FUNG's amendment has been passed, will you please move your revised amendment now.

**MR FRED LI** (in Cantonese): President, I move that Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG be further amended by my revised amendment. In fact, it simply retains the point about lowering to 65% the minimum number of tenants whose consent is needed for the installation of air-conditioning facilities in the markets concerned.

**Mr Fred LI moved the following further amendment to the motion as amended by Mr Frederick FUNG: (Translation)**

"To add "the costs of" after "including bearing"; to add "works" after "the installation"; to delete "costs" after "maintenance"; and to add "provided that 65% of the tenants in the markets concerned give consent" after "facilities in public markets"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Fred LI's amendment to Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr WONG Yung-kan, as the amendments by Mr Frederick FUNG and Mr Fred LI have been passed, will you please move your revised amendment now.

**MR WONG YUNG-KAN** (in Cantonese): President, I move that Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG and Mr Fred LI be further amended by my revised amendment.

**Mr WONG Yung-kan moved the following further amendment to the motion as amended by Mr Frederick FUNG and Mr Fred LI: (Translation)**

"To add "; (g) to improve the business environment for the hawker stalls and waive the hawker licence fee for one year; and (h) to extend the rent freeze period for public markets for one year" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr WONG Yung-kan's amendment to Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG and Mr Fred LI be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr Paul TSE, as the amendments by Mr Frederick FUNG, Mr Fred LI and Mr WONG Yung-kan have been passed, will you please move your revised amendment now.

**MR PAUL TSE** (in Cantonese): President, I move that Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG, Mr Fred LI and Mr WONG Yung-kan be further amended by my revised amendment. Thank you, President.

**Mr Paul TSE moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr Fred LI and Mr WONG Yung-kan:**  
**(Translation)**

"To add "; and (i) to appropriately relax the restrictions on on-street busking and hawking in various districts (particularly in places with tourism value or features)" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Paul TSE's amendment to Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG, Mr Fred LI and Mr WONG Yung-kan be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Dr Priscilla LEUNG, as the amendments by Mr Frederick FUNG, Mr Fred LI, Mr WONG Yung-kan and Mr Paul TSE have been passed, will you please move your revised amendment now.

**DR PRISCILLA LEUNG** (in Cantonese): President, in fact, the most controversial point in the discussion just now is related to electricity tariffs, but in my amendment revised in consequence of the amendments by Mr Frederick FUNG, Mr Fred LI and Mr Paul TSE, the relevant point has been deleted.

For this reason, I hope that Members can support my amendment to Mr Tommy CHEUNG's motion as amended by Mr Frederick FUNG, Mr Fred LI, Mr WONG Yung-kan and Mr Paul TSE.

**PRESIDENT** (in Cantonese): You should move that Mr Tommy CHEUNG's motion as amended by the four Members concerned be further amended by your revised amendment.

**DR PRISCILLA LEUNG** (in Cantonese): Yes.

**Dr Priscilla LEUNG moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr Fred LI, Mr WONG Yung-kan and Mr Paul TSE: (Translation)**

"To add "; (j) to improve the sanitary conditions of the markets, step up advertising and promotion, and enhance the ancillary facilities for business operation in the markets; (k) if rent reduction or waiver are proposed in the Budget of a certain financial year, to consider also including commercial tenants of public markets as the target beneficiaries; and (l) to use the economic condition of the current year and employment market situation as reference indicators when adjusting the levels of rent of public markets" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Dr Priscilla LEUNG's amendment to Mr Tommy CHEUNG's motion as amended

by Mr Frederick FUNG, Mr Fred LI, Mr WONG Yung-kan and Mr Paul TSE be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Mr Ronny TONG rose to claim a division.

**PRESIDENT** (in Cantonese): Mr Ronny TONG has claimed a division. The division bell will ring for three minutes.

(While the division bell was ringing, Mr Fred LI sought instructions from the President concerning the contents of the revised amendment moved by Dr Priscilla LEUNG)

**MR FRED LI** (in Cantonese): President, may I ask whether or not the paragraph on electricity tariff has really been deleted in Dr Priscilla LEUNG's revised amendment? President, please advise.

**PRESIDENT** (in Cantonese): Members may refer to the relevant paper for the contents of the revised amendment.

(The President leafed through the relevant paper)

**PRESIDENT** (in Cantonese): Dr Priscilla LEUNG's revised amendment is set out in item 32 on page 34 of the relevant paper. In her revised amendment, only these items are retained: "; (j) to improve the sanitary conditions of the markets, step up advertising and promotion, and enhance the ancillary facilities for business operation in the markets; (k) if rent reduction or waiver are proposed in the Budget of a certain financial year, to consider also including commercial tenants of public markets as the target beneficiaries; and (l) to use the economic condition of the current year and employment market situation as reference indicators when adjusting the levels of rent of public markets". These are the contents of Dr Priscilla LEUNG's revised amendment.

(The ringing of the division bell stopped)

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr WONG Yung-kan, Mr Abraham SHEK, Dr Joseph LEE, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr CHEUNG Kwok-che, Mr IP Kwok-him, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Mrs Sophie LEUNG, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr IP Wai-ming and Dr PAN Pey-chyou abstained.

Geographical Constituencies:

Mr Albert HO, Mr Fred LI, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr LAU Kong-wah, Ms Emily LAU, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr

Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Sing-chi voted for the amendment.

Mr WONG Kwok-hing and Mr WONG Kwok-kin abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 12 were in favour of the amendment and nine abstained; while among the Members returned by geographical constituencies through direct elections, 22 were present, 19 were in favour of the amendment and two abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**PRESIDENT** (in Cantonese): Mr Tommy CHEUNG, you may now reply and you have four minutes 26 seconds.

**MR TOMMY CHEUNG** (in Cantonese): President, I thank the 10 Members for speaking in the debate, and the five Members for moving amendments.

The Secretary's continued refusal to make any concession on the issue of repairs and maintenance costs really makes me feel regrettable. However, the Secretary is willing to have further discussions in the relevant panel and I agree with this. If the relevant Policy Bureaux can strengthen communication by attending the meetings of the relevant panel and accepting Members' views, I believe many deep-rooted conflicts can be resolved.

Regarding the "tiny enterprises" mentioned by some Honourable colleagues, including Dr LAM Tai-fai, I am supportive of them. In particular, regarding those "standing" enterprises, that is, those enterprises whose staff have

to stand while doing business, sometimes, they are in even greater need of our support.

Mr KAM Nai-wai made suggestions on the possible use of areas without air-conditioning facilities. In fact, many areas in restaurants, such as kitchens, may not be equipped with such facilities but we can alter their ventilation and fresh-air exchange systems. I believe many Honourable colleagues among us who are engineers can offer advice on how the air quality in public markets can be improved.

Mr WONG Kwok-hing mentioned the issue of rates. As we have reached a consensus in the relevant panel, we hope very much to follow up this issue in the panel concerned. The Secretary has also indicated that he will hold discussions with us on this issue.

President, all along, it has been the belief of the Liberal Party that the market for traders should be supported through welfare policies — not through giving out fishes casually, but most importantly, through teaching people how to fish. This can be likened to the Government building a fish pond and fishing vessel and teaching us how to fish, so that we can have something to do. However, in the past, the Government made a mistake, that is, the Housing Authority sold some of its shopping centres and public markets to The Link REIT. As pointed out by Ms LI Fung-ying just now, amidst the continual increases in rents, many traders cannot keep themselves afloat. Coupled with the economic downturn, if the rental for the fishing vessel is also increased and it is expensive to fish in the fish pond, low-income families that cannot catch any fish will have to buy expensive fish. This will cause problems and the Government is indeed duty-bound to provide assistance in solving them.

I also hope that the Government will not be worried because no transfer of benefits and collusion between business and the Government will be involved. At present, traders face grave difficulties in operation. Very often, they have to brave the blazing sun and lashing rain, only to make meagre profits that may be lesser in amount than CSSA payments. In fact, the market for traders is only for those who are willing to be self-reliant in making a living.

Everyone is talking about promoting upward social mobility and later on, Mrs Sophie LEUNG will propose a motion on this subject to resolve the problem of inter-generational poverty. In fact, many existing large catering groups and cafeterias all started off in markets as open-air stalls and "dai pai dongs". If we do not formulate such a policy, there will be a lack of low-rent stalls and traders will have no opportunity whatsoever for social advancement.

The authorities should not use the "user pays" and "value for money" principles as the excuse all the time. If the authorities want to save money, they should first do so themselves by reducing their expenditure, so that the savings can be used to help small traders and obviate the need to increase rents.

Supporting the market for traders running small businesses involves a multi-level policy and I am pleased to see that the Secretary for Labour and Welfare is listening. In fact, Secretary Rita LAU should also have been here to listen and discuss how the policy on traders can serve to promote the tourism industry. For these reasons, from such perspectives as welfare, people's livelihood, promoting employment or stimulating upward social mobility, inter-departmental co-operation is warranted. The onus is also on Secretary Dr York CHOW to take the lead in putting in place the platform properly, thereby ensuring that humble members of the public are assured of the right to make a living.

I wish to take this opportunity to thank Members for giving speeches and supporting this motion.

President, I so submit.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Tommy CHEUNG, as amended by Mr Frederick FUNG, Mr Fred LI, Mr WONG Yung-kan, Mr Paul TSE and Dr Priscilla LEUNG, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

**PRESIDENT** (in Cantonese): Second motion: Adding impetus for promoting upward social mobility.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mrs Sophie LEUNG to speak and move her motion.

### **ADDING IMPETUS FOR PROMOTING UPWARD SOCIAL MOBILITY**

**MRS SOPHIE LEUNG** (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

President, today, I wish to share with Honourable colleagues my views on "upward social mobility". I do not come up with these views out of sudden interest. It is because over the past decade or so, I have been doing a lot for some young people, especially those who do not wish to continue with their studies, and as I have had personal experience in this regard, I would therefore like to share with Members my thoughts on this issue. The Hong Kong Institute of Economics and Business Strategy of the University of Hong Kong conducted a study in 2006 and pointed out in its report that the general social mobility in Hong Kong decreased slightly during the decade from 1996 to 2005. The report has also stated that education plays a significant role in promoting upward mobility and reducing downward mobility in society. Therefore, I would like to start with education.

YE Shengtao, a famous writer and educator in China, had said to the effect that the goal of education is not to educate students, but to teach them the methods of learning. It certainly does not mean that teachers can loaf around. It is actually saying that the right way of teaching is not to solely impart knowledge in students but to inspire and motivate students to learn, which is echoed by the first point I made in my motion that education should be steered by "inspiration", rather than unilateral, "spoon-fed" mode of teaching. The key is to teach students the methods to learn, inspire them to develop an interest in learning, and develop creativity and independent analytical ability. Education is also a preaching mission, aiming to help young people establish proper attitudes towards life.

I am certainly no expert in education. But I have several children and as their friends have often come to my home since they were young and discussed various issues with me, I can understand what is on their mind and what they have gone through. I hope I can put forward some ideas today. I hope the existing education programmes can be expanded to achieve diversified development; I hope there will be more opportunities for young people to study abroad, participate in summer exchange programmes and receive on-the-job training, and so on, so that young people can have more channels to give play to their potentials. I also hope that this motion can serve as a modest spur to encourage more discussions among Members on ways to improve education, so that our young people and the general public can be provided with opportunities of life-long learning and obtain the tools required for upward social mobility.

Some people may think that compared with the 1970s and 1980s, it is now more difficult for a person to move up the social ladder. They think that the systems in society are unfair and there are intangible "glass roofs" barring people in the lower strata from moving upward. This is why many people have suggested that social resources should be redistributed, and changes be made to the existing social welfare system, tax regime, laws, and so on, before the upward social mobility of the public can be safeguarded. I entirely take exception to these views. This is like the story of "hiding 'Ah Dou' among millions of soldiers"<sup>(1)</sup> — "Ah Dou" will not make any achievement so long as he is hidden up. I think there are bound to be obstacles in any stage of development in society. As long as we can inspire confidence in young people not to yield to

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(1) A story in the *Romance of the Three Kingdoms* about ZHAO Yun rescuing LIU Bei's son, Ah Dou.

obstacles and to be persevering in overcoming obstacles with their own hard work, they will attain success. Did we not face these obstacles before and overcome them with our own hard work too? Mr Ronny TONG has told us before how he had struggled very hard to overcome the difficulties he faced when he was young. In spite of the difficulties, he has become a barrister today. I think anyone who works hard with a positive mindset can achieve his goal.

Certainly, I agree that a social security net should be provided to some extent to help the underprivileged. This is why I have suitably included in the motion some necessary factors relating to the overall environment. But I all the more agree that society and the Government should provide an environment which can help individuals give play to their potentials. A person's path is carved out by the person himself walking on it. It is like a trampoline which enables a jumper to bounce and so, such welfare or bouncing power will be helpful. However, if the strength of the welfare measures or the laws in force fails to strike the right balance, the trampoline will become a soft, fluffy mattress. Although it is very comfortable sleeping on it, it cannot help people bounce. On the contrary, people may sink deeper and deeper with stronger and stronger dependency until they finally lose all the ability to walk their own paths. This is why I made it a point that the Government, in formulating policies, must consider whether its policies will impede the fulfilment of personal potentials.

Recently, a Hong Kong film, *Echoes of the Rainbow* — many people have talked about it today — has won an award in the Berlin Film Festival. The director of this film said that he hoped to rekindle the spirit of continuously striving for improvement back in the 1960s when everybody relied on themselves to overcome problems and this, he thinks, is a good example for the new generation of Hong Kong to follow. I share his view. Perhaps we parents have worried too much about our children; we may have indulged them and gone too far in fighting off difficulties for them. In this film there are these few lines: "The character "鞋" (shoes) consists of half of the character "難" (difficult); and it also consists of half of the character "佳" (good). Whether it is difficult or good, it's really up to you."

I know that many people in the community have a lot of complaints. They complain about the lack of opportunity for moving up the social ladder and

they have many other grumbles. In fact, we, being leaders in society, are most unwilling to be called by others as unscrupulous politicians. Have we been unduly encouraging some help-seekers to blame society for not doing enough for them, and to blame the Government or whatever institution for not doing enough for them? I think if this is the case, we really must reflect on ourselves. I propose this motion today precisely to awaken these people who have been complaining and grumbling. I hope they will realize that in order to move upward, they must take the initiative to make the first step. Even if they make the first step with someone else's assistance, but if they continue to rely on other people in making the second and third steps, they will eventually become "Ah Dou" as in the story of "hiding 'Ah Dou' among millions of soldiers". It is impossible for a person to wait for somebody else to give him a lift. Some people have not done their best and yet, they put the blame on society. This social norm is most undesirable and it will impede the development of the entire society. We always talk about the spirit of "Under the Lion Rock", and if the new generation thinks that the spirit of "Under the Lion Rock" is "out" or outdated and incomprehensible, perhaps we can teach them a simpler motto: There are always more solutions than problems.

To promote upward social mobility, I think the Government and various sectors of the community should set a model. They should have a mindset of doing things "from the heart", which means a caring heart for others, an attentive heart to live with, a humble heart for learning and listening, and a determined heart in doing things.

On the part of the Government, doing things from the heart means treating members of the public as if they are family members, and thinking in the way the people think and sensing the urgency of the people. Doing things from the heart is to set a model for society to follow, so that people can treat others honestly and sincerely. If policies are formulated with this mindset, naturally there will be very strong support for government policies. When a policy is beneficial to society at large, it should be formulated with extra care. The Government should fear no criticisms, but it cannot muddle through and work half-heartedly; nor can it be biased in favour of the interest of a small group of people, especially those people who are "ferocious". Before policies are formulated, certainly there must be adequate consultation to listen humbly to the views of various stakeholders, take on board useful suggestions and reflect them in the policies. There must not be bureaucratic swagger or fake consultation. When the

formulation or implementation of policies meets opposition, we certainly have to reflect on ourselves. If it is concluded that the policy will benefit society as a whole, we should remain committed and take the policy forward with determination and perseverance despite criticisms from some people. This is the enterprising spirit which I always refer to.

On the part of an individual member of community, each person should do things from the heart and continuously boost positive energy in oneself. For example, in present-day society, everyone keeps on pursuing studies to add value, but what is the driving force? What value will be added? Members may notice that in a modern society where capitalism is practised, people are generally going after a market value. They put themselves on a scale and weigh their worth, using money as the weighing unit, but despite that they have heaps of certificates and diplomas, they still do not find their life in any way fulfilling at the end of the day. In fact, this should not be the real way of learning. The real way of learning should start from curiosity and self-growth and the urge to satisfy the desire for knowledge. These are where learning should start. Achieving primitive happiness through a process of exploration and the quest for knowledge is the genuine and correct mindset that we should have in learning. I hope that from today onwards, our teachers can guide our students to set out from this angle. For people like us who have reached a certain age, we may have to rely on ourselves. In fact, as many people have said, it is only when a person creates his own happiness can he live a truly fulfilling life.

Happiness is generally assumed as a feeling, or a product that comes after the happening of something good. Actually, I can share with Members my experience. Over the past decade or so I have been doing a lot with young people who quitted school. They finally realized that happiness is in our own hands and that it can be achieved only after hard work. The kind of happiness brought to a person by someone else can only be a transient feeling. It is like a child being given a toy easily will get tired of the toy very soon and he will look forward to getting another toy. But if this child has to wait for a long time in order to be given a toy and if he can get it only after making an effort for it, then he would think differently.

Certainly, adults must also work hard before they can achieve happiness. For example, we must keep a rein on our inherent nature, accumulate wisdoms, and develop resilience towards adversities. Each and every good thing in our life is the award of hard work, and happiness is no exception. This motion today

mainly aims to tell everyone that whether a person is in good time or bad time actually depends on what he thinks. I hope that we can join hands to create a positive atmosphere in society and inject these factors into many more people. If we keep on telling people that they should have this and they should have that, it is like encouraging them to wait with their arms folded for other people to help them and inciting their discontent and unhappiness. So, through this motion, I appeal to everyone to positively equip themselves with the skills to pursue happiness. When our heart is filled with positive energy and if our attitude is positive, we can naturally live well and become more enthusiastic in doing anything and a better society will naturally follow.

Lastly, I wish to point out that although many Members have proposed amendments to the motion, I am glad to see that the most important part of the motion, that is, point (c) — to encourage the public to fulfil their personal potentials and avoid introducing policies which impede the fulfillment of potentials — has not been amended. This is precisely the main theme of this motion. Thank you, President.

**Mrs Sophie LEUNG moved the following motion: (Translation)**

"That, the subject of 'upward social mobility' has recently become the concern of various sectors of the community; upward social mobility involves factors such as personal ability and attitude, etc., and government support is also indispensable; in this connection, this Council urges the Government:

- (a) to promote education which is steered by 'inspiration' in place of 'impartation' mode of teaching, to develop creativity and independent analytical ability among students, with a view to establishing proper attitudes towards life;
- (b) to expand the types of existing education programmes, promote diversified development, increase the opportunities for young people to study abroad and participate in summer exchange programmes and on-the-job training, etc., and provide further support to young people from poor families, so as to enhance the quality of education for the whole community;

- (c) to encourage the public to fulfil their personal potentials and avoid introducing policies which impede the fulfilment of potentials;
- (d) to promote in the Government and various sectors of the community the development of a 'from the heart' attitude of doing things, consolidate Hong Kong's core values of 'being proactive and progressive', and encourage young people to strive harder for improvement and self-reliance, so as to prevent the development of a mentality of dependency;
- (e) to promote upward social mobility through developing the economy and new industries;
- (f) to assist the younger generation in purchasing their homes through measures such as revitalizing the secondary market of Home Ownership Scheme flats and re-launching the Home Starter Loan Scheme, etc.; and
- (g) to establish communication channels such as new media for young people to express views and actively participate in social affairs."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mrs Sophie LEUNG be passed.

Eight Members intend to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the eight amendments.

I will call upon Mr Frederick FUNG to speak first, to be followed by Mr LEE Wing-tat, Mr CHEUNG Kwok-che, Mr WONG Sing-chi, Ms Miriam LAU, Mr Ronny TONG, Mr CHAN Kin-por and Ms Starry LEE; but no amendments are to be moved at this stage.

**MR FREDERICK FUNG** (in Cantonese): President, consequent upon the restructuring of our economy, local industries are, objectively speaking, going downhill. On the contrary, the service sector, such as the financial industry, has

been expanding and growing rapidly under the Government's elective policy. Conventional manufacturing industries, which in the past have provided a lot of jobs for the grassroots, have moved northwards to go after low cost. Furthermore, the Government all along shows no foresight or vision, using "*laissez-faire*" and "free market" as excuses. The Government firmly refuses to deploy resources to promote value enhancement as well as innovation and restructuring of industries, and takes no heed of the decline of the manufacturing industries and its adverse effect on the grassroots.

As the authorities firmly believe that our local industries have no room for development, it just let them dwindle, ultimately leading to a heavy drain on junior jobs. The service sector has "outshone others", thus polarizing the labour market. The development of the entire job market is out of balance. The authorities have intentionally and unintentionally sowed the seeds of misfortune, causing the grassroots to suffer from persistent poverty. The ladder by which the grassroots originally could have climbed out of poverty and move upward has been made much narrower. Given such background, the issue concerning the development prospect of the poor and upward social mobility for the grassroots has always been the concern for those who care about social development and has drawn extensive attention from all sectors of the community.

President, a glance at the topic of today's original motion gives us the impression that it is about the long-standing issue of upward social mobility which touches all sectors of the community. However, when we look closer at the wording, we can easily find that upward social mobility has been interpreted as a problem which only concerns young people. Apart from asking the Government to help young people get ready in the areas of education and mindset, young people are asked to strive harder for improvement, in a tone of someone who has attained success in life.

I have no objection to the proposals of the original motion, even though it somehow seeks to cover all areas from a biased perspective. The focus is only on a certain social group, disregarding the fact that other social groups also lack the opportunities to move upward. Also neglected is the chain of effects among them all. At the same time, the original motion is oblivious to the negative

impact of the direction of government policy on upward social mobility. Consequently, I have to propose amendments to make up for the inadequacies.

President, I must clearly point out that there is a lack of opportunities for upward social mobility, mainly because the government's policy is seriously biased, with the doctrine of "business first" long enjoying hegemony and all matters succumbing to free market. Just as I have stated in the first paragraph of my speech, in the face of the heavy drain on junior jobs due to rapid economic changes in the past, the Government opted to remain aloof and do nothing about it. With the policy totally tilting towards the development of the financial services sector, the economic structure has gone slant and the ability to fight adversity is dwindling. Thus the job market has long been out of balance.

Under such circumstances, the trend of polarization of the labour market is becoming more and more apparent. Higher-skilled workers on the favourable end enjoy higher wages, better fortune, development prospects and living conditions. Their rate of unemployment is less than 2%, almost equivalent to full employment. On the contrary, the unemployment rate of lower-skilled workers long remains higher than the overall unemployment rate. Their wages and living conditions are all lagging far behind and even getting worse as time goes by. In the midst of rapid economic growth, the wages of low-income families are ever on the decline. They are forced to accept "lowly" jobs in the so-called "free market". With wages being held down by unscrupulous employers, they can hardly feed themselves. Furthermore, as they have to work from morning to evening, family life is utterly blank. Dignity is totally out of the way, not to mention the slightest chance to move or climb upward. Perhaps they can only bank on having promising children. Unfortunately, how many children, growing up in families devoid of care and love, can really get out of poverty and start anew?

So, I often stress that, if we want to solve the problem of inter-generational poverty and break the vicious cycle of poverty, so that the grassroots can regain the impetus to move upward, it is not enough just to help children and young people meet the needs of livelihood and learning. The really effective approach is to provide full support and assistance on a family basis since families affect young people most. A cosy family life is the base for young people to learn and

develop. For example, in the past, 4 to 7 persons lived together in a 110-square feet resettlement estate flat. They did not have their own toilet and bathroom. Basically, they could not stay in that small flat of some 100 square feet, especially in summer. Hence, they were forced to go out to the streets. How could youngsters concentrate on their studies under such circumstances? Although resettlement estates no longer exist, there are still cubicle apartments and cage homes. I wonder how youngsters in such living environment can climb upward. Is such environment like a home?

In addition, like I just said, there is a need to comprehensively review and improve social policies in all areas. Regrettably, the Commission on Poverty, which should have taken up such a responsibility, was "castrated" by the incumbent Chief Executive. The Family Council which was set up some time ago, a direction which I support, with a lot of fanfare, could perhaps play a significant role. It can point out the shortcomings of various social policies, such as low wages, long working hours, absence of family-friendly policy, and so on. The Family Council should advise the Government on these issues, make proposals and urge the Government to speed up actions. Regrettably, the Family Council ultimately turns out to be just a "talking chamber", and puts all efforts in the publicity work for the promotion of the so-called Happy Family Campaign. Policies and measures all remain unchanged. It is like making empty talks or, worse still, making sarcastic comments. It utterly does not hit the nail on the head.

For overcrowded households and people living in cage homes and cubicle apartments that I have just mentioned, I wonder how the Government can let them have a happy family. Our planning is duly affecting the development of each individual or even each family. Perhaps the Secretary will later harp on the same old tune by saying that economic development can solve all the problems. Problems such as poverty or upward social mobility are not worth paying the slightest attention. So long as the economy continues to grow, wealth will naturally trickle down to people of the lower strata, and they can get a share of the profits — these are the words often said by the Secretary. This reflects that the Government is still dwelling on the level of the trickle-down theory. It refuses to face up to the fact that the imbalance between the economic structure and the labour market has led to the concentration of wealth among the rich,

making it impossible for the grassroots to share the fruits of economic development. I disagree with the saying of Mrs LEUNG. We are not going to change the taxation system to take away money from the rich. We are not going to hand over to the poor money taken from the rich. The real problem is that the poor are unable to earn money while it is easy for the rich to make money, and money generates money. Are Hong Kong people happy with such a biased system? A cleansing worker who works eight to 10 hours a day only earns \$4,000 to \$5,000 a month, whereas a person who works in the financial service sector for 10 hours a day earns tens of thousand of dollars a month. Why is there such a big difference? Is such difference due to the unwillingness of the grassroots to work and earn more money to support their families? Or is it due to the fact that the present system does not allow them to earn money?

President, let me go back to the issue regarding the polarization of the labour market. When we look round the world, we will observe that the rapid development of new economies has paradoxically aggravated the problem of urban poverty. On the one hand, mainstream workers possessing knowledge and skills can benefit from the economic development. They enjoy a more favourable status and become increasingly affluent. On the other hand, grass-roots workers are ostracized by mainstream society for lack of competitiveness or opportunities. They can hardly survive in the market. In fact, many governments around the world have already taken the initiative to introduce measures to address the problems of lower-skilled workers lacking of competitiveness and development opportunities. For instance, they put in efforts to develop new industries to increase the employment opportunities of the general public, in particular the grassroots. Also, social enterprises are being actively developed outside the free market to absorb grass-roots workers ousted from the market. President, let me cite an example. I often praise Spain's social economy, especially its promotion of social enterprises. Social enterprises in Spain hire one quarter of the country's labour force, taking up 7% of the nation's GDP. For example, when the government issued permits for the sale of lottery tickets, three permits were open for bidding by the business sector while one permit was issued to the National Union for the Blind. With that permit, the Union hires 7 000 blind persons. It also operates 14 social enterprises and has its own building for training blind people how to use high-tech equipment, such as computer. This training can help them find a job. The Union helps disadvantaged blind people and workers get pays comparable to that of middle-ranking high-tech workers. How come others can make it happen whilst

we cannot? How come in other societies, disadvantaged workers who work the same number of hours and do the same type of work can earn a salary comparable to that of middle-ranking workers, whereas in Hong Kong, disadvantaged workers can only earn \$4,000 to \$5,000, less than 50% of the median wage? This is unfair and unreasonable. This is the reason why they cannot move upward.

Furthermore, I would like to speak on the resumption of the construction of HOS flats. The number of HOS flats to be constructed should be appropriate. We definitely are not pushing for building a lot of HOS flats. This is our principle. But the Government should not refrain from introducing any measures. The objective of the Hong Kong Association for Democracy and People's Livelihood in fighting for the resumption of the construction of HOS flats is quite clear (*The buzzer sounded*) .....

**PRESIDENT** (in Cantonese): Mr FUNG, your time to speak is up.

**MR FREDERICK FUNG** (in Cantonese): These are my remarks. Thank you.

**MR LEE WING-TAT** (in Cantonese): President, there have been very keen discussions about social mobility these days. When I spoke yesterday, I mentioned that I recently read a research report by Prof LUI Tai-lok. Let me say a few words about my observations.

When we hold a discussion about the "post-80s" in connection with the high speed railway project, should we go back a little? The community has the impression — previously I held such impression too — that post-war baby-boomers, those born in the 1950s and 1960s, used to believe that they had opportunities to advance. Just like my case, when I graduated from university, my parents asked me what my plan was in six months. At that time I said: "Father, in six months, my pay will be higher than yours." That meant my pay had to be higher than my parents'. Today, if a father asks an under-graduate or a fresh graduate this question: "My child, will your pay be higher than mine in one year?" The child may not have the guts to reply as he is now earning just \$8,000 a month. His father may be working as ..... in the case of Ronny TONG, his

monthly salary is more than \$100,000, or several \$100,000 or even \$1 million. For a long time, his son may not be able to catch up with him. Further examples are Albert HO, sitting next to me, and my other friends. They are all professionals or semi-professionals. Their children will also find it hard to answer this question. This is somehow an index directly reflecting the situation of social mobility.

Among young people who now graduate, very few dare say that their pays and status will quickly rise above those of their parents in a year or two. For those of us who were born in the 1950s or 1960s, we had the guts to say "I have graduated. Mom and Dad, do not worry, I will be able to make money in the days to come." As a matter of fact, this is also a simple yet important point in our debate about social mobility. Will there be further opportunity for young people of this generation to move upward as in the case of the 1950s and 1960s? According to my observation, the opportunity has diminished a lot.

Two years ago, I read a book by Prof LUI Tai-lok. The title of the book is "The Four Generations of Hong Kong People". The first generation mentioned therein refers to the generation preceding us, those born in the 1950s, namely, the generation of our parents. Most of them had received little education, and even had to take up laborious jobs in the community. All they wanted was to get away from the war and live in peace in Hong Kong. That was their biggest desire.

Then comes our generation, that is, the second generation. That's the generation of post-war baby-boomers. In today's society, people at the management and even supervisory levels in most commercial or political organizations are those from our generation. The third generation is the generation now moving upward. The fourth generation refers to the 1980s, those with most problems.

According to the book "The Four Generations of Hong Kong People", people now holding management ranks in society are all from our generation. Those of our generation have yet to retire completely, the majority being aged in their early or mid-1950s. Nowadays, a person may work until the age of 60. So, when I first read the book, I couldn't help wondering whether there was less mobility in our society, and whether there was any index proving the authenticity of such an observation. If we talk to the general public, they will find our

observation correct. At present, opportunities for young people to move upward are fewer and tougher. Throughout their lives, it is most likely that they may not have the opportunity to outdo their parents in pays, social status or experience. Many people will agree with such a conclusion.

Yesterday I inadvertently left that research report in another office. But I read another research report by Prof LUI Tai-lok the day before yesterday. That one is on social mobility. Two observations there impressed me deeply. According to him, over the past ten years, about 30% of the people have been moving downward. "Moving downward" means going from middle-class level to grass-roots level, or going from the rich level to the middle-class level. 40% of the people remain unchanged. 30% of the people have gone upward. Is this 3-4-3 distribution very bad or is it very good? It is neither very bad nor very good. Anyway, at least 70% of the people have not moved up. Going along the theory of "half a glass of water", you may, of course, say that the situation of 70% of the people has not deteriorated. That is up to your interpretation. The reason is that 40% of the people remain unchanged, 30% of them are worse off, and 30% of them are better off. However, from a pessimistic point of view, the situation of 70% of the people has not improved, failing to move upward. From an optimistic point of view, the situation of 70% of the people has not deteriorated. In my opinion, we now look at this issue from a more negative, that is, more difficult, point of view probably because, with the exception of this year's slight improvement in the economy, the economy of the society during the said period has not been too good. So there is the view that 70% of the people have not moved upward.

Yesterday, the President gently stopped me from presenting my argument, namely the question as to what people rely on to achieve social mobility. One point is definitely known to all of us. People rely on education. Almost all studies share the finding that education is a very important factor that drives members of our next generation upward. However, it is not so actually. What I said yesterday is indeed true. It matters a lot who one's father is. This is the second important factor. Who is your father? If your father were LI Ka-shing, then you need not worry. If your father is a member of the middle class or one relatively affluent, his network makes it possible for his children to move upward

more quickly in society. Such an opinion is in fact nothing innovative. If your parents hold senior posts in a bank, it is very easy for them to introduce their children to a bank for training as trainees. However, just as stated by Frederick FUNG, in the case of many poor families, if the father works at a construction site whilst the mother works as a cleansing worker, their child may have the same educational qualifications as that of a banker's child, but do you think the child from the poor family will get hired as trainee? Sorry, Secretary Mr SUEN, there is little chance for him to get hired. In this world, it may not be easy to get hired as trainee. This is a major dividing line for upward social mobility.

Of course, it is not possible to choose one's father. None of us can do so. However, one thing can be chosen and that is the opportunity for education. It so happens that the Secretary is present. I am going to take the opportunity to say a few words. As CHEUNG Man-kwong has not spoken on it, I want to say a few words on this. Surely, Hong Kong puts a lot of resources into education, giving it the largest share among all policy areas. I am aware of this and I also understand that there is some increase annually. However, the question is, if a comparison is to be made with other countries or places, is our investment in education enough? I think it is not enough. Compared with many universities in Southeast Asian countries, our entrance qualifications are very restrictive. I do not quite understand the policies on university admission as I have not paid much attention to policies in that area. Anyway, if only 20% of students from the appropriate age group can get admitted into universities, I think this figure may, at any time, be lower than that of the Philippines, Indonesia and Taiwan.

As stated by me yesterday, Hong Kong ranks among the world's 12 most affluent places. Why so mean? When we talk about getting smooth mobility, my views somehow differ from Frederick FUNG's. I am not quite in favour of granting students long-term subsidies. This is not a good approach. However, I am very unhappy with the Government's disinclination to commit resources to education to give people the chance to move upward. The reason is that this is not an expenditure item, but rather a form of social investment. With that, your children can have the chance to move further up. What is more, it may also give a big push to the education, culture and attainment of the whole society. In my opinion, there is quite a problem in this respect.

With regard to this year's budget, CHEUNG Man-kwong and I both made a point, wondering if arrangements could be made for a small number of school vouchers to be granted to students who have passed university entrance examinations, formerly known as matriculation examinations. For some students, their parents pay their tuition fee to let them have the chance to go to university. However, the Government ignores this situation. In my opinion, the Government is too mean. It has not considered this issue and this problem cannot be solved within a short period of time. It requires long-term attention.

President, I have to use about one minute to speak on my amendment. Why does my amendment seek to delete from the motion of Mrs Sophie LEUNG the part on re-launching the Home Starter Loan Scheme? This is simple economics. At present, there is an acute shortage of both land and housing units. Last year, there were 7 000-8 000 units, and the year before last, 4 000-5 000 units. To provide a loan scheme without increasing supply is to add fuel to a fire. It will shoot up demand. This is something we cannot approve of. I would rather work on supply to meet demand by providing land, speeding up the reconstruction of HOS flats and selling public housing units. In this way, young people may be able to buy properties. Moreover, once the general families can settle down, they can spend more money on their children. In my opinion, this is a relatively reliable approach. This may help the middle class and the grassroots direct funds to their children's education, re-training or participation in other after-school activities. This is no time to advise them to buy properties. To advise people to buy property may be an act of good intention, but even if it is not a bad thing, it may be disadvantageous to their financial arrangements in the days to come.

Thank you, President.

**MR FREDERICK FUNG** (in Cantonese): Mr LEE Wing-tat just now mentioned my name, and alleged that I have raised a point which I have not said so. I would like to clarify my idea.

**PRESIDENT** (in Cantonese): Please clarify.

**MR FREDERICK FUNG** (in Cantonese): LEE Wing-tat said his views differed from mine because I sought to grant long-term financial support to certain social groups or some other people. However, throughout my entire speech, what I said was how to help disadvantaged workers or other people move upward. Firstly, the overall economy has to undergo restructuring. The Government should not place emphasis on business only, but should also care for the grassroots and workers. Secondly, I cited the example of a group of blind people in Spain who have been granted license by the government to .....

**PRESIDENT** (in Cantonese): Mr FUNG, please do not repeat what you just said. You just need to spell out the part which you were misunderstood.

**MR FREDERICK FUNG** (in Cantonese): So, what I said was not asking for long-term financial support as he alleged.

**MR LEE WING-TAT** (in Cantonese): President, I am deeply sorry for the misunderstanding.

**MR CHEUNG KWOK-CHE** (in Cantonese): President, according to the latest Forbes richest people list, Hong Kong, a place with a population of just 7 million, has more than 20 individuals each has assets with net worth in excess of US\$1 billion. With the Government continuously forging better business environment to accelerate economic growth, more and more rich people can sit on assets worth more than what they can spend in their lifetime. Even their next generations will be able to enjoy such inter-generational wealth. How about those living in extreme poverty? The Government only seeks "to hand out candies" annually. Never has solution been sought to address the disparity between the rich and the poor.

I do not support the Government's approach of "handing out candies", because it merely relieves poverty and reduces pain, without providing a permanent solution to the problem of the disparity between the rich and the poor. In order to solve this deep-rooted structural problem of Hong Kong, it is most

vital to have chances for upward social mobility. This civilized city, where we reside, precisely lacks such a chance.

In order to give upward social mobility a boost, the Government has to play important roles, one of which is to change the negative view on social welfare policy. According to Prof Peter TOWNSEND, a scholar on social policy known for his theory of "relative poverty," who passed away last year, social welfare should be taken as social investment, and should be carried out on humanitarian grounds, with people's thoughts and needs in mind. More important is that the community can offer equal opportunities.

In my opinion, the saying of Prof TOWNSEND is precisely a solution to the problem of poor social mobility. A society can only be regarded as equal if every individual enjoy equal status, equal chance and equal resources to strive for the social status that one is entitled to.

However, Prof TOWNSEND also put forward the concept of equal result. Just as in the case of sub-degree courses offered by the Government earlier on, they indeed provide students with an additional opportunity for further studies, even though the objective may be to delay students from seeking employment so early. However, as the sub-degree courses are not being given adequate acknowledgement and acceptance, many people who have completed the courses have to take up further courses to work for bachelor degrees. What then is the ultimate outcome? By the time they are to join the work force, every one of them becomes indebted to the Government in an amount of more than \$100,000. Is this fair to them? Why doesn't our Government and society directly increase university places? If this will increase the Government's expenditure, how much more money will be needed? It is noted that at present some 18% of secondary school leavers can gain entrance into universities. However, in recent years, many local university places have in fact been taken up by foreign students, as many such places have been allocated to Mainland students.

In order to enhance the impetus for upward social mobility, apart from improving the taxation system to narrow the disparity between the rich and the poor, efforts must be made in alleviating poverty, particularly in solving the

problem of inter-generational poverty. Hence, I consider it necessary to re-establish the Commission on Poverty (CoP). In fact, the CoP set up in 2005 was indirectly brought about by Prof TOWNSEND, who visited Hong Kong in 2004 on invitation. Regrettably, when the Commission managed to build up some consensus among the public, collect a lot of public opinions and get something done, it was abolished. It should be understood that the alleviation of poverty is a long-term battle and it will take more than a year or two to solve the problem of upward social mobility. So, I think it is necessary for the Government to re-establish a standing CoP to make recommendations, monitor the implementation of the recommendations by various departments, and keep measures in line with changes in the society in the course of time.

Food, clothing, shelter and transportation are the basic necessities of life. To let common people have the impetus to move up the social ladder, it is crucial for them to own their own house. Unfortunately, real estate prices are now sky-rocketing, with luxurious units taking up most of the developments. More often than not, a new housing project may cost nearly \$10,000 per square foot. Residential units have become a tool for developers to reap exorbitant profits or an investment product for speculation by the rich. Real estate prices are so high and unreasonable that not even the middle class can afford, not to mention the young generation. Buying properties are absolutely beyond their reach.

Although the Government has just announced that all remaining units of HOS flats and Sandwich Class Housing Scheme flats will be put on sale in the market in the coming months, they are very limited in number and barely enough to meet the pressing needs of the people. To resume the construction of HOS flats can ensure a steady supply of new units, so that those who cannot afford private residential properties can buy their own properties. This measure can, in particular, relieve the difficulties of young people in acquiring properties. In fact, some developers have earlier on indicated their support for resuming the construction of HOS flats. Hence, the Government can no longer use that as an excuse. Moreover, the Government can control the number of units to be built to avoid shaking the private residential properties market .

Apart from solving the housing problem of the lower and middle classes, the housing problem of the grassroots is also a matter of concern. I wonder how a conscientious government can accept the fact that Hong Kong, being a cosmopolitan city, has more than 100 000 people living in cage homes or cubicle apartments with very poor conditions. The Government should, on the one hand, speed up the construction of public housing estates to shorten the waiting time, and on the other hand, further lower the threshold for applying public housing. It should not just raise the income limit of singletons by \$100 as recommended earlier on. People who are not eligible to apply for public housing and cannot afford to buy HOS flats can have a place to live in and will not be homeless. This is vital in stabilizing the lives of the grassroots.

Furthermore, I would like to mention one point. In enhancing the impetus for promoting our social mobility, the Government and members of the public should also respect the right of young people to achieve self-development. We speak a lot on how to promote upward social mobility with the ultimate aim of providing a fair social environment so that young people can bring into play their potentials. There is, however, a major premise. It is definitely not permissible to set limits to obstruct the development of young people by forcing them to do this or that. Take the case of the post-80s who have recently been alleged to be anti-social. I think quite a few senior government officials probably have different views regarding their behaviours and some senior officials may hope to "harmonize" them for easy governance. However, an open-minded society precisely needs people with different views to monitor the government. Imagine if our society does not have any community groups, voices of the general public and the disadvantaged will not be taken seriously. These post-80s are likely to become pillars of our society in the future.

To promote upward social mobility does not mean that every person should have money and be rich. It means that we have equal opportunities and in an equal environment, everybody can develop according to his inclination or wish without being obstructed by social policy. Surely, a person can find impetus to move upward through his job, education, family and marriage. However, if the government fails to build up a fair environment and only guarantees that the rich would continue to be rich while the poor remains poor, I wonder if it is any

different from a feudal society. This so-called progress of civilization may just be a wolf in sheepskin, having gained undeserved fame.

President, I so submit.

**MR WONG SING-CHI** (in Cantonese): President, the polarization between the rich and the poor in society is very serious now. The latest Gini Coefficient has reached 0.533. There is already downward mobility for the middle class, let alone the difficulties that the grassroots face in climbing the social ladder. I think many people who used to claim themselves to be the middle class are now facing pressure and they may feel very distressed. Many young people who graduated from university with a Bachelor degree or even a Master or Doctoral degree have no idea about what job they can land. People used to say that a person can move up the social ladder by pursuing studies. This is no longer the case nowadays and the situation is very bad. If we simply talk about how we should promote upward mobility for the people without putting forward any practical and specific policy measures, that would actually be contemptible. It is because elevating the status of oneself through a motion on promoting upward mobility and pretending to be caring a lot about society is indeed contemptible. So, I hope the Government will adopt more specific measures to help a group of people in the community by providing them with opportunities for upward mobility. Many grass-roots people and young people cannot make their voices heard; nor can they express their views. Even if their views are expressed, they are said to be drastic and anti-social. Actually, there is no big problem with them, as they are just expressing their views, right? They have only surrounded the Legislative Council for a while and staged a silent sit-in, so what big problems are there? Why should they be stopped from making their own voices heard? Obviously there is no equal opportunity in the entire society and this is why many people from different social strata who are not given their due rights have to make their voices heard, in order to fight for the protection to which they are entitled. I think the Government has failed to provide support in many of its systems.

Let me cite education as an example. Hong Kong is a knowledge-based society and to ensure social upward mobility, people just cannot be instructed to engage in certain professions, and to follow the general direction of society in moving forward. That cannot be called upward mobility because one just

follows what most other people do. Those who manage to follow the queue will keep on doing so, while those who cannot do so are ousted and rejected. I think young people must develop the ability of independent thinking. The traditional mode of teaching often stresses rote learning and as a result, our young people only follow what other people do, rather than looking at things with a critical mind. The Democratic Party urges the Government to move in the direction of developing creativity, independent analytical ability and the ability of critical thinking in students, with a view to cultivating in students the proper attitudes towards life and the quality of distinguishing between right and wrong. This is very important.

No doubt it is very important for young people to have the opportunity to receive university education and this, we do not oppose. However, the provision of only 14 500 subsidized university places annually by the Government is downright insufficient to meet the needs in Hong Kong. Take the Hong Kong Advanced Level Examination in 2009 as an example. Of the 30 000-odd candidates, close to 17 000 scored results which could meet the minimum requirement for admission to university but only about 12 000 of them were admitted. This means that about 5 000 to 6 000 students who were indeed qualified for admission to university and who should have the opportunity for upward mobility after graduation were unfortunately denied a place to study in university. Besides, over the past three years, about 1 200 sub-degree holders could not be admitted to Year 2 of university programmes due to inadequate Year 2 places and had to start all over again from Year 1. This is a waste of time and money, and how can there be upward mobility?

The Democratic Party hopes that the Government can continuously and vigorously deploy resources for education by, among other things, increasing the number of subsidized university places and the number of Year 2 top-up places for sub-degree holders annually. In the meantime, the Government should vigorously channel resources for various training and retraining programmes to ensure that people in need are given opportunities to receive training, so that they can further equip themselves. Only in this way will there be opportunities for them to upgrade their social status or take up jobs in society. As I always say, a person who does not study in university is set to be poor for all his life but a person instantly becomes poor once he goes to university, because he will be in debt and the tuition fees are also very expensive. The Government has nevertheless kicked them when they are down by introducing a risk rate for no

reason at all. If the Government does not review this risk rate, it is indeed difficult to convince university students that the Government is concerned about them, and that the Government would like them to accomplish their studies and move upward. If they already have to worry about their ability to repay their loans when they are still studying, how can they put their mind at ease and concentrate on their studies? When they work in society after graduation in future, how can they pursue further studies, build their own families or buy their own property and live in contentment? This has indeed made it difficult for these university graduates to be committed to participating in society or to be given more impetus in moving up the social ladder. Obviously, the objectives have not been achieved in respect of many problems.

With regard to training and retraining programmes, the Employees Retraining Board should conduct studies on the employment status of the trainees of the retraining courses. It is undesirable that the trainees land jobs which are totally unrelated to the training that they have received, while the authorities neglected the situation and produced figures showing that the trainees have found jobs after training and concluding that the effectiveness of the training programmes is quite satisfactory. How can this be addressing the problem at root? So, I hope the Government will provide more assistance to ensure that this group of retrainees can rejoin the job market by taking up jobs that they wish to engage in after they completed training. Excessively long working hours may also stifle the training opportunities of the working people. To enable people in employment to have good development, the Government should consider setting a limit of working hours. I hope the Government will step up efforts in this respect.

The Government and various sectors of the community should develop a "from the heart" attitude of doing things, and in her motion, Mrs Sophie LEUNG also stressed such values as "caring about the underprivileged, striving for justice, equality, democracy and rule of law, and being proactive and progressive" — these are not proposed by her but by us. These are certainly the core values of Hong Kong; and "encouraging young people to strive harder for improvement" is also mentioned. I hope that these core values will certainly be implemented in society. The disparity between the rich and the poor is very serious now. We must show empathy towards other people and I hope we can understand their plights, so that something can be done to enable them to participate and develop in a comparatively just society.

The Government should set up an inter-departmental working group to formulate poverty elimination policies. The aim is not only to help and support the poor. What is the point of helping and supporting them while they continue to live in poverty? The aim should be eliminating poverty to enable them to rejoin society and become a social stratum capable of participating in society and moving upward. The Government seems to be conceiving it as a family problem, thinking that the problem can be solved by giving them Comprehensive Social Security Assistance (CSSA) and saving them from being starved to death. This direction is not conducive to promoting upward mobility. The Democratic Party suggests that in order to help the CSSA recipients get out of the CSSA net, arrangements can be made to have their income saved up if they can secure employment. This should not be done by way of a deduction by the Government, for this is meaningless. When their savings have reached an amount exceeding twice the ceiling of household income, the total sum of money can be returned to the recipients, in order to lift them from poverty and leave the CSSA net. The authorities should also help single-parent families or families in difficulties break away from their plights, rather than doing nothing while these people are suffering on the ground that they do not meet the seven-year residence requirement. This has deprived these new arrivals of their opportunities for upward mobility.

On economic development, there are often problems with the capital network. The Government should implement measures to protect the equal opportunities of small and medium enterprises in competing with large enterprises. To this end, it is necessary to expeditiously enact a fair competition law. As shopping arcades are monopolized by The Link REIT, it is impossible for small enterprises to run a business there, but the Government has turned a blind eye to all these problems. Why does all this happen? If the Government truly wishes that the public can move upward, it must intervene and takes some initiatives.

The Democratic Party has all along been striving for equal and universal suffrage and the abolition of functional constituencies. As we all know, functional constituencies are small-circle elections which lack representativeness. Mrs Sophie LEUNG mentioned in the original motion the need to prevent the development of a mentality of dependency among young people. Let me tell you, Members returned by functional constituencies actually have a stronger

mentality of dependency than young people. Why are young people said to be having a mentality of dependency? Young people have often participated in the community actively, just that adults do not see that as active participation but anti-social behaviour. This is so unreasonable. If we fail to provide for equal political rights and allow some people to continuously enjoy political privileges, how can there be equality in society?

Lastly, I hope that the motion today can be passed with amendments. Otherwise, as Mrs Sophie LEUNG's motion is rather hollow in contents, the Democratic Party will abstain in the vote.

Thank you, President.

**MS MIRIAM LAU** (in Cantonese): President, as a common saying goes, "life is like sailing against the current: either you keep progressing or you keep falling behind". Whether you are "post-80s" or "post-50s", and whether you belong to the middle-class or grass-roots level, you must make every effort to strive for improvement and upward social mobility. True enough, whether or not a person is able to move up the social ladder will, to a large extent, depend on his own capability. That said, the Government still has the responsibility to adopt various policy measures to encourage people, be they middle-aged or young people, the grassroots or the middle class, and help them open up a path for moving up to a higher level.

The Liberal Party strongly believes that through education and training, people can be taught the skills to make a living as well as the knack of "fishing". Only in this way will various strata of the community be able to cope with the changes brought by a knowledge-based economy and move up the social ladder together. For this reason, the Liberal Party proposes in the amendment that the Government should provide additional training programmes, such as introducing on-the-job training programmes for middle-aged people. We propose that training places be provided each year to at least 10 000 middle-aged people with low educational attainment and low income. The trainees can also receive a monthly allowance of \$1,500 for value-adding when attending training courses for a period of six months, in order to attract them to receive training. Our proposal is different from the existing programme. Under the current arrangements, training is provided to middle-aged people only when they are out

of job, whereas under our proposal, training is provided to them while they are in employment. In this way, they can enhance their job skills and be able to find a new job if they lose their original job, or and even find a better job given suitable opportunities.

Meanwhile, young people as well as those in their middle age should have the opportunity to pursue further studies to upgrade their skills and move upward. In this connection, the Liberal Party proposes that the Government should consider further injecting money into the Continuing Education Fund and double the current amount of subsidy to \$20,000 for each applicant. Previous applicants who have received a subsidy can further apply for another \$10,000 given that the current amount of subsidy is \$10,000.

On the other hand, the development of six economic areas with good potential proposed by the Government last year is, in fact, an opportunity for the Hong Kong economy to open up a new path for development. More fish can be cultured in the "economic fish pond" of Hong Kong and hence, more people can be in employment. When talking about the deep-rooted conflicts in Hong Kong days ago, Premier of the State Council, Mr WEN Jiabao, urged Hong Kong to study the development of economic areas with good potential while having regard to the characteristics of Hong Kong, adding that efforts should be made to improve people's livelihood and education. His remarks are indeed hitting the nail on the head.

In this connection, the Liberal Party urges the Government to provide practical assistance to the newly emerged industries as well as the traditional pillar industries in their development by, among other things, stepping up efforts in respect of land resources, human capital and incentives, as undertaken in the budget, to provide more support and facilitation which are conducive and pertinent to the development of the industries.

Regrettably, one year has passed and yet, the authorities still have not come up with a comprehensive blueprint for education and training in support of the relevant industries. Take the testing and certification industry as an example. Many jobs in this industry, such as technicians and testing technicians, can be taken up by Secondary Five graduates. However, the Government has not provided adequate training courses and places and as a result, there is no way for

aspiring young people to join this industry. Some members of the industry have even told the Liberal Party that there are unfilled job vacancies in the industry. Their operating cost has increased as they have to offer higher salaries to fill the vacancies, which in turn, push up the wages and undermined the competitive edge of the industry in the international community.

As for young people with creativity but lacking in practical operating experience and capital, the Government should proactively provide assistance to them. The Liberal Party proposes that a venture capital fund be established to provide one-stop service, such as helping them in preparing business proposals, financial reports, and so on. As young people do not know how to accomplish such tasks and do not have much knowledge in these aspects, they need a helping hand. We need to help them raise the necessary start-up capital or find business partners and, at the same time, provide follow-up support, so that the business starters can concentrate on giving play to their talents, thereby increasing their chance of success in starting their own business.

President, next, I would like to talk about the problem of high property prices which is of great concern to everyone, because both young and middle-aged people encounter difficulties in acquiring their own property. In fact, the Liberal Party had already put forward a series of proposals as early as before the release of the budget. But regrettably, the Government has nominally accepted our proposal relating to "flats with limited floor area" by providing a site in Yuen Long for the provision of only 800 to 900 flats as a nominal gesture. Worse still, the Government indicated that the supply of small and medium-sized flats will be increased. Indeed, this is utterly inadequate, falling far short of the needs. What I am saying is that if property prices are affordable to the middle class and young people, that would be a symbol of upward mobility for them.

Through our amendment today, the Liberal Party again calls on the Government to provide more sites for building "flats with limited floor area", in order to increase supply and meet the public's demand for home ownership. Only when the public clearly know that the supply of flats is sufficient will they stop scrambling for properties and hence push up the prices. This will also be helpful to bringing down property prices. In fact, a survey conducted by the press recently has found that over 55% of the interviewees very much support the

increase of land supply for private residential development as a means to stabilize the property market.

Of the eight amendments proposed today, six have mentioned the resumption of the construction of Home Ownership Scheme (HOS) flats. I believe colleagues who proposed these amendments are of the view that resuming the construction of HOS flats can facilitate upward mobility for the people. The Liberal Party, however, does not agree to this point. Nor do we agree that resuming the construction of HOS flats can be a way to stabilize the property market. We are not against the idea of facilitating upward mobility for the people through the Government's participation in the property market, but we consider that the Government should channel the resources for developing more public rental housing (PRH), especially in the urban area, so as to enable more people to be allocated a PRH flat and have a home to live in.

As we all understand, as many as tens of thousands of people are now living in partitioned cubicles while some live under the flyovers. They refuse to move into PRH because of the remote location of the flats. So, if the Government can develop PRH in the urban area, it can actually facilitate upward mobility for this group of people, because moving from partitioned cubicles to PRH flats is indeed an improvement for them. We think that this is a more practical thing to do.

Let us not forget that the first and foremost mission of HOS flats is to provide assistance to those PRH tenants who wish to buy their own property, so that their PRH flats can be vacated to speed up the turnover of PRH flats. So, HOS flats are not intended to be purchased by first-time home buyers; nor are they meant to help the public buy their own home and create wealth. We must not neglect this original mission of HOS flats. But we will ask: How many PRH flats should be developed? Colleagues may also ask: If the construction of HOS flats will be resumed, how many HOS flats will be built? When colleagues in support of the resumption of the construction of HOS flats are asked how many HOS flats should be developed, some said that it should be around 1 000 flats; some said 2 000 flats; and some said 5 000 at most. Judging from an annual demand for 20 000 flats, what use is there in building just 1 000-odd flats?

Besides, what concerns us most is that if the Government will adopt the policy on resuming the construction of HOS flats, it will perhaps have an excuse of reducing land supply on the pretext that HOS flats will have to be developed. This will be beneficial to the Government, because if it can limit the supply of land, the high land price policy can be maintained, which is nonetheless of no help at all to the property market as a whole. We, therefore, hope that there can be a practical way to stabilize the property market and that is, to ensure an adequate supply of land. We can tell the public that if they wish to buy a flat, they will be able to do so, and if they wish to buy a small flat, there will be small flats available in the market. The point is that if they know that there will be such flats available in the market in the future, they will not buy such flats in haste which will otherwise push up property prices. As a result, the property market can be stabilized.

The Liberal Party supports the proposal to revitalize the HOS secondary market. However, I must remind the Government that all steps must be taken to bar property speculators from entering this market which would otherwise result in doing a disservice out of good intentions. The Liberal Party has great reservation about resuming the construction of HOS flats. We hold that if the Government has to consider implementing this policy, it should at least take into account the proposals that we made earlier. Certainly, there are also other considerations, but this must not be implemented rashly. We must bear in mind that when the Government withdrew from the market in 2002, there were over 20 000 unsold surplus HOS flats. It is not until this year that a decision is made to put up all these surplus flats for sale. We must draw on past experiences and lessons, rather than casually suggesting the construction of HOS flats as a token of appeasement in view of political pressure, for I believe this will never meet the objective that we all wish to achieve.

Thank you, President.

**MR RONNY TONG** (in Cantonese): President, not long ago, a street child from a very poor family of eight lived in a cubicle of not more than 100 sq ft in Chun Yuen Street, Wan Chai; he and his siblings had to sleep on the floor. The family was so poor that the children could not go to school and they could only attend unlicensed schools as what we saw in the movie *Echoes of the Rainbow*. One day, their mother learnt from the newspaper that there would be a new

Government Primary School in Eastern Hospital Road. She got an application form, and this street child luckily entered that primary school. Although that primary school did not provide superb education, it was not bad at all. Upon graduation, he and some schoolmates entered quality government secondary schools. Many of his schoolmates entered the King's College while this street child was admitted by the Queen's College.

When the eight members of this family gradually grew up, the family was under financial pressure. Fortunately, they successfully applied for a flat in a low-cost housing estate. At that time, there were no Home Ownership Scheme flats and public housing, and there were only resettlement areas and low-cost housing estates. This family of eight moved into a flat in a low-cost housing estate in Ma Tau Wai Road. Since the family had a low-cost home, this lucky street child could continue to attend secondary school until graduation. He wanted to go to university but there were only the University of Hong Kong (HKU) and The Chinese University of Hong Kong then. As his results were only average, he was not admitted. Nevertheless, one of his classmates learnt from the newspaper that the HKU offered a new academic discipline but not many students enrolled; thus, he casually filed an application, and he was luckily admitted by the university. During his years at university, he supported himself by working as a tutor and performing in a band in the evenings.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Most importantly, the then colonial government provided him with low-interest loans so that he could pay his tuition fees. When this street child graduated from university, he again luckily received a scholarship from the Rotary Club to pursue further study at the Oxford University in the United Kingdom. Back then, all he had was a guitar which was sold for HK\$800 and converted to £50. He travelled to the United Kingdom alone. When he finished his studies and returned to Hong Kong, he very luckily became a rather successful professional. In fact, the ending of this story is a not so good, he has gone astray and become a Legislative Council Member. Yet, if we look back, we will find that what he experienced is typical of a Hong Kong citizen in the 1950s and 1960s. Moreover, the experiences of his primary school classmates

may be very similar to this street child. Today, all of them have become very successful members of our society in various sectors and classes.

Deputy President, what is the moral of this story? Besides being lucky, there are actually two very important factors: the first one is quality education. If the child did not have a chance to study in a government primary school and a quality university in Hong Kong, there will not be a story of success. The second one is that the family moved into a low-cost housing flat. Without low-cost housing flats, the family might not have the financial means to support the street child to continue his studies. How could all the six siblings from a family of eight attend school?

Deputy President, I just want to raise two points about the motion today. I do not intend to say too much about other points. The most important point is to invest in youth education. Secondly, I hope that the financial burdens of the families of young people can be relieved. For Hong Kong people, the heaviest burdens include travelling expenses, rents or property prices.

Deputy President, education is of utmost importance. At present, there are around 10 universities, but government funded university places have always been less than 18% each year since 1989. Available figures show that the percentage last year was just 17%. How much funding is actually involved? Deputy President, a small amount of funding is actually needed. If the percentage of funded university places is increased from 18% to 20%, only \$360 million is needed. Deputy President, the Civic Party has made such a request this year; however, the Financial Secretary is indifferent whenever a similar request is made, which is also the case this year.

If the Government is not willing to invest in youth education, how can it expect our society to have higher quality? How can it expect that there will be social mobility? Government officials who merely sit in their offices and receive salaries of some hundred thousand dollars a month just sigh with regret that young people in Hong Kong today cannot be compared with those in the past. Young people in the past struggled so hard while young people today only indulge in playing electronic games, taking soft drugs and so on. It is not fair for them to think so. If the Secretaries think about the time when they went to

school, their conditions were actually not very different from those of the street child I just mentioned. Are the Secretaries really luckier? Is their spirit of hard struggle much stronger than that of young people today? Deputy President, I do not think so.

As I have just said, being lucky is very important. We are lucky because we are born in the 1950s and 1960s but not today. If we were born today, we will not be that lucky. We do not have quality education and all the grassroots have been relocated to the northern part of the New Territories under our housing policies. If a person lives in Tuen Mun, Tin Shui Wai or Sheung Shui, the bustling parts of Hong Kong can only be seen but not reached as though there is a glass wall between these areas. I am not saying that there are no schools in Tin Shui Wai, Tuen Mun and Sheung Shui, of course there are schools in these districts. However, when I made speeches at these schools and chatted with the students and teachers there, they told me that 60% of the students had never been to Kowloon. Deputy President, they have not been to Kowloon and they have never had tea at restaurants, how much social mobility would these students have?

For this reason, Deputy President, it is useless to engage in empty talk and give extravagant accounts, as well as make dozens of proposals claiming to help Hong Kong people promote upward social mobility. In fact, what can be done is simple and the Government can make more young people lucky. The problem is whether or not the Government is willing to do so, but not whether we have the ability to do so. I do not think Hong Kong people cannot afford the money required for the relevant policies. Deputy President, we have a reserve of over \$1,000 billion. I am not asking the Government to spend all the money in one go and I am even not suggesting that all university students should be subsidized. Nonetheless, we should at least give young people who have the abilities and the desire to make progress a bit of luck, so as to enable them to have certain achievements in society in the future. I do not expect them to become Legislative Council Members, yet, they should at least have the opportunities for upward social mobility, which would help improve the quality of our society.

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up.

**MR CHAN KIN-POR** (in Cantonese): Deputy President, I find the motion proposed by Mrs Sophie LEUNG today very meaningful and I agree very much with her that we should open up more room for upward mobility for our next generation.

Hong Kong has developed into an economically very mature society. For the young employees, the chances of promotion available to them are indeed much fewer as compared to such chances when our economy started to take-off. Coupled with the fact that pressure at work has been mounting all the time, this creates a great sense of frustration among the young people for work and life, and results in various social problems. This is also one of the reasons why our society is divided.

Therefore, in December 2009 I proposed a motion in this Council entitled "Urging the Government to promote a new occupational culture campaign for work-life balance". One of the most important aims of the motion hopes to provide a new occupational culture which can ease pressure exerted on the people so as to give vent to the grievances among the young people who lack a chance of upward mobility.

I also hope that they can be taught to build a right set of values in life and develop a diversified life. This will enable them to know that apart from work, there are still a lot of things worth striving for in a healthy life, like building a harmonious family, a civic-minded society and the pursuit of knowledge.

In the contents of the original motion this year, it is mentioned particularly that support from the Government is indispensable and this is something I cannot agree more.

I have worked in the business sector for many years and in recent years I have seen a trend that is not beneficial to the long-term development of Hong Kong. The trend is that many multinational companies have set up their headquarters in Singapore, Shanghai and Beijing instead of Hong Kong.

In this process of globalization, the fight to attract multinational companies to set up their regional headquarters is particularly fierce. Many countries are committed to developing headquarters economy for this will bring in the five

economic effects of tax revenue, a multiplier effect in the industries, consumption, employment and social capital. This explains why many advanced cities attach great importance to developing headquarters economy.

In order that our competitiveness can be enhanced, the Government should do more in this respect to remedy the situation and attract more multinational companies to come to Hong Kong to set up their regional headquarters. Otherwise, companies which have set up their regional headquarters here may not be retained to stay on for good, let alone attracting foreign capital to invest here. In this situation where Hong Kong is losing on two fronts, the chances for development available to the younger generation will become even less.

Therefore, I suggest in my amendment that tax concessions and other business incentives should be introduced to attract business organizations around the world to establish their regional headquarters in Hong Kong, thereby creating more employment opportunities, providing diversified posts, developing room for upward mobility for young people and broadening their international outlook.

Deputy President, I would like to share with Members some information concerning how mainland cities and Singapore attract foreign companies to set up their regional headquarters there. I find that they are very aggressive in attracting foreign companies to set up their regional headquarters and the terms and conditions offered are very attractive indeed. In Shanghai, in the notice on Regulations of Shanghai in Encouraging Multinational Companies in Establishing Regional Headquarters issued by the People's Government of the Shanghai Municipality, the focus is on four major incentives to encourage foreign companies to set up their regional headquarters in the Shanghai Municipality.

For instance, the policy states that for companies which are newly registered and relocated to Shanghai and those having set up their regional headquarters in the form of an investment company, they will be given a start-up subsidy of five million yuan and the sum will be given over a three-year period starting from the year the company is registered in Shanghai or relocated there, by the proportion of 40%, 30% and 30% respectively.

After a multinational company is registered in Shanghai or relocated there, the Shanghai Municipal Government will provide a subsidy for the company to

rent office premises as their regional headquarters. The subsidy will amount to 30% of the rent for an office measuring 1 000 sq m (that is, a floor space of 10 000 sq ft) and calculated at a rate of RMB 8 yuan per sq m per day. This rental subsidy will last for a period of three years. For companies which buy or build their own offices, the rate of subsidy will be the same and will also last for three years.

In addition, should a multinational company's business turnover exceed RMB 1 billion yuan for the first time after it has set up its regional headquarters, the Shanghai Municipal Government will give it a one-off award of RMB 10 million yuan. Should the business turnover exceed RMB 500 million yuan, it will be given an award of RMB 5 million yuan. The awards will be paid out in three years according to a rate of 40%, 30% and 30%.

Similar measures are adopted in Beijing to attract multinational companies to set up their regional headquarters there.

As for our main rival Singapore, its positioning in headquarters economy is even more conspicuous. In order to attract more multinational companies to move their headquarters there, Singapore offers specific incentives which target various types of companies. An example of such incentives is very attractive tax concessions.

For instance, when a multinational company sets up a regional headquarters in Singapore, it is entitled to a 15% tax concession during the first five years, and if the enterprise chooses to select Singapore as the site of its international headquarters, the tax concession rate will be as low as 10% and this is far lower than the profits tax of 16.5% in Hong Kong.

According to figures from the InvestHK in the middle of last year, there are 1 252 regional headquarters in Hong Kong and that is a drop by 3.5% as compared to the year before that.

I hope the Government can do more practical work in headquarters economy, for as the saying goes, one will fall behind if he does not forge ahead. The Government should continue to strengthen our position as an international financial centre so that our young generation can be given more chances and room for upward mobility.

I would also like to respond to Mr WONG Sing-chi who in his amendment mentions that the Government should implement general and fair elections and abolish functional constituencies.

Deputy President, the idea of functional constituencies is to enable voices from different sectors and trades to enter the Council and advise on the Government, the Council and the public from a professional or different perspectives. I think the idea of functional constituencies is desirable and it has vital functions to play and can enable balanced participation in the Council. As a matter of fact, we have many Members from the pan-democratic camp and the pro-establishment camp serving as Members returned from functional constituencies and they are dedicated to serving the public. So we must not display a condescending attitude to functional constituencies because of the different political stands we may take and we must think about the reasons why functional constituencies exist and that the voices of the professions, the business sector and all trades in society should be heard in this Council.

However, personally I also think that there are problems with the election methods associated with functional constituencies and these should be improved by broadening the electoral base so that general and fair elections should be implemented in a gradual manner.

Besides, I notice that some amendments have deleted the part in the original motion on "so as to prevent the development of a mentality of dependency" from the sentence "encourage young people to strive harder for improvement and self-reliance, so as to prevent the development of a mentality of dependency".

I understand that Members do have confidence in our next generation and they trust that our young people are independent and they can stand on their own feet. However, apart from providing encouragement and support to them, we also have the responsibility to remind them and share our experience with them. We should tell them that the most important thing in work and life is to do our best. The help from other people should be seen as some assistance and they should never develop a mentality of dependency.

Deputy President, many Members have made a lot of useful suggestions today and I hope that government officials can listen carefully to these views, so that our young people can have more chances of upward mobility.

I so submit.

**MS STARRY LEE** (in Cantonese): Deputy President, regarding the issue of deep-rooted conflicts in Hong Kong, Premier WEN Jiabao elaborated on this issue in a press conference held the other day while the National People's Congress meeting was in session. He talked about how the existing economic edges of Hong Kong could be given full play and how those industries with a clear advantage should be developed. He urged Hong Kong to enhance cooperation with the Pearl River Delta region and the people of Hong Kong to be accommodating and helping each other. Democratic politics should be developed in a gradual and orderly manner and attention should be paid to improve people's livelihood and develop education. Of these five points made, four are about the economic development and people's livelihood in Hong Kong. It is generally considered that if the economy of Hong Kong fares well, people's livelihood will improve.

However, various kinds of data tell us that not every social class will be able to share the fruits of economic prosperity and growth. During the period from 1996 to 2006, the real growth in our per capita GDP rose by 34%, but the number of households with a monthly income of \$4,000 or below increase from 120 000 to 200 000; the proportion of households with a monthly income from \$10,000 to \$40,000 dropped from 60% to 55%; the mean personal income rose by \$500 from \$10,000 to \$10,500 during this 10-year period. The mean monthly income for people who have attained junior secondary and post-secondary education stayed at around \$8,000 and \$19,500 respectively. Obviously, developments in economy have not benefited every member of the public from every class.

A survey from the University of Hong Kong earlier pointed out that during the period from 1996 to 2005, only 30% of the working force was able to move upward and 26% of the working population was in fact moving downwards.

There had not been any mobility for the remaining 45%. I wish to point out that over the past decade or so, the rise in property prices and the robust stock market have in fact made many people rich. But what cannot be overlooked is the fact that there are still some people whose income has seen no increase at all and their chances of upward mobility have decreased.

Members have just said that chances for upward mobility in Hong Kong are getting fewer and there are many reasons for that, including the external factors that we cannot overlook. During the 1970s and the 1980s and even in the mid 1990s, the economy of Hong Kong took off and chances for upward mobility increased to a great extent. In the 1970s, as we know, apart from the infrastructure projects, the Government had to develop new towns and a number of well-established companies were listed. This trend continued into the 1980s and even to the beginning of the 1990s. The asset value of some people went up because of the robust property and stock markets. At that time, though the chances of upward mobility seemed to have levelled off, the trend was not as marked as it is now that warrants our discussion.

Factors facilitating upward mobility did in fact disappear at the latter part of the 1990s. After the reunification, fewer people emigrating overseas and on the contrary, more people with professional qualifications and experience returned to Hong Kong and rejoin the labour market in Hong Kong. Besides, a spate of economic incidents over the past 13 years has dealt heavy blows to the upward mobility of people in Hong Kong. In 1998, Hong Kong was hit by the Asian financial turmoil and economic conditions were gloomy. Many people lost their jobs and property prices fell. Most of the middle-class people who owned property became negative-equity property owners. People who got involved in the dotcom bubble in 1998 would lose money when the bubble burst in 2000. Just as our economy was recovering, the outbreak of SARS in 2003 made property prices fall again and people's assets depreciated. In the face of the worldwide financial tsunami in recent years, it would be good enough if people can keep their jobs and earn a steady income during that period, not to mention moving upward in the social ladder. All these objective factors account for the decreasing opportunities for upward mobility and the fact that more than 40% of the people have never advanced in the income ladder.

Such factors are part of the objective reality. But another factor is that the industrial structure of Hong Kong is distorted, with an excessive reliance on finance and real estate, resulting in the neglect of a comprehensive development of the industrial structure. According to the report released by the former Commission on Poverty on the study on earnings mobility, people engaging in finance, insurance, real estate and business services sectors have better chances of upward mobility in income. This may partly be attributable to the fact that these sectors performed steadily at times of an economic downturn and have great demand for skilled workers. That is an indisputable fact.

It is therefore an urgent issue as to how the industrial structure in Hong Kong can be made better. The Chief Executive proposes in his policy address that industries with a clear advantage should be developed. This is a right direction to take. But the question is how these six industries with a clear advantage can provide diversified job opportunities for the people of Hong Kong and how should support in manpower training be offered to these six industries. Up to the present moment, I do not see enough measures from the Government. Therefore, the amendment from the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) suggests further extending the types of courses under the Continuing Education Fund to cover these six industries with good potential so as to encourage people to pursue further studies and strive for more chances of upward mobility.

As we all know, various reports have already pointed out that education is certainly the most important means of upward mobility. The very first motion I moved in this Council was on increasing subsidized university places. Unfortunately, up to now the Government still refuses to implement relevant measures. Now I do not wish to touch on the issue of quantity, I only want to ask, if the authorities insist on not increasing the investment in education, are our students well equipped for upward mobility? As we know, under the current globalization, our economy is growing ..... the economy of Hong Kong has in fact passed the peak of growth. Many studies have been made on the driving force for individuals or society as a whole to move upward. Members have heard that, the driving force is creativity or innovation or scientific research. If we have such conditions, individuals or the whole society can be driven to move upward. But unfortunately, as I can see, the education system in Hong Kong is

unable to train up our young people in this respect. When young people leave school under our education system, they neither have an innovative spirit, nor dare to try, create and take risks. The Secretary for Education may not agree with that, and I do not have any figures for that either. However, I believe that most of your children are educated abroad ..... if you ask teachers who come to Hong Kong to teach or other friends, they will all tell you the same thing, in overseas countries, after the textbook contents are taught, a lot of time will be spent on answering questions, and this may take up most of the time of a lesson. But in Hong Kong or in Asian countries, after a professor has given his lecture, almost no students will raise questions. It would be very lucky if one or two students ask questions. What is the reason for that? I think this does not happen by chance. Is our education system and our traditional methods of imparting knowledge really fails to nurture young people to ask questions, to make attempts, to voice their views and to make innovations. Therefore, I support very much the ideas in the original motion to promote education which is steered by inspiration in place of the impartation mode of teaching, to develop creativity and independent analytical ability among students, with a view to establishing proper attitudes to life.

In an article written by me some time ago, I mentioned a weird trade in Hong Kong and that is "Tutor King". My article invited some criticisms from people of the tutorial sector. Actually, I do not see any problems with these "tutor kings". Honestly, they are all smart people who can spot that niche in the market which has tremendous potentials. This accounts for their achievement. Yet, it reveals the problems with the present education system, that is, everything is done in the name of academic results. I know very well that I do not have any panacea for that, but if we cannot train up our young people to bring forth new ideas and think independently and critically, so as to take on the challenges of society or the world, then I think their chances of upward mobility or even Hong Kong's chances of upward mobility, will be diminishing. I hope the Secretary for Education can ponder over this question seriously.

Lastly, I must use the remaining time I have got to talk about the amendments. There are altogether eight amendments, including the one from me. As the DAB supports "re-launching the Home Starter Loan Scheme" but that point is deleted in Mr LEE Wing-tat's amendment, so Members from the

DAB will abstain from voting on it. As the DAB considers it essential to nurture students to establish proper attitudes towards life and encourage young people to strive harder for improvement and self-reliance, so as to prevent the development of a mentality of dependence, we will abstain from voting on Mr CHEUNG Kwok-che's amendment since he has deleted these two points in his amendment. Regarding Mr WONG Sing-chi's amendment, he adds in the point "abolish functional constituencies", an issue which has yet to reach consensus in society, and deletes "re-launching the Home Starter Loan Scheme", DAB will vote against his amendment. As for the other amendments, the DAB will vote in favour of all of them.

Deputy President, I so submit to propose my amendment.

**SECRETARY FOR EDUCATION** (in Cantonese): Deputy President, the motion moved by Mrs Sophie LEUNG today and the amendments proposed by eight other Members are concerned with the importance of upward social mobility. They have also made a lot of suggestions on how the Government can provide assistance in various policy areas.

In the 1960s and 1970s, Hong Kong was full of social mobility opportunities. One could always find his way to success as long as he worked hard. Nowadays, Hong Kong's economic development has become increasingly sophisticated. In the face of globalization and as Hong Kong moves towards knowledge-based economy, our industrial structure has experienced significant changes. Although the young people, middle managers and grassroots have to bear considerable pressure as Hong Kong is confronted with competition from the global market, social progress has also created plenty of opportunities. We should grasp these opportunities, create favourable conditions, overcome hurdles and embrace our long-standing core values to keep social mobility going.

I believe Members will all agree that education plays a key role in promoting social mobility. Education nurtures talents for the community, and provides sufficient conditions for economic development and prosperity. Economic prosperity will also create job opportunities while promoting social mobility.

In the light of our changing industrial structure, the Government makes the best use of the situation, explore opportunities and provide conditions conducive to the sustained development of our economy, thereby creating more job opportunities. We also need to reform our education system constantly in order to provide the new industrial structure with suitable new blood.

On the other hand, in order to maintain upward social mobility, our workforce must cope with social changes. The Government endeavours to provide training and retraining opportunities to enable people at work and job seekers to pursue constant self-enhancement in order to enhance their skills, thereby achieving upward mobility. As for the disadvantaged social groups in need of financial or material support, we will provide them with a social security safety net to meet their basic and special needs.

Simply put, the support offered by the Government in promoting upward social mobility mainly includes improving education, creating job opportunities and enhancing training. Therefore, today the Secretary for Labour and Welfare and I will highlight the Government's work in these areas. We will sum up Members' views on other policy areas and make a consolidated response before the conclusion of the debate.

I would like to spend the rest of my speaking time on introducing how the academic structure reform will be launched to cope with the fast pace of development of the world. In recent years, we have implemented a series of education improvement programmes with the injection of substantial resources in the hope that each and every young people in Hong Kong will have the opportunities to fulfil their potentials and bring their strengths into play, so that they can advance and pursue constant self-enhancement, and ultimately find their way to success in this fast-changing society.

We believe knowledge is strength, and knowledge can change one's fate. Starting from the 2008-2009 school year, all students in Hong Kong are entitled to 12 years of free education. The new academic structure for senior secondary education and higher education (New Academic Structure), which took effect in September 2009, is an extension of the Basic Education Reform. With the elimination of one of the open examinations, students will have more time and room to experience life-wide learning and nurture a lifelong learning attitude and skills. Besides, due to their clear-cut division, traditional disciplines cannot embrace new knowledge of the new age. The arts-science dichotomy has also

stifled students' multi-intellect development. Under the New Academic Structure, every student will be able to master biliteracy and trilingualism, acquire major generic skills such as communication, creativity, critical thinking and problem solving, as well as developing positive values and attitudes through discipline and cross-discipline learning. At the same time, students can also choose subjects according to individual interests, aptitude and abilities, so that they can become a real master of learning and plan their own future.

Under the New Academic Structure, students wishing to pursue further studies upon completion of the senior secondary curriculum have many other options in addition to four-year degree courses. They may enroll on associate degree courses, the Vocational Training Council (VTC) programmes and the programmes of Project Yi Jin. They may also sign up for the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme or pursue further studies abroad. Meanwhile, these programmes will provide more opportunities of overseas exchanges and essential international exposure.

We have not overlooked the needs of early leavers, and are determined to provide them with alternatives besides mainstream education. From the 2009-2010 school year onwards, the VTC will offer a new set of Diploma in Vocational Education programmes to school leavers at Secondary Three, Four and Five levels and Secondary Six school leavers under the New Academic Structure, to allow students with different potentials to give play to their potentials.

We realize that, in order to promote social mobility, appropriate measures must be provided in the education system to enable students of diverse backgrounds to enhance their individual competitiveness through education. Through various support schemes, we can also enable children from low-income families to participate in a diversity of learning activities and ensure they would not be denied opportunities of receiving tertiary education because of financial difficulties. After listening to other views expressed by Members, I will account on related measures currently in force and measures proposed by the Financial Secretary in this year's budget.

Deputy President, I so submit.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): Deputy President, I sincerely thank Mrs Sophie LEUNG for proposing this meaningful motion debate on "Adding impetus for promoting upward social mobility" today. At the same time, I would also like to thank the eight Members who have proposed amendments to the motion.

I fully appreciate the concerns and expectations of Members and the community for social mobility. As the Secretary for Education has just said, the Government has implemented various measures to maintain Hong Kong's vitality, promote diversification of the economy and create jobs and opportunities so that the public can give play to their talents, thereby promoting the continuous development of Hong Kong. At the same time, we have striven to enhance employment support as well as various training and retraining programmes so that increasing opportunities of upward mobility can be made available to the public.

Employment opportunities are the key to building an inclusive society and promoting social mobility. I have a pet phrase which goes like this: "Employment forms the basis of people's livelihood, and is the cornerstone of social harmony." The work of the Labour Department (LD) is exactly that of promoting the efficiency of the employment market and facilitating the dissemination of vacancy information. The 12 Job Centres, Telephone Employment Service Centre, Job Vacancy Processing Centre, the Interactive Employment Service website and the Recruitment Centre for the Catering Industry of the LD have provided a comprehensive and free employment services for job seekers so that they can secure employment more quickly and easily.

In mid-2010, the LD will set up a recruitment centre for the retail industry so as to provide more tailor-made recruitment and employment support to both employers and job seekers of the industry. Early next year, the first "one-stop" employment and training centre will be established in Tin Shui Wai under a pioneer scheme to streamline, integrate and enhance existing employment and training/retraining services offered by the LD, the Social Welfare Department and

the Employees Retraining Board (ERB). This pioneer scheme is intended to implement the recommendation of the former Commission on Poverty (CoP) in respect of strengthening employment support. If the pioneer scheme is successful, we will consider extending this "one-stop" mode to other districts in Hong Kong.

In addition, the LD has introduced various employment schemes. Members should know these schemes very well, and they include the "YPTP • YWETS", the Job Matching Programme, the Employment Programme for the Middle-aged and the Work Trial Scheme. These schemes are intended to target the difficulties faced by needy job seekers from different backgrounds so as to assist them in finding suitable jobs. In this year's budget, the Financial Secretary has announced that the LD would implement the "Pilot Employment Navigator Programme" this year to address the problem of manpower mismatch. Under this programme, a cash incentive of \$5,000 will be paid to each person who has worked for a continuous period of three months after receiving the department's intensive employment counselling and job matching services. We hope that by this programme, we can better utilize our labour productivity and encourage employment so as to enhance the social mobility of those with employment difficulties.

Another focus of today's motion is to enhance vocational training. We all know the moral of this saying: "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime." In other words, just as Mr Tommy CHEUNG said in an earlier motion debate, rather than giving someone a fish, it would be so much more useful to teach him to fish. This is about how to move from external help to self-reliance and we know about this very well. The touching story told by Mr Ronny TONG just now also makes this point crystal clear. Education, skills and knowledge are all crucial. In order to stay employed, one should possess the skills required by society. We will strive to upgrade the overall quality of our workforce, and in particular, to increase the competitiveness of low-skilled workers so that they can adapt to the changes in the demand for different job skills in the process of economic restructuring. Both tertiary institutions and the VTC will also assume an active role to

complement the development of the six key industries and train up the talents we need.

Currently, the ERB provides training courses for all Hong Kong residents aged 15 or above with an education level at sub-degree or below. This will benefit the young and the middle-aged alike. Full-time training courses are provided free of charge, plus post-employment follow-up services and training allowances. Part-time courses are suitable for employed persons and low-income earners can apply for fee exemption or subsidies. In 2009-2010, the ERB plans to provide as many as 123 000 training places, and has reserved resources for providing an additional 20 000 training places when necessary.

The ERB will also provide training courses ranging from Level One to Level Four of the Qualifications Framework (QF) so as to assist the participants to obtain professional and vocational qualifications. Since mid-2008, the ERB has been rolling out diploma programmes in various fields of employment that are pitched at Levels Three and Four of the QF, including fashion merchandising, business accounting, wholesale management, conference and exhibition management, hotel front office management and network engineering. These programmes offer progressive training to the participants and enable them to climb up the career ladder so that they can achieve upward social mobility.

The objective of both vocational training and mainstream education is to inspire the development of personal potentials and explore manpower resources for society. The nurturing of talents should start as early as possible and hence, vigorous investment in every aspect of child and youth development is the most basic and effective means to promote social mobility and reduce inter-generational poverty.

Taking into account the recommendations of the former CoP, the Government allocated \$300 million to set up the Child Development Fund (CDF) in 2008 to subsidize various projects operated by non-governmental organizations. Underpinned by three major components, namely personal development plans, mentorship programmes and targeted savings, the CDF helps to promote the longer-term personal development of children from a

disadvantaged background by enhancing their abilities to manage resources and plan their own future. The first batch of CDF pioneer projects was rolled out in December 2008, benefitting a total of 750 children. The second batch of 15 CDF projects will be rolled out in the first half of 2010 and it is estimated that 1 500 needy children will benefit. Deputy President, we hope that ultimately, 13 600 children from a disadvantaged background will benefit from the CDF.

In order to help our young people develop their physical and mental strengths and enhance their abilities in facing challenges, the Home Affairs Bureau will work together with the Family Council and the Commission on Youth (COY) to instill positive values in the young people and encourage their participation in community affairs so as to broaden their international outlook and increase their leadership skills. The COY and various youth organizations will also help young people exploit their potentials through various activities.

I will give a detailed response after listening to the views of Members. Deputy President, I so submit. Thank you.

**MR TOMMY CHEUNG** (in Cantonese): Deputy President, today, we are discussing the motion on "Adding impetus for promoting upward social mobility" moved by Mrs Sophie LEUNG, and a total of six Honourable Members have proposed amendments. These amendments urge the Government to resume the construction of Home Ownership Scheme (HOS) flats or resume the construction of an appropriate number of HOS flats. But, as Ms Miriam LAU has explained earlier on behalf of the Liberal Party, we still do not find it necessary to resume the construction of HOS flats. Is resuming the construction of HOS flats an effective remedy for the present feverish property market? If Honourable colleagues have lately read the editorials of newspapers and magazines, I think they can find the answer easily.

Recently, after individual property developers and members of the banking sector have suggested that the construction of HOS flats could be resumed, the editorials of some major newspapers and magazines immediately responded. The editorial of the *Hong Kong Economic Journal* on 9 March explicitly reminds

the Government not to take the road back to resume the construction of HOS flats.

According to that editorial, the construction of HOS flat is one of the many aftermaths arising from the subsidized home ownership policy. In fact, the flourishing property market today is the result of the excessive control of land supply by the Government in the past few years. With a considerable reduction in the supply of land and private properties, the property prices surged rapidly. The Liberal Party concurs with this viewpoint. Therefore, to solve the current problem of a feverish property market, providing a sufficient supply of land is a solution that is desirable and thorough.

On the same day, the editorial of *The Apple Daily* is also about the point that the disadvantages of resuming the construction of HOS flats outweigh the advantages. The comments in the two editorials happen to coincide. It is stated in this editorial that, in view of past performance and effectiveness, resuming the construction of HOS flats cannot be regarded as an effective means to stabilize the property market. On the contrary, it may cause much more aftermath and wastage, thus, the Government should not do so in haste.

*The Apple Daily* also pointed out that the construction of a substantial number of sandwich class housing by the Government years ago did not have much effect on the feverish property market. The property prices only conspicuously dropped during the Asian financial turmoil, which proved that the housing policies had extremely limited effects on the property market.

Echoing the views of the Liberal Party, the editorial of *The Apple Daily* also worries that situation of wrong timing will occur again. It is pointed out in the editorial that, even if the construction of HOS flats is resumed, these flats will only be launched in 2013 at the soonest. It will not be helpful to the present flourishing property market, and, if the job is not done well, when there is a property market downturn, these HOS flats may be considered as the prime culprit or accomplice responsible for pushing down property prices. In other words, who can guarantee that upon the completion of new HOS flats three to five years after the approval is made today for resuming the construction of HOS flats, the property market will be as prosperous as it is today? Once the market situation takes a turn for the worse — let us not discuss whether the property

market would be crushed — what should be done if there are a large number of unsold HOS flats once again?

However, the Liberal Party agrees that the Government needs to think of ways to assist potential home buyers in home purchase. Therefore, we have made a proposal on flats with limited floor areas, to which the Financial Secretary has responded in the Budget. A piece of land in Yuen Long will be allocated for "flats with limited floor areas" to test the market response.

Actually, while some editorials are against resuming the construction of HOS flats, they support this proposal of the Liberal Party. On 9 March, the editorial of the *Wen Wei Po* urges for a stabilized property market policy and the introduction of HOS flat substitutes. It opines that the Government should, on the basis of a stabilized property market policy, expeditiously introduce HOS flat substitutes, such as increasing the supply of land for "flats with limited floor areas" in addition to those sites on the Application List, so as to create more opportunities for home purchase for first-time buyers.

On 10 March, the editorial of the *Next Magazine* also comments on the inferior policy of resuming the construction of HOS flats. It points out that, if the root of discontent of the young generation who cannot afford to purchase their homes is the lack of opportunities for upward social mobility instead of having no place to stay in, how resuming the construction of HOS flats can alleviate their discontents arising from the general atmosphere?

Furthermore, it is mentioned in the magazine that, if resuming the construction of HOS flats is intended to keep down property prices, the Government has to be careful in ensuring that this measure will not adversely affect the prices of over 1.5 million private properties. If there is a drastic fall in property prices as a result, will the discontents of the negative-equity property owners be less serious than those of the post-80s?

Deputy President, while the *Ming Pao* supports resuming the construction of an appropriate number of HOS flats, it also states that the Government should start increasing land supply so as to maintain the stable development of the property market. The newspaper also agrees that the Government should resume land sales on a regular and irregular basis.

I understand that all Honourable colleagues are deeply concerned about our property market and would like to find an effective prescription for curing the feverish property market. Nonetheless, having listened to the editorials I just cited, I hope that Honourable colleagues would seriously ponder over the matter instead of rashly prescribing the wrong medicines. We must carefully weigh up the possible effects of resuming the construction of HOS flats so that all property owners would not suffer as a result of having negative assets as they did several years ago.

Deputy President, I so submit.

**MR ANDREW LEUNG** (in Cantonese): Deputy President, it is stated in a report published by The Chinese University of Hong Kong (CUHK) last year that the upward social mobility in Hong Kong has not become stagnant but the growth of the middle class has slowed down. The award-winning movie *Echoes of the Rainbow* brings to our minds the Hong Kong spirit — hard struggle, diligence and overcoming adversity, which are the key elements of the Hong Kong story.

The success of Hong Kong is founded upon our strategic position historically and geographically. In Hong Kong where east meets west, there have always been a lot of opportunities. Having undergone changes throughout the years, our motherland has now become more open and stronger. From a pessimistic perspective, our established advantages are slowly disappearing; but if we are more optimistic, we will find that our tasks have already changed. Backed up by our country, we now have to face the world and accept new challenges. As compared with the 1960s as depicted in the movie *Echoes of the Rainbow*, Hong Kong today is more open and efficient and has a higher level of integrity. We also have an excellent system of the rule of law and the freest economy in the world.

No doubt, it is harder to start an enterprise than before. In a recent report, the Center for Entrepreneurship of CUHK has pointed out that entrepreneurial activity in Hong Kong is at a relatively low level among advanced economies, just slightly better than Japan, yet lower than that of the United Kingdom and the United States, and lags far behind Brazil, a developing country. The Government should strongly encourage entrepreneurship with a view to adding impetus for promoting upward social mobility.

As our society progresses and develops towards a knowledge-based economy, and the development of the services industry, our education must keep abreast of the times in order to promote upward social mobility. The Government and the business sector should try to enhance the quality of education to tie in with the development of the economic areas where Hong Kong enjoyed clear advantages, so as to assist the youth in climbing up the social ladder.

Creative education and vocational education can dovetail with each other. The authorities concerned should also provide more types of courses so as to support, through diversified education, the competitive edges of Hong Kong as referred to by Premier WEN Jiabao, which include the financial, shipping, trade and services sectors, as well as to use its geographical position to complement the rapid development of the Pearl River Delta. Hong Kong people must equip themselves and make full use of the opportunities arising from the co-operation between China and the Association of South East Asian Nations. We should take advantage of the new business opportunities in connection with Renminbi and reinsurance business, and the edges of Hong Kong in foreign relations to develop new industries. When our economic development has ventured into a new realm, we must help people from different strata to add value and board the train for upward social mobility.

Deputy President, 12 years of free education provides equal opportunities for the next generation to receive basic education and lay a solid foundation. However, a lot of researches have revealed that young people who grow up in a less unfavourable environment will have fewer chances to improve their living in the future.

I suggest that the business and academic sectors and voluntary organizations should join hands to organize an extensive and systematic mentorship scheme for the volunteers. Under this scheme, the business sector would encourage employees to become volunteers and be the mentors of grass-roots young people. Actually, many large companies and social welfare bodies are now carrying out similar tasks. The Government can play a co-ordinating role and develop a better organized structure of a larger scale to provide resources for volunteer training so as to cater for the needs of the youth in a more systematic and integrated manner.

Led by their volunteer mentors, young people will step outside their communities, engage in new activities, broaden their horizon and accumulate social experiences, so that they can explore new directions that they have never thought of. As for volunteers who possess rich life experiences, they can encourage young people, teach them social etiquette, how to get along with people, how to recognize their objectives, and guide them to make plans for their future. In other words, we are teaching people how to catch fish and not just giving fish to them.

To achieve upward social mobility, young people should have a good mindset. As in *Proverbs* of SOLOMON: "Keep thy heart with all diligence; for out of it are the issues of life". Thus, individuals should be encouraged to nurture right values from youth. The Internet precisely provides an ideal platform for the mentorship scheme. Volunteers from the business sector and young people can form groups for mutual communication, advice and enlightening. A positive network of friends would then be developed which would help young people grasp the opportunities for upward mobility.

Graduating from universities is not the only pathway. If the education system can make complementary measures, young people who fail to adapt in grammar schools will find another way out. The Vocational Training Council, of which I am the Chairman, provides a very valuable option. In fact, under the education system of Switzerland, an apprenticeship scheme is a part of school education. I suggest that the business and school sectors should co-operate with one another, and assist in adding an apprenticeship element to education planning. The students will spend half of their time attending school and half of the time undergoing on-the-job training. Under the new "3+3+4" academic system, secondary schools can offer similar new subjects to better equip the disadvantaged young people for upward mobility when they enter the working world.

Deputy President, if we find the right directions, work hard to improve ourselves, and reduce arguments, the years cannot steal the Hong Kong spirit. As long as we put into practice the policies for assisting people in attaining enhancement and upward mobility, the years will prove that Hong Kong was not only successful in the past dozen years, it will continue to be so.

With these remarks, Deputy President, I support Mrs Sophie LEUNG's motion.

**DR LAM TAI-FAI** (in Cantonese): Deputy President, during the 1960s or 1970s and even the 1980s, there was a common saying that money and opportunities could be found everywhere in Hong Kong. At that time, a family with grown-up children always pinned high hopes on them, hoping that they would become outstanding and successful persons.

But nowadays, I find that such social notion has greatly changed. Of course, tycoon families still hope that their children can become the cream of society, step into their shoes and remain in the upper class. However, parents in the lower and middle classes dare not cherish such aspiration. Now, most parents of middle-class families wish that their children can lead a stable and happy life, get married and own their homes, rather than relying on them for down payment and even support for their wives, children or grandchildren. They will be very grateful if such wishes can be fulfilled. As for the grassroots, their wishes are even more humble. They merely hope that their children can have secure jobs with fixed incomes, need not apply for CSSA on the ground of unemployment and can be allocated with public housing units. They should thank God if such wishes can be fulfilled.

As a matter of fact, the problem of disparity between the rich and the poor in Hong Kong has been deteriorating. As a result, the starting points for people from different walks of life have become farther apart from each other, which will, in turn, greatly reduce the chance of upward mobility for the lower and middle classes.

The existing economic structure of Hong Kong is unitary as it has relied too heavily on financial services, construction and property sectors. The fact that industrial development is not supported by the Government has led to a general belief that one will never be able to climb up the social ladder working as a wage earner. In fact, there is a lack of versatile jobs in society. As a result, many students fail to secure employment or find a suitable job after graduation. Thus, they can hardly bring their potentials into play and their career

development is impeded, resulting that their opportunities of upward social mobility are reduced.

Facing such great pressure of life, many people, in particular the middle class, have to take up more than one job or even work excessively overtime in order to earn more money to meet living expenses. They indeed have no time to upgrade or equip themselves for upward social mobility. Rather, they move downward to compete for jobs with people of relatively lower educational qualifications and skills in order to eke out a living.

Precisely because there is a lack of job opportunities in Hong Kong, the Government has encouraged people to go northward for employment. However, government policies have failed to tie in with this trend. For instance, I have always advised the SAR Government to hold discussions with the Central Government on amending the tax threshold for Hong Kong people staying in the Mainland for more than 183 days. However, the Government has not made any effort to strive for that. Consequently, people working in the Mainland are required to pay even more taxes.

The key to wage earners' upward mobility lies in preserving their employment. What is the first step of doing so? As I have always said, it is the support to enterprises. As we all know, the industry can provide various work types and lots of employment opportunities. To cope with keen competition and changes of industrial policies by the Central Government, Hong Kong enterprises should upgrade and restructure themselves by shifting from "contract processing" to "import processing" operations. In order to enhance competitiveness and productivity, enterprises must procure more state-of-the-art machinery and equipment for their factories in the Mainland. But according to the existing section 39E of the Inland Revenue Ordinance, they will immediately lose the right to claim depreciation allowance for their machinery. The Government has failed to provide support to the industry and worse still, stifled industrial development by increasing the tax burden on enterprises. Under such circumstances, how can these enterprises recruit more staff and raise their employees' pay? As a result, wage earners' opportunity of upward mobility has reduced and their living is of course adversely affected. The Government is indeed too conservative and has lost its sensitivity in this aspect. I hope the Government will genuinely amend the Ordinance expeditiously so that wage earners can have more opportunities of upward mobility.

It is not only difficult for the middle and lower classes to find jobs but also very hard for them to start a business. Nowadays, opportunities for them to start a business have dwindled compared to the situation of two decades ago. Businesses which were operated by small and medium enterprises in the past are now run by large consortia. Indeed, there is no room for small factories and shops to survive. As reported by the press earlier on, even the Ngong Ping 360 is going to run a travel agency to compete with local small travel agencies. How can small business proprietors get the opportunity of upward social mobility? I hope the Government can face these realistic problems squarely.

The decision of the Government to develop a knowledge-based economy will necessitate an adjustment to the economic structure and the mode of development. Such adjustments and changes will require not only talents but also a diversified mix of talents. However, the existing education system cannot tie in with the economic adjustment and mode of development at all. As we all know, many students soon become unemployed after graduation every year as they cannot find suitable jobs. On the other hand, enterprises cannot find the right staff, reflecting a mismatch of manpower. The failure of getting a suitable job will impede upward social mobility. Hence, it is essential for the Government to introduce education reform, so as to provide more featured courses and train more versatile talents to meet the realistic needs of the market.

Under the existing education system, many students can hardly adapt to the teaching mode of traditional secondary schools, only that the Government has failed to provide adequate featured education for them. They have no alternative but to drop out of school and seek employment once they cannot catch up. What jobs can they take up? They can only take up low-skilled jobs requiring low qualifications. However, given that Hong Kong is now developing towards a knowledge-based economy, how can there be sufficient jobs in this category for them? For this reason, the unemployment problem of youngsters aged 15 to 19 is very serious and their opportunity of upward social mobility is certainly very slim. As such, the Government should do its best to make them stay in school to acquire knowledge and upgrade themselves, so that they will have more opportunities of upward social mobility in future. I hope that the two Bureau Directors can enhance their co-operation in this aspect and identify effective solutions to the problem.

Deputy President, certainly, apart from relying on the Government's effort to carry out education reform and improve the business environment, we should enhance our adaptability and competitiveness as well. In face of such a reality, it is pointless to blame oneself or the others. Therefore, I urge all youngsters to turn grievances into strength, so as to overcome the challenges ahead with perseverance, an unyielding spirit and a strong will. We have to continuously upgrade and equip ourselves and be proactive. We should neither run away from difficulties nor give up. We should also understand that drug abuse is not a way out and a proper attitude towards life is essential.

I agree that opportunities of upward social mobility have dwindled. But this does not mean that there is none. Hence, if we can be more proactive and enterprising, we will not miss any opportunity once it emerges.

Deputy President, I so submit.

**DR PAN PEY-CHYOU** (in Cantonese): Deputy President, Hong Kong has long been described as a place full of opportunities. Over the past century or so, many people came to Hong Kong from the Mainland or the rest of the world to make money, seek opportunities and realize their dreams.

We have heard of many stories about people of humble origins who eventually achieved great success. Mr Donald TSANG, the Chief Executive, is a classic example. The public also take delight in talking about the story of Mr LI, a super tycoon in the city.

However, do such opportunities still exist nowadays? We have no idea. We only know that low-income earners are earning less and less in the past decade or so. Let me cite some statistical data. During the past 11 years from 1999 to 2008, the number of people earning a monthly income of less than \$5,000 has increased from 179 000 to 271 000, representing an increase of 51%. Meanwhile, the median salary of the bottom 10% of wage earners has dropped as much as 20% from \$4,500 to \$3,600.

Regarding pay rise brought about by education, diplomas have also depreciated. Among the bottom 20% of wage earners, the number of people

with tertiary education qualifications accounted for 6.7% and 12.3% in 1999 and 2009 respectively, representing a hike of 78%.

As we all know, the salaries of high-income earners have been on the rise during the same period. Over the past decade, the Gini Coefficient rose by 0.057 to 0.533 today, representing a rise of 12%. These figures are telling us that although there may still be upward social mobility in Hong Kong as a whole, such mobility, very unfortunately, has polarized, meaning that the poor and low-income earners keep on moving downward while the rich and high-income earners keep on moving upward.

Recently, Premier WEN has also commented on the problem of income gap and wealth gap in society. He said that apart from creating more social wealth, it was very important to ensure a fair distribution of it. Premier WEN's remarks are most enlightening.

Concerning Mrs Sophie LEUNG's motion today, I think it deserves our attention. The question of how to promote the upward movement of low-income earners and the grassroots warrants our attention nowadays. In my opinion, if we merely blame youngsters for not being enterprising, we may be putting the cart before the horse.

In fact, according to many psychological and psychiatric studies, a person or an organism will plunge into a situation called "learned helplessness" if they have experienced setbacks and failures incessantly. In other words, a person or an organism, grown despair of the surrounding environment, will make no response to it. Similar studies were conducted a long time ago. The famous American behavioral psychologist SELIGMAN has conducted a lot of such studies, which have become one of the fundamental theories of depression today.

Therefore, when giving guidance to our children, we should encourage them to be enterprising and not to give up. But on the other hand, I think the Government should review its institutions. Concerning the institutions, I think that there are two directions which can promote upward social mobility of the grassroots: first, to increase opportunities and channels of social mobility; and second, to empower and equip the poor through a number of ways.

Although there are many ways to promote social mobility, the most important one, in my opinion, is the Government adopting a strategy that gives priority to employment in all initiatives of economic development. In other words, priority should be accorded to the development of certain industries which can provide good employment opportunities. I consider that the Government's recent proposal of developing the six industries in which we have clear advantages is a very good example because they can provide some better employment opportunities.

Secondly, I think the Government should endeavour to maintain and even improve the existing equitable institutions in society, so as to provide a relatively level playing field for every one, no matter they come from poor or rich families.

The second issue is how to equip a person. I agree with many Honourable colleagues that education is particularly important. According to the research conducted by LAM Kit-chun and LIU Pak-wai in 2006, 41% of the income disparity can be accounted for by education.

In my opinion, the provision of textbooks, Internet subsidies, and more interest-free and low-interest loans for needy students are all important ways to enable the poor to upgrade themselves and receive better education. Small-class teaching can also help students develop their interests and talents. I consider language education crucial, too. Besides, I also hope that innovative and inspirational elements can be added to our education system.

Based on the above reasons, I think a two-pronged approach should be adopted to promote social mobility for which the Government is duty-bound. Thank you, Deputy President.

**MR WONG KWOK-HING** (in Cantonese): My colleague, Dr PAN Pey-chyou, has just expounded on the obstacles to upward social mobility in terms of employment, income and education. I will now discuss the issue of social mobility from the angle of home ownership. I consider home ownership a significant marker in determining whether there is upward mobility in various strata of society. I would like to illustrate this point in four areas.

First, I hope the Government can construct more public rental housing (PRH). While the Government claims that it is also its wish, is that really the case? That is the question I have for them. There are officials from the Transport and Housing Bureau here today, and I do not know whether other Bureau Directors will respond to the issues relating to home ownership later. Although the Government claims that the waiting time of PRH is generally less than three years, I have to tell everybody here that we are now facing a very serious situation where the waiting time for non-elderly singleton PRH applicants is as long as some 25 years. Why? Because the annual allocation quota for non-elderly singleton applicants is set at only 8% of the total number of flats allocated to Waiting List applicants. How many flats are there then? That is less than 2 000 units. But how many applicants are there? There are more than 50 000. If we divide 50 000 by 2 000, we can see that the applicants have to wait for 25 years. Of course, those who have the means to rent or buy private housing have already been taken out of the computation. But if these needy persons have to wait for 25 years, may I ask how many decades there are in a one's life? How many quarter-centuries there are? In that case, can it really help meet the demand of these needy persons for rental housing? This is the first area.

Second, the Government should relaunch the Tenants Purchase Scheme (TPS). Otherwise, how can we help the public housing residents move upwards? In the past, the Government implemented many broad-brush measures to curb the property market. One of such measures was to halt and terminate the TPS after Phase 6. When I met with the public housing residents and the local residents, they urged me to relay this view in the Legislative Council. The tenants' wish is that as their children have grown up or when they can earn a better living, they would want very much to stop relying on others. Although they cannot afford private housing, they are still prepared to save up so that they can purchase the PRH flats they are occupying with mortgage. That is such a good intention as they can really live in contentment and work happily. But the Government does not allow them to do so. On the other hand, as their children have grown up, their family income has improved but they are penalized on account of being classified as "well-off" tenants and have to pay double or 1.5 times the normal rent payable. In order to avoid paying double or 1.5 times rent, their children can but move out and live away from the parents. As the parents grow older, they have no one to take care of them and this has caused social conflicts and division. Notwithstanding the Government's claim of

treasuring the importance of families, its policy is now preventing family members from living together. Hence, it is wrong not to relaunch the TPS and I hope the Government can reconsider my proposal seriously. This is also a good way to help public housing residents move upward.

Third, I hope the Government can resume the construction of an appropriate number of Home Ownership Scheme (HOS) flats. Otherwise, even those with a certain level of income are still unable to afford buying their own homes as there is no way to avoid paying the high land premium. The substantial increase in property prices recently has resulted in a widening gap between property prices and the people's purchasing power. Now, the Government has made a last-ditch attempt by proposing the sale of 4 000 plus surplus flats under the HOS and Sandwich Class Housing Scheme in one go. But can this really solve the problem? Certainly, the property developers will welcome the news because from now on, the Government is really at its wits' end. After clearing this last batch of HOS flats, the Government would have nothing more to sell. Even if the construction of HOS flats were resumed, it would take several years before the flats could be completed, not to mention the fact that the Government has already stated its intention not to resume the provision of such flats. While this decision was received with a big applause by some short-sighted developers, those far-sighted ones did not consider it a good policy. Recently, some developers took the view that the Government should resume the construction of an appropriate number of HOS flats for they did not want to see dramatic fluctuations in property prices. But unfortunately, the Government has still refused to take on board our proposal. Under the circumstances, in the absence of a policy to resume the construction of an appropriate number of HOS flats, how can we help those who are barely able to buy a flat by increasing their chances of home ownership so that they can eventually move upward?

Lastly, I hope the Government can re-launch the Home Starter Loan Scheme. Those who have bought their properties on mortgage would know that it is very difficult to save up for the initial down payment. If the Government can provide a home starter loan for use as down payment, more people will have the chance to improve their home ownership prospects. However, the Government is now saying that it will not consider this suggestion. I hope the Government can re-consider its stand because it is a factor also affecting social mobility.

Deputy President, a number of proposals in the original motion and the amendments are consistent with the stance of the Federation of Trade Unions on housing matters. However, Mr LEE Wing-tat has proposed in his amendment the deletion of "re-launching the Home Starter Loan Scheme". We consider this unacceptable and will not support this proposal. Hence, we will abstain from voting on the amendment to be moved by Mr LEE.

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up.

**DR PRISCILLA LEUNG** (in Cantonese): Deputy President, during the Lunar New Year, I had the opportunity to visit a fish stall in Mei Foo Market and pay New Year calls to the residents in the neighbourhood. During my visit, I met a childhood friend who was some sort of a big brother from my primary school days. He was working at the fish stall and this really caught me by surprise because back in the 1970s, he was the first batch of students going overseas for computing studies. After his return, he has worked at a senior manager in a major computing company in Hong Kong. During our chit-chat, I learnt that the fish stall was operated by his elder brother. Back then, his elder brother worked very hard to pay for his overseas tuition. Because of this, my friend did not have to work in the market and he has become the new generation of his family with a bright future. He should be someone from the post-50s generation.

He said that he envied the present young generation very much because in the computing industry nowadays, whenever a young people comes in, someone in his generation will be replaced. This is a typical example of downward mobility of the middle-aged, and it has made me reflect deeply on the whole issue. Although he still earns a good income, he has completely lost his job satisfaction and quitted the computing industry which is very much the love of his life.

After that, I went to my maternal home during the Lunar New Year and told my mother and other people about this because all our family have known him since we were small. My elderly relatives from the post-20s and post-30s said that now, we are all concerned about the post-80s. However, they also went through many big events during their times, such as the two world wars in 1919 and 1939, the four years of civil war since 1949, the influx of overseas returnees

after 1966 which coincided with the blockade of the Mainland and the Cultural Revolution as well as the riots in Hong Kong. In fact, people from each generation have to face difficulties peculiar to their own eras. People who persist and persevere in an era are invariably those who achieve upward social mobility. It is also the same story in the Mainland. I am acquainted with many of the so-called intellectuals and I know that during the Cultural Revolution, they paid no attention to other people and kept on studying. And they did so without paying attention to whether they could eventually get any academic qualifications. Therefore, when the time came, they were ready and grasped the opportunities to go abroad for further studies in the first phase of the country's opening up. There are many legendary stories in each era.

I come into contact with young people from the post-80s on a daily basis. Now, I start to meet those from the post-90s because I am teaching at a university. I really see many ambitious students from the post-80s and they are not all anti-social. Nonetheless, what is my view on the big background of the post-80s? To be fair, I really feel that the young people from the post-80s or even those from the post-90s are different because they have witnessed the reunification of Hong Kong. They have gone through a very unique division politically during their primary and secondary education. They have to face a big era where opinions from opposing political stances fought against each other under the former colonial rule. In the 1990s when the Basic Law was being drafted, public opinions were at war again. When Hong Kong was reunified in 1997, this group of young people was still in their early teens. In 2001, a group of outstanding students went to study in Stanford, proving to their junior fellow students how the emergence of the information technology boom had made them millionaires. But of course, this boom burst two years later.

Thereafter, this generation had to go through the SARS pandemic in 2003 as well as the financial tsunami in 2008. Many outstanding graduates have difficulties securing a job offer and they have to return to Hong Kong. Some of these students are now my students and they have to undergo restructuring. I believe these are also their unique experiences. Those belonging to this generation have gone through so many special incidents. Although these incidents are not major international events such as a world war, their psychological growth would need certain adjustments. Therefore, as Hong

Kong is dealing with this so-called new generation, I can really spot the difference of these young people belonging to the post-80s and post-90s.

The young people belonging to the post-90s are now at their early teens and I think the primary and secondary education they received are relatively harmonious. As they were taught the curriculum of national education since primary schooling, they can more readily come to terms with the reunification. Although they might have different views about the Mainland, they have less conflicting thoughts in their hearts. Moreover, many people are saying that as Hong Kong society lacks opportunities of upward movement, a lot of young people are doing nothing but complaining. I was once attending a meeting in a golf course in Guangzhou and the manager told me that he would never hire any young people from the post-80s again. Instead, he would hire someone from the post-50s and post-60s because they would not tell the employer suddenly that they were quitting their jobs after only three months simply because they had to go on a trip the next day. As a result, their employers had to start all over again and train up some other new hands. Therefore, that manager would prefer to hire older persons. It is the same story in Taiwan. In Taiwan, many young people of the new generation come from middle-class families and they do not have to worry about finding a place to live. That is why they are at liberty to quit after three months if they do not like their jobs. There are obviously more young people of this generation having this mentality when compared with those of the previous generation. That is why people of different generations are bearing grudges when comparing themselves to the previous or next generations, including the friend I met in Mei Foo. He was also complaining that people from the new generation have taken up his position at work because the Internet is really something of the new generation. I believe those from other generations would never have performed as well as the young people nowadays.

I think the Government should formulate an overall policy in this respect. As was the case in 1967, the Government introduced a sound youth policy after the riots. Moreover, I always consider that the Government should formulate a concrete demographic policy because the problems arising from cross-boundary marriages as well as age difference between the husband and wife have caused many young children to grow up in broken families. This has also prevented the young children from getting proper education and thus, affecting their chances of

securing employment and achieving upward mobility. I think it is incumbent upon the Government to formulate a well-planned policy on matters relating to immigrants from the Mainland and foreign countries, including those on cross-boundary marriages, demographic growth, youth and population structures, before it can consider the appropriate volume of HOS and PRH construction, as well as the number of employment opportunities to be created. Economies, politics, demographics and social culture are all interrelated. The Government should not relax its demographic policy simply for the sake of attracting capital (*The buzzer sounded*) ..... Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): Dr Priscilla LEUNG, your speaking time is up. Does any other Member wish to speak?

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): Mrs Sophie LEUNG, you may now speak on the eight amendments. You may speak for up to .....

(Mr CHAN Hak-kan raised his hand to indicate his wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): Mr CHAN Hak-kan, do you wish to speak?

**MR CHAN HAK-KAN** (in Cantonese): I have already pressed the "Request-to-speak" button.

**DEPUTY PRESIDENT** (in Cantonese): Mr CHAN Hak-kan, you may now speak.

**MR CHAN HAK-KAN** (in Cantonese): Deputy President, since our childhood, we have been hearing the saying that one must always aim high. There is

another saying which exhorts, "Every effort will be rewarded." Both sayings are meant to encourage people, comforting them that as long as they can strive for excellence, they will be rewarded and able to make progress. However, these two sayings may no longer be applicable to Hong Kong nowadays because, as Members can observe, there has not been any social mobility in Hong Kong over the past decade or so.

According to the analysis of Prof LUI Tai-lok, generational replacement in Hong Kong has come to a standstill. The first and second generations of Hong Kong saw many opportunities of upward social mobility, thanks to their own efforts and the rapid social development taking place at the start of their working lives. The third generation of Hong Kong people could only squeeze their way upward with very great efforts because the first two generations were never really replaced despite their age. As for the fourth generation of Hong Kong people, — the post-80s or post-70s whom we frequently talk about these days — they are in fact the one group of people who face the most severe shortage of choices. They have very few opportunities of upward movement. In this connection, I think we must note the impacts of the financial turmoil and the financial tsunami on Hong Kong over the past few years. Besides, owing to globalization, our young people have to face the challenges posed not only by young people on the Mainland but also by young people from all over the world. That is why the fourth generation of Hong Kong are severely impacted and unfulfilled. I think it is only by promoting the overall development of Hong Kong can we enable them to regain the stamina and vitality characteristic of Hong Kong people in the past.

Deputy President, I have mentioned development. When explaining the meaning of "deep-rooted conflicts" to the Hong Kong media earlier on, Premier WEN Jiabao also mentioned the future directions of Hong Kong's development. He said that Hong Kong must capitalize on its existing advantages, maintain its position as a financial centre and also foster the development of its services industries. And, in regard to improving people's livelihood, he remarked that the most important thing, the one thing that could also help push upward social mobility, should be education.

If Hong Kong is to achieve what Premier WEN Jiabao said, it must make investments in education, especially in upgrading the overall competitiveness of its population. One of the measures, the provision of more tertiary places, is

already a major consensus in society. The reason is that the demand for talents with high academic qualifications will only increase in the future.

Tertiary places aside, the Government may actually introduce many other measures in respect of subsidizing the education of young people. For example, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has been asking the Government to review the various student loan schemes and lower the interests of student loans by deferring the accrual of interests until after students' graduation, so as to lighten their financial burden. We have also been advocating the expansion of the Continuing Education Fund to benefit more young people who aspire to upgrading themselves and pursuing further studies.

While formal education is very important, in-service vocational training must not be neglected. This is especially true in the case of young people with low academic qualifications and little working experience. Since they do not have any special vocational skills, they must frequently work as casuals or part-time workers. To increase the opportunities of upward social mobility for such young people, we must provide them with a wide variety of training programmes or implement more employment schemes tailor-made for them, so as to assist them in their transformation.

Deputy President, when I was studying in university, my college seniors often talked about the "ism of little-four". I believe you should also have heard of this. Their ideal life was one with a "little" car, a "little" flat, a "little" wife and a "little" child. This is called the "ism of little-four". But these days, this may no longer be the ideal life, and it is impossible to live such a life in reality either. For affordability and environmental reasons, a "little" car may well be out of the question. It may not be possible to have a "little" wife, and if one does not have a "little" wife, one will not have a "little" child. The reason is that in order to have a "little" wife, one must first have a "little" flat.

Having worked in society for more than a decade, many young people start to earn a stable income. But at this very time, they must face the problem of buying a home. They are unable to save enough money for down payments, so they cannot get married. This is a problem faced by many people. They can only watch property prices soar, helplessly. For this reason, since I started my election campaign, I have been emphasizing that the Government must re-launch the Home Starter Loan Scheme (HSLs).

Some may argue that re-launching the HSLs may fan the flame of property speculation. But I wish to point out that property speculators are all very rich, so they do not need any home-starter loans for speculative activities. Besides, under the HSLs, there are re-sale restrictions. One cannot sell a flat immediately after purchase in the hope of making profits. Therefore, I hope that the Government can re-launch the HSLs to help those young people with genuine housing needs. Similarly, when the Government replied to the demand for resuming the construction of Home Ownership Scheme (HOS) flats, it only gave a categorical refusal without offering any detailed explanation of the rationale behind. I understand that the Government's decision of stopping the construction of HOS flats years ago was preceded by thorough considerations, and it also cited many reasons at that time. But what are the reasons for refusing to resume the construction of HOS flats now? Has it ever given us any thorough explanation? I therefore think that when faced with the problem of soaring property prices, the Government should formulate integrated measures, and in particular, it must work out some ways of assisting young people in addressing their housing needs.

Deputy President, to all those sandwich-class young people who are neither eligible for public housing nor able to purchase private housing units, renting a flat is the only option. I notice that in my constituency, New Territories West, the average monthly rent is somewhere between \$5,000 and \$6,500. In Sha Tin, the average rent is even higher than \$7,500. But I am not talking about any deluxe flats or large housing units. I am only talking about flats each measuring 400 sq ft to 500 sq ft in size. We therefore hope that the Government can once again consider whether it is necessary to construct some youth housing units similar to those built by the Hong Kong Housing Society for the elderly. The rents of such housing units should be somewhere between public housing rents and the market rents of private housing units. Newly-wed young people or people in need should be accorded priority in renting such units, so that they do not need to suffer high rents and may start a new chapter in their lives.

Deputy President, the ancients said, "Cultivate oneself, regulate one's family, order well one's own state and bring peace to the kingdom." We need pursue such lofty ideals as "ordering well the state" and "bringing peace to the kingdom". But even so, it is still very difficult to "cultivate oneself" and "regulate one's family". "Cultivating oneself" can be achieved by making efforts

in education. But speaking of "regulating one's family", if we do not have a place of our own even after marriage, how can we live and work happily? How can we have any impetus for making improvement and progress? Deputy President, I so submit.

**MR JEFFREY LAM** (in Cantonese): Deputy President, I received an email containing a quite interesting spring couplet during the Chinese New Year, one line of which reads: "Being wealthy in the past year, this year, the next year, and every year; making progress yesterday, today, tomorrow, and every day". Deputy President, all of us want to be wealthy, and all of us would like to move upward and move forward forever and endlessly. However, with the economic restructuring, it seems that the chance of moving upward has become less, and increasingly difficult. Some members of the public have even said that it is useless even if they have learnt how to catch fish as there is simply no fish pond. For this reason, I think the Government should first construct fish ponds for fish farming to facilitate fish farming and capture by members of the public.

Regarding "supporting enterprises and preserving employment" as said by the Government itself, the Government should assist in the development of new industries, revitalize the traditional industries, and assist in the transformation of the declining industries, so as to create more employment opportunities.

I am very pleased to see in the Budget that the rates and business registration fees will be waived for one year. However, given that uncertainty still prevails in the economy, I also hope that the authorities can actively consider extending the Special Loan Guarantee Scheme, which will end in June this year, so as to help the small and medium enterprises (SMEs) continue to recover steadily. In this way, the SMEs will continue to create more employment opportunities.

Speaking of the six economic areas where Hong Kong enjoys clear advantages, the environmental protection industry comprises workers with different skills, ranging from low-skilled grass-roots workers for the collection and recovery of materials to research and development personnel for the development of environmentally-friendly materials, with each of the posts, at a higher or lower level, playing a different and indispensable role. As for the cultural and innovative industries, the most important thing is brain power, and

they are most suitable for young people with clear minds and endless creativity, who will find much room to bring their talents into full play.

Deputy President, a lot of graduates will be entering the labour market two more months from now, and I do not want to hear them say that "to graduate is to become unemployed". In the spring couplet in the email that I received during the Chinese New Year as I mentioned earlier, the following is also written: "Students of bachelor, master and doctorate degrees, appearing endlessly; graduates in the past year, this year, and the next year, becoming unemployed". Deputy President, the first job is very important to the young and fresh graduates. So long as they are offered their first jobs, they will find it easier to make the next step. I think the Government should strengthen the employment and training services provided by the Labour Department, and expand the Continuing Education Fund (CEF), so as to enable members of the public to learn more ways of catching fish.

Hong Kong people are known for their industriousness — we Legislative Council Members attended this meeting from last night to this morning, and from this morning until this afternoon, without a word of complaint — many people, especially new graduates, are willing to attend courses after work, just eating some buns before class, in the hope that they can apply what they have learnt. Many members of the public have enhanced themselves with the help of the CEF, and subsequently gained the opportunity of getting promotions, and having job switches or pay rises. Last year, the Government injected an additional \$1.2 billion into the CEF with the hope of benefiting more people. However, the amount of subsidy for each applicant is capped at \$10,000 only, and I think the authorities should consider increasing the maximum amount of subsidy for each person and expanding the scope of applicable courses, such as those related to the six key industries, as well as providing more foreign language courses, so that members of the public can acquire the most suitable skills and knowledge, and face up to new challenges in light of social changes.

Many wage earners seek enhancement with a view to getting promotions and pay rises. They work diligently like cows every day. In fact, their only objective is to become "snails with shells". They want to buy flats, have a small world of their own, and improve their living conditions. Earlier, the Housing Society launched the sale of the remaining Sandwich Class Housing Scheme (SCHS) flats in Tseung Kwan O. The initiative was well received, and the

queues of people inspecting the on-site show flats extended all the way up to the MTR station.

I think that the Government should launch the sale of the remaining 4 000 Home Ownership Scheme (HOS) flats and SCHS flats as soon as possible, so as to alleviate the hardship of the lower and middle classes in purchasing flats, and actively consider revitalizing the secondary market for HOS flats, as well as looking into the possibility of re-launching the Home Starter Loan Scheme. As to the resumption of construction of HOS flats, it has lately been widely discussed in the community, and I think it is worth exploring the issue in depth. We should seek to strike a balance between the demand of the public and the unimpeded development of the property market, while pre-empting the emergence of a property market bubble and negative equity assets problem.

The Economic Synergy has been co-operating with a number of local universities since last year in organizing "Meet the Entrepreneurs" seminars. We have invited many people from the business sector to talk with university students and share with them the knacks of doing business, experiences of personal success, skills of getting along with people, and so on. During these seminars, they talked about everything, providing university students with more knowledge and enlightenment, and also enable us to know more about the opinions of young people.

I believe the Government should maintain good communication and interaction with members of the public. Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up.

**MR PAUL CHAN** (in Cantonese): Deputy President, first of all, I would like to thank Mrs Sophie LEUNG for moving the motion on "Adding impetus for promoting upward social mobility" today, and the eight Members for proposing amendments. Actually, I have, more or less, touched upon most of the contents in a number of motion debates in the past. Today, I want to focus on three points: the first one is about the ways to assist the younger generation in home

ownership; the second point is about the poor and disadvantaged in our society; and the last one is about the platforms for young people to express their views.

As a start, I welcome the initiative announced by the Government some time earlier of putting up for sale the remaining some 4 000 Home Ownership Scheme (HOS) flats, and the re-launching for sale by the Hong Kong Housing Society (HKHS) of the remaining Sandwich Class Housing Scheme (SCHS) flats. However, the sale of the remaining units by the Housing Authority and the HKHS alone can only ease the current market demand for small-size flats temporarily, and it will actually fail to pinpoint the current situation of surging property prices. The crux of the problem is still the disequilibrium of supply and demand. We should tackle the problem from the supply side.

Late last year, I proposed to the Government in this Chamber to make available some lots only for the construction of residential units below certain areas, and to prescribe that the construction be completed and the units supplied within a certain period of time, so as to increase the supply of small- and medium-sized flats. Consequently, I am very pleased to see that the Financial Secretary has mentioned in the Budget that a piece of land of about 1.2 hectares situated near the West Rail Long Ping Station in Yuen Long would be sold by public tender for private residential purposes. It will also be prescribed in the Conditions of Sale the minimum number and the areas of units with a view to increasing the supply of small- and medium-sized units. This is a right step. However, it is hoped that the Government will act in a more determined and bold manner, and make greater efforts in this regard.

Besides, I previously moved an amendment proposing that purchasers of small- and medium-sized flats for self-occupation, for instance, flats of a value of \$5 million or less, be granted full tax deduction for mortgage interests, and that the Home Starter Loan Scheme (HSLs) be re-launched. Unfortunately, the Government turned a deaf ear to these two proposals. Under the existing circumstances ..... actually it is not only under the existing circumstances, Deputy President, recalling my experience of moving upward from the grass-roots level, I remember that I only needed to pay 10% as down payment for the purchase of my first flat, and at that time, it was not possible to repay the mortgage loan in full within 10 years. Given the current circumstances, it is far from being compatible with the market situation if home purchasers are required to fully repay their mortgage loan for a flat within 10 years so as to enjoy tax

deduction for interest payments. I hope that the Government can show concern for the pressure of living of the sandwich class, and grant tax deduction for mortgage interest for the whole term in relation to small- and medium-sized flats.

Regarding re-launching the HSLs, I am not requesting the Government to act as the loan guarantor. Many colleagues have just said that it is actually difficult for many young people to save up enough money as down payment for purchasing a flat, even for young couples who are both university graduates and have worked for 10 years. If we do not offer assistance and help them buy the first flat, how can they gradually improve their living in the future? I think the Government should not refrain from undertaking an appropriate review and making adjustments before re-launching the HSLs just because it was tarnished during the last property market plunge.

Deputy President, many Honourable colleagues have proposed that the construction of HOS flats be resumed. I have carefully pondered over this. Instead of flatly saying that we will absolutely not take this into consideration, I think we can consider the proposal of building an appropriate number of HOS flats. In light of the existing circumstances, it is not at all realistic to rely on the market alone to solve the supply problem of small- and medium-sized flats.

Deputy President, I have mentioned in other previous debates that we should not forget about the "3L" in society, that is "the least, the last and the lost", which are the pettiest and the lowest, the most easily neglected and the most upset groups in society. As we all know, with deteriorating economic conditions, those hardest hit are the poorest group in society. We cannot rely on the Government alone to alleviate poverty, and the Government needs to let people know that it feels the pressure and hardship they are suffering. I hope that the Government can do something even if it is just a small step, so that they can feel the love and care of the Government.

Mr CHEUNG Kwok-che has proposed that the Commission on Poverty (CoP) be re-established, so that it can study and formulate long-term policies to solve the problem of inter-generational poverty. I keep an open mind on this proposal. After all, if the work of poverty alleviation is undertaken by a number of Policy Bureaux and departments under the co-ordination of a single Policy

Bureau, it will not be as effective as the work being undertaken under the leadership of the Financial Secretary. Besides, the Financial Secretary controls the allocation of resources in Hong Kong, and he knows the financial strength of the Hong Kong Government best. If a relevant policy has to be implemented following discussions in the CoP, matching resources will have to be allocated. So, I think the Financial Secretary is the most suitable person for the deployment of the relevant resources.

Our Government is not impecunious, and Hong Kong people have a great deal of reserve. Apart from the fiscal surplus, the Government also has various other funds. Resources are available if we really want to alleviate poverty and make commitments for the grassroots. I think the tax regime can also be reviewed if necessary. After all, a review of the tax regime can result in a reasonable distribution of social resources. What I mean is not to rob the rich and give to the poor, but all of us would benefit if the economy prospers. If we would like everybody to fare better, we will have to deploy suitable resources to help those who are in a rather disadvantaged position, especially young people and the next generation. In this way, they will become aware that they are not relying on their own abilities alone and they will actually have opportunities and hopes when they are striving for the best in society.

Deputy President, given the time constraint, I will not talk about the platforms for young people to express their views. I so submit. Thank you.

**MR IP WAI-MING** (in Cantonese): Today, many Honourable colleagues have spoken on the problems in this regard. We have often heard many wage earners say that they have to work hard and make more money. Besides making a living, I think the biggest reason for everybody to work so hard is that they want to improve their lot and achieve upward social mobility.

The term "upward mobility" does not mean that we have to climb up to a certain position, it mainly means improving one's lot. However, needless to mention that it is difficult for the lower-class people to move upward, some statistics show that there are signs that some middle-class people are moving downward against their will. It has not only exacerbated the problem of inter-generational poverty, but also increased the population of poor people as well as the Government's financial burden. Today, the Census and Statistics

Department has released some figures, and we find that the number of low-income people has been increasing. Therefore, in order to prevent the situation from worsening, we believe the promotion of upward social mobility is an urgent task.

Education has all along been playing a very important role in the promotion of upward social mobility. However, we believe that emphasis should be put not on quantity, but quality. It is of course very important to increase degree places, but to enhance learning quality and promote a diversification of education are more important tasks.

Diversified education is not limited to the content of learning; emphasis should also be put on the types of learning. In fact, one of the reasons of truancy among some youngsters or trouble-making in classes is that they have no interest in the ordinary grammar school curriculum; therefore, if we insist that they should carry on studying in schools, it will lead to an exactly opposite effect. Rather than accusing these young people of not exerting efforts in their studies, have we reviewed whether the education provided by schools suits them? In particular, we are talking about the "3+3" academic structure for senior secondary schools, and that is a greater concern to us.

Therefore, in addition to the traditional grammar school studies, over the years, many have pointed out that more vocational education elements should be added, so as to provide another choice for our students in accordance with their personal preferences and talents for the purpose of developing their talents and identifying their career prospects and goals at an early stage, with a view to building a foundation for improvement of their own lives.

We often say that all roads lead to Rome, and everyone actually have the right to choose their own paths. However, I consider that the Government should not give each one of them a car to drive on the roads. I consider that the Government's responsibility is to build roads, or to build a few more different roads, and then let students choose their own way. As to how they take their own path, this should be their own free choices. We believe the Government's role is to build different roads and let each of them reach their destination.

On the other hand, with the increase in school places, more and more young people from low-income families can attain university and post-secondary academic qualifications or above. However, can this knowledge really bring them the opportunity of upward mobility? Quite the opposite, I consider that because they have to borrow student loans, once they graduate, they have to bear debts, and the largest creditor is the Government.

Take the common college graduates as an example; if they have applied for loans for living expenses from the Student Financial Assistance Agency during all three years in university, they have to repay more than \$100,000 plus interest after graduation. However, we all know that according to the statistics for the latest quarter released by the Joint Institution Job Information System, the average monthly salary of 70% of the university graduates is less than \$10,000. One can see that to most of the graduates, to repay loans as soon as possible is already not an easy task, how can we expect them to move upward, improve their own living conditions, or even save up the down payment for purchasing a home? In view of this, the FTU urges the Government to seriously review the relevant policy, so as to alleviate the burden of students in this regard.

Finally, youth employment has always been a cause of public concern. The relevant unemployment rate of youth has stayed high, and in recent years, there is a rising tendency and more jobless youngsters are those with higher academic attainment. In 2007, 2008 and the first three quarters of 2009, more than 10 000 young people with tertiary qualifications are unemployed, and 23 400 young people are unemployed in the third quarter of 2009. We consider that it will show where the gravity of the problem lies.

When even those who have received higher education are in such a dire situation, we should not forget that there is another group of young people from low-income families who have received less education and their situation may be far worse. May I ask if they have no jobs, how they can increase their income, improve their lot, or even pursue opportunities of upward mobility?

However, even a job does not mean that the problem is completely solved. Our society now lacks the jobs which offer promotion opportunities to young people, who tend to work and work again in the same position, lacking opportunities for promotion, and this results in a stagnant situation.

Therefore, we consider that the Government has not been actively seeking viable solutions to the youth unemployment problem. I hope the Government will understand that the youth unemployment problem is not only an employment issue, it also involves education issues. We have to provide young people an opportunity of whole-person development. So the youth unemployment problem that we are facing does not only fall within the purview of the Labour and Welfare Bureau, it is also the work of the Education Bureau. We look forward to seeing the Labour and Welfare Bureau and the Education Bureau jointly adopt a two-pronged strategy to provide employment and further study opportunities for young people. On the one hand, consideration should be given to their individual growth and learning, so that they can get a genuine chance for whole-person development. This will nurture their problem-solving and independent thinking skills, such that they will be enabled to future challenges. Otherwise, the promotion of upward social mobility will be just a far-flung fantasy.

Deputy President, I so submit.

**PROF PATRICK LAU** (in Cantonese): Deputy President, Hong Kong has long since transformed into a knowledge-based economy. Academic qualifications have gradually become the key to upward social mobility. Apart from academic qualifications, personal efforts and attitude are also indispensable. Nevertheless, sufficient opportunities are also very important. At present, many young people or even middle-aged persons only have low skills and low academic qualifications and they lack opportunities, so it is very difficult for them to climb up the social ladder. The Government can lend support by providing people with more job opportunities, and through education and training, it may also assist people in their self-enhancement, thus facilitating upward social mobility.

The former Commission on Poverty conducted a study on Earnings Mobility in 2006. The Study concluded that it is imperative for the Government to continue to invest heavily in education as a means of enhancing upward earnings mobility, and to enhance the quality of Hong Kong's workforce through education and training, with a view to coping with the rapidly changing economic and labour market conditions. From this we can see that education and training are very important.

I hold that the Government needs to allocate more resources to education and provide more places for students to receive tertiary education, so as to enhance the overall competitiveness of the population. The Government should also formulate policies, and as mentioned by the Financial Secretary in his Budget speech, the business sector should discharge its social responsibility as well. I hold that private universities can be developed with donations from the business sector so that more platforms for tertiary education can be built. As for primary and secondary education, I hold that in place of rote learning, interactive and interesting teaching methods should be adopted to stimulate students to think and question more, and to foster their creativity as well as critical and analytical thinking. Students should be trained at a tender age to analyse and resolve problems in the face of difficulties.

Deputy President, establishing a proper outlook on life and learning to be an ethical and virtuous person are also very important. Students should be encouraged to attain whole-person development in the domains of ethics, intellect, physique, social skills and aesthetics. This is the most important factor of their development.

In respect of public education, we should champion the fighting spirit of the Hong Kong people. As long as we can persevere and do not give up easily, we actually have many opportunities to move up the social ladder through our own efforts. Certainly, we should refrain from harbouring any mentality of depending on others. Moreover, apart from materialistic improvement, we should seek to enrich our spiritual life. In fact, quality living is not necessarily marked by affluence. In this regard, we may learn from many European cities.

As for training, the Government should provide incentives and offer courses to encourage working people to pursue lifelong learning and equip themselves with the skills necessary for meeting new challenges. The Government may expand the scope of courses covered by the Continuing Education Fund as a means of providing the public with more choices of continuing education. The Government should also take the lead in expanding the Employees Retraining Scheme to provide more opportunities to the public for receiving training on different trades and types of work, so as to encourage them to receive training and change their skill sets as a means of finding suitable jobs on which they can do better. I very much appreciate the Qualifications Framework launched by the Education Bureau last May, which encourages

people to identify their goals and attain higher, quality assured qualifications by following the pathways they set for further studies. This is conducive to the promotion of lifelong learning.

As pointed out by the sector I represent, there is a serious lack of construction talents, and the existing workforce is ageing. Young people do not want to join the construction industry mainly because they find the image of the industry unattractive. I thus welcome the Financial Secretary to allocate \$100 million in this year's budget for improving the image of the Construction Industry Council. I hope that to this end, developers can provide uniforms for workers on construction sites and improve the conditions of such sites. As far as training is concerned, a lot of work is now conducted in factories. I thus hope that the Construction Industry Council can step up publicity to induce more non-engaged young people to join the industry.

When it comes to promoting new initiatives of economic development, I hope the Government can adopt proactive measures to train talents for the six major industries, such as testing and certification professionals. In fact, there is a great demand for testing and certification services in the construction industry. For instance, construction materials such as concrete, aluminum window frames, fire-resistant materials and sound-proof materials all require certification. The Government needs to put in more resources for manpower training, so that the processes of testing and certification can continue to be carried out in Hong Kong, thus providing more job opportunities to the people here.

Certainly, the Government should create more jobs for the grassroots while taking forward economic development. I believe that developing environmental industries can facilitate the creation of jobs for them. I hope the Government will actively take forward the development of these industries and provide training for the grassroots to move up the social ladder.

The "post-80s" are dissatisfied with society. One of the reasons for their dissatisfaction, as disclosed by the "post-80s", is that the Government is unwilling to listen to them. I note that many government officials have opened a Facebook account but people can only leave messages. Whether the Government really has time to answer messages is the biggest question. The Government needs to have an open mind and should be sincere when listening to public views, including those from young people. However, I think that the

Government must establish a mechanism for collating public opinions and answering or responding to their enquiries within a specific timeframe. True communication only exists if a dialogue is opened.

I so submit. Thank you, President.

**DEPUTY PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR LEE CHEUK-YAN** (in Cantonese): Deputy President, the motion moved by Mrs Sophie LEUNG today is a typical Sophie LEUNG motion which "starts from the heart".

However, I would like to say that, although she starts from the heart, what she sees is rather different from what we see. Just now I heard she say in her speech that people are rather relying on others, just like people accustomed to sleeping in spring beds. Since the beds are too soft, they do not know how to stand up. However, what we have seen are people sleeping in cubicles, because they do not like to sleep there, therefore they will stand up quickly. Therefore, perhaps since the social circles are rather different, therefore what we have seen is rather different. I know that she sincerely hopes to promote upward social mobility, but I earnestly hope that this will translate into concrete government policies. However, after she has heard what I have said, perhaps she would say that the view expressed by LEE Cheuk-yan only tries to teach people to rely on the Government. In fact, this is just the case, since the market economy of a capitalist society has gone too far — it exploits the common people from the heart in order to make more money and to maximize the profit margins, therefore the people are exploited. If we do not address this kind of exploitation from the heart, there will not be any upward social mobility at all.

When we see the actual situation of young people now, we should not put the blame on young people and accuse them of relying on the Government and lacking the desire to work. Many young people have to work 12 to 13 hours a day, or even 14 hours. For these hardworking young people, how much can they get? Should we say that they have no desire for advancement? How can they advance? What opportunities and room are available for them to pursue further education? No. They work 12 hours a day, their time has been

exhausted by their bosses, they have to work six days a week, then is there any room for their advancement? Even when there is this Continuing Education Fund which we have been trying hard to set up is available, frankly speaking, for people who have to work 12 hours a day, there is simply no room for advancement.

The Government has organized a number of skills enhancement programmes, this we appreciate, but I remember clearly that the culinary skills enhancement upgrading course for restaurant workers was held after 12 midnight. If the people participating in such courses are considered having no desire for advancement, then in what way should they be considered having the desire for advancement? How pathetic they are. I consider this far too outrageous, for even their private time is exploited. However, whenever we cite these examples, she always says, the situation is just like that, and young people have to work hard for advancement. But why can society not put it the other way round and put the hardworking label on everybody? It is unfair to say that this generation of people does not want to work hard. Perhaps the people she has seen have no desire for advancement, but I can see that a lot of people are struggling, only that they are simply barred by this system, achieving no upward social mobility. What can she say about this group of people? Have we treated this group of people fairly?

Let us look at those workers recently recruited by the Government. The salaries of agency employees have been reduced from \$8,000 to \$6,800, and the salaries for clerical workers have been reduced from more than \$5,000 to just 4 900. These young people have been working hard all along. They study in the evening, and they are also heavy in debts because of the tuition fees of the associate degrees they have paid. And so they work for the Government because they want to repay the debts, but they are subjected to exploitation by the Government. They work hard, but to one's surprise, the Government punishes those who work hard by allowing agencies to take advantage of them. Are we treating them fairly?

Some young people have to work 12 or 14 hours a day, but they only earn \$7,000. When we ask for a minimum wage and regulation of working hours, are we asking too much? Should they be given more room for development? Should they be given a reasonable reward after they have worked so hard? When people work hard in society and get no reasonable reward, will it not be reasonable for them to feel discontented? Please do not put it the other way

round and say that they are depending on others and have no desire for advancement. I think this remark is not fair at all.

Particularly at this time when society is fluctuating, whenever there is an economic crisis, those who suffer first are young people and workers. They will be made victims as a result of an economic crisis, layoffs and pay cuts. After they are laid off, since Hong Kong has no unemployment protection, when a university graduate is laid off and can find no job in three months, he will have no income for three months and when he runs out of his own savings, what will his situation be like? Should we blame them? Are they not seeking advancement? Is our community being unfair to them?

When the economy improves, can they get a share of the fruits of economic prosperity and success immediately? Not really. They are the last ones to get a pay rise, and not long before the pay rise, they may have to face yet another economic crisis and suffer once again. What good is it to talk about working hard and advancement? If this system is to make people strive to improve themselves and work hard, then please provide incentives and rewards to those hardworking people, can we? At present, it seems that the whole system is meant to punish hardworking people. Therefore, I consider that the Government's market economy philosophy should intervene in many areas in order to make our society a more balanced one.

The Secretary suggested to a young man who threw his shoes at him that he might engage in construction work. The Secretary is really ignorant of the sufferings of the people, for how could he ask an IT graduate to become a construction worker? Of course, the construction industry is not a bad trade after all, but parents worry about their children engaging in construction work as they consider the job unsafe, unhealthy and may put their children's lives in danger all the time. Should we first address the safety and health issues of the construction industry before we start to attract young people to join it? Should we not get the job done in these areas first? With regard to IT, the "Astro Boy" production company has recently closed down, does he know that? Hundreds of young people are unemployed. They told me that Singapore would like to lure some of them away and employ them to work there, as Singapore is investing heavily in creative industries, while Hong Kong is only making empty talks about establishing creative industries. But after the closure of the "Astro Boy"

production company, these unemployed young people can get no help at all. Therefore, I hope that the whole system can really reward hardworking people.

**DEPUTY PRESIDENT** (in Cantonese): Speaking time is up. Does any other Member wish to speak?

**MR ALBERT HO** (in Cantonese): Deputy President, the remarks of many Members in this debate today are all founded on one assumption, or a common basis — social mobility is all about upward movement. Such mobility is essential and positive to Hong Kong in its present situation. It can stabilize society and give people opportunities and hope. There is certainly nothing wrong with holding such a mentality under the present situation, but I hope Members can try to think about the issue at deeper levels. If a society relies heavily on opportunities of upward social mobility to create hope and to achieve stability, will it be a healthy society? Please think about this question more deeply.

Why do I raise this question? Recently I have talked to some members of European representative assemblies, and I have also talked with the head of a central bank. I asked him how they dealt with poverty and whether there was a poverty line in his country, a question I am most interested in. He answered that his country does not have a poverty line because there are no poor people. He gave a straightforward answer. They certainly know what the international standard is, but he said there is no need to set a poverty line because the people there are not poor. Their system ensures that people in general maintain a relatively good living standard which allows them to live with dignity. They even set aside a certain percentage of their resources each year to subsidize poor people worldwide. Hence, to them, their society is like a stubby pyramid, with most people belonging to the middle class and the income gap being very narrow. At the upper level near the apex are a very small number of rich people. There are rich people in these countries, but their number is small. And, of course, they have put in place their own tax regimes and social policies. Nevertheless, he mentioned that his country is not without social mobility, but it is expressed in the form of personal achievements in arts, academic pursuits, and so on. Their social mobility is horizontal, involving different professions and directions of

development. Hence, to them, they do not rely on upward mobility to achieve social stability.

If the population of a place is composed of many poor people, a relatively small middle class and yet a smaller number of rich people, the place really needs to find ways of stabilizing society. One school of political and social theories which we studied when we were young precisely advocates that we should not aim at social mobility but social revolution. Social revolution should be the right course because social mobility only mitigates class conflicts in society and serves as a whitewash for the exploitative class. Hence this theory advocates that revolution should be preferred to mitigation. This is one theory. Frankly, this is precisely the kind of theory the communist party advocated when it succeeded in its revolution. It did not advocate remedial approaches. But since the capitalistic system is adopted in most societies nowadays, people tend to think that such an approach should not be adopted to resolve social conflicts. Rather, they think that social policies should be implemented to mitigate class conflicts, and to draw people closer together in society. This gives rise to the concept of social mobility.

Certainly, some societies are more autocratic. We may recall those black and white movies we saw when we were small, or when we see such movies again, we will see such autocratic societies in the past, such as the Ching Dynasty. The characters in these movies often say, "I was a nobody when I studied hard in my room in the past ten years, but now I am renowned all over the land after attaining the first place in the imperial examination." All was because of the examination system at that time. Admittedly, the status of top officials and the nobility was hereditary in many cases, but there was still a chance for movements and upward mobility — the examination system in society. The examination at that time was a very solemn exercise. Members may as well know that setting questions for imperial examinations was a very important event to officials; and examination candidates were isolated for seven days, forbidden to have any external contacts. In order to ensure the impartiality of this system, any chief invigilator who disclosed the examination questions were considered having committed a felony and would be beheaded. Moreover, people must progress from lower to higher rank examinations. For instance, they must first become a *Xiucan* in the country examination, then a *Juren* in the provincial examination and finally a *Jinshi* in the examination held in the capital before they

could become an imperial official. This was a kind of social mobility which provided people with a system to climb up the social ladder.

Naturally, people living in a civilized society are not satisfied with such a narrow avenue of examinations. What are the requirements in a civilized society today? Some factors are unalterable, are destined, and others can be changed after birth. What factors are destined? One is your father. If your father is a tycoon, you need not worry about anything. If your father is exceptionally intelligent and creative, you do not have much to worry about either. These people can succeed more easily. Some factors are, however, shaped after birth, such as mental quality and faith, or determination as mentioned by Mrs Sophie LEUNG. This is also essential, because however capable a man is, he cannot succeed without determination.

Hence, concerning this part of the motion, I agree to it. But another point is the social environment. Many amendments proposed by the pan-democratic Members emphasize this point. This is something the Government can do. Why do we discuss this motion on how to enhance mental quality proposed by Mrs Sophie LEUNG here in this Council rather than in school? The only reason is that these matters can only be done through government policies.

In fact, all that I have been saying is about two major points. The first is the elimination of poverty, so that people can have equal opportunities. This is very important. The elimination of poverty as well as the provision of education and training do not need any further explanation. If even these very basic opportunities of self-enhancement are not available, what else can be said? Even a genius cannot succeed, right? And, apart from these, the living environment, the health care system and a stable life are all very important. Hence, the subject we have to debate today is whether the safety net we mentioned today can truly help people work their way out of poverty and whether it can truly enable people to give full play to their potentials in a reasonable environment. This is what the actual problem is. Mere lip-service about giving people opportunities to realize their potentials cannot help at all. There must be a stable environment. This is very important. It provides a desirable living environment for people to receive education and undergo training. This is the first point.

The second point is fair competition and the elimination of unreasonable obstacles, such as eliminating discrimination, putting in place mechanisms and policies which allow fair competition, so that society as a whole can embrace *(The buzzer sounded)* .....

**DEPUTY PRESIDENT** (in Cantonese): The speaking time is up.

**MR ALBERT HO** (in Cantonese): ..... these criteria.

**DEPUTY PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): Mrs Sophie LEUNG, you may now speak on the eight amendments. You may speak for up to five minutes.

**MRS SOPHIE LEUNG** (in Cantonese): If you ask me, I would say that Mr LEE Cheuk-yan should have enormous room for self-improvement and potentials to fulfil. But I should not say too much here as he is a colleague.

In principle, I agree with the remarks made by Mr Albert HO Chun-yan just now. Then what makes me move this motion today? By the way, I want to say thank you to the students who are in the gallery for listening to us for such a long time. It is good that they can come here today with their teachers to watch this show in the Chamber. Certainly, the speeches made by many of us in this Chamber may not sound entirely appealing to them, but at least the teachers consider this a learning opportunity.

(THE PRESIDENT resumed the Chair)

Just now, I could not help but pass a note to Mr Ronny TONG. I wrote: Mr Tong, I very much appreciate your sharing of your personal experience just now, but this motion today happens to be about each and every one of us, including every student and youngster, fulfilling their potentials to the best of their ability. But why did most of the students in the gallery look so dispirited that many of them fell asleep? I very much agree with colleagues that it is important to have resources and opportunities in society. However, one's own conviction is even more important. Without this conviction, even if one is given plenty of opportunities, he or she will simply let them go.

Mr Albert HO Chun-yan and several of his colleagues mentioned just now that having a rich father is essential. However, I would like to say that no wealth can span three generations of a family. No matter how rich one is, one could possibly have a son who is a drug addict or rebel. Hence, how many opportunities would be regarded as enough? In fact, the key lies in oneself. I hope all students sitting in the public gallery would start with themselves, just like Mr Ronny TONG did. Many of us in this Chamber today, including myself, are just like him. I think that we must rely on ourselves to come to this state today.

My motion is entirely about encouraging people to pursue personal growth and development, so that even if opportunities are scarce in society, one would still be able to turn crises into opportunities and find opportunities amid difficulties. We have had innumerable discussions in this Chamber on issues such as keen competition in the 21st century, globalization, and so on. Should we continue to spoil our children and let them grumble about the lack of opportunities and resources in society? Of course not. I would like to point out here that insofar as this motion is concerned, resources and opportunities are definitely required, but what is more important is how we look at ourselves.

A number of colleagues have proposed amendments today. To a certain extent, some of them are in contrary to the entire theme of promoting upward social mobility. I totally accept some of the individual amendments. I also find those that are not too irrelevant acceptable. Mr LEE Wing-tat has just talked about rich fathers and the Home Starter Loan Scheme (HSLS). But he cannot rule out the HSLS simply on the ground that he thinks the Scheme does not work. Insofar as the HSLS is concerned, a series of work has to be done, such as exploring ways to revitalize the secondary market of Home Ownership Scheme (HOS) flats. There was a report in yesterday's newspapers about ways

making buyers instead of sellers pay the regrant premium. When the secondary market of HOS flats is revitalized, young people will be able to purchase their first flats. Therefore, I can only abstain from voting on his proposal to delete the part about re-launching the HSLs.

I think I will also abstain from voting on the amendment proposed by Mr CHEUNG Kwok-che. I also hope that he can look clearly at my motion again and avoid the development of a mentality of dependency. As social workers, we must pay attention to the mentality of dependency. We cannot simply delete it.

Of course, I completely disagree with Mr WONG Sing-chi as he has practically missed the mark by putting the entire focus in a wrong place. My view is that, as a social worker, he should all the more keep abreast of the times, learn more, have a good understanding of current social conditions, change our mindset, and serve our community. For this reason, I object to Mr WONG Sing-chi's amendment.

Thank you, President.

**SECRETARY FOR EDUCATION** (in Cantonese): President, I wish to express my heart-felt thanks to Members for their invaluable advice.

Several Members have given their views on how education should be improved with a view to nurturing talents and promoting social mobility. In general, the Government shares the views of Members. To cope with globalization and the development of knowledge-based economy, the Government has been implementing curriculum reforms in primary and junior secondary schools since the beginning of 2000. The aim is to equip students with learning skills and instil in them a positive attitude and proper values, thus achieving the ideal of whole-person development and lifelong learning. On this very basis, we launched the New Senior Secondary Academic Structure in September last year.

We provide a broad and balanced range of courses to students under the new three-year senior secondary academic structure. The four Core Subjects are Chinese Language, English Language, Mathematics and Liberal Studies. Here, I would like to speak on Liberal Studies in particular. We hope that by equipping

students with adequate knowledge to explore contemporary issues, we can broaden the horizons of their knowledge. Students are assisted in cultivating such common abilities as independent thinking, analysis, communication and creativity, so that they can grasp the pulses of society, the country and the whole world.

Apart from the four Core Subjects, students may choose two to three Elective Subjects according to their respective interests, abilities and development needs. In contrast to the division of students into arts and science streams in the past, the new academic structure can give students more choices and greater flexibility, and greater flexibility is more important. Under the new academic structure, we have introduced "Applied Learning". Students taking such elective courses will be able to grasp the knowledge, practical working conditions and development trends of various professions and industries. In this way, they will know the requirements of various occupations and the relevant avenues of further studies and employment, and they will thus be able to make early planning and widen their prospects.

The diversity under the new senior secondary academic structure can help identify students' various potentials, thus making it possible for youngsters to choose their future pathways according to their interests and potentials. Under the new senior academic structure, youngsters are provided with multiple and suitable pathways of further studies. They may choose to read for first degrees and associate degrees, enrol in vocational training programmes, or pursue education overseas. Actually, the age participation rate of tertiary education among young people in the relevant age group is now roughly 70% on average.

Under the new academic structure, the first-degree programmes funded by the University Grants Committee (UGC) will be changed to four years in duration with effect from 2012. Institutions will have more room to provide their students with a wider range of learning and exchange activities. This will enhance students' understanding of different cultures and broaden their international horizons, thus equipping them with the ability to adapt to multiculturalism and upgrading their competitiveness in the world.

In order to enable young people to have more opportunities of enrolling in a greater range of tertiary programmes, we actively encourage the development of private tertiary institutions. We have introduced various support schemes, such

as the Land Grant Scheme, the Start-up Loan Scheme and the Quality Enhancement Grant Scheme. The number of publicly-funded and accredited self-financing first-degree programmes has already risen to cover 27% of the young people in the relevant age group.

In order to further promote the development of the self-financing sector, we have reserved six lots, including the Ex-Queen's Hill Camp with a total floor area of more than 100 000 sq m, for the construction of self-financing tertiary campuses. All such development projects can provide roughly 17 000 additional self-financing degree places. In February this year, the Finance Committee already approved an increase in the total commitment of the Start-up Loan Scheme by \$2 billion, so that tertiary institutions can apply for interest-free loans to construct or renovate campuses. All these measures will provide senior secondary school leavers with a wider range of further education opportunities.

Some Members have mentioned that the number of UGC-funded first-degree places has been maintained at 14 500 over all these years, and they are worried that this may fail to cope with the development of a knowledge-based economy. I wish to point out that the Government has all along been making vigorous investments in education. In 2009-2010, the recurrent expenditure on education is roughly \$53 billion, which is about one quarter of the Government's total recurrent expenditure in the same year. And, about one quarter of this sum is earmarked for higher education. We do understand that Members hope that more public money can be spent on publicly-funded places. But we must consider the impact of this type of expenditure on public finances, and we must also take account of the resources that we must spend on other services in society. We must invest considerable resources in health care and welfare provision. Therefore, we must not make light of the needs in other areas. We must strike a balance. In regard to education, the self-financing sector plays a very significant role in the provision of higher education. We therefore think that assisting in the development of self-financing tertiary institutions should be a more practicable approach at this stage. As I have explained, the Government has introduced various support schemes for the purpose of promoting the development of the self-financing sector. In the process, we will accord equal importance to both quality and quantity.

As for those young people who start working in society after completing secondary school, they may choose to receive continuing education to upgrade

their skills. The Secretary for Labour and Welfare will shortly give an account of our work on in-service training and retraining. Besides, we have also set up Industry Training Advisory Committees under the Qualifications Framework (QF) for the 13 industries that account for 30% of the working population. These committees are responsible for formulating specifications of skills, knowledge and effectiveness for their respective industries. In this way, training institutions can design training courses that can meet the needs of the industries. Employees in such industries can also draw up their study plans under the QF, with a view to achieving the goal of self-enhancement.

Some Members are doubtful as to whether students in financial difficulties can have appropriate learning opportunities. My answer is in the affirmative. We have been providing financial assistance to secondary and primary students through the School Textbook Assistance Scheme and the Student Travel Subsidy Scheme. In the 2008-2009 academic year, the assistance granted under these two schemes amounted to \$800 million.

To further enhance the financial assistance for poor students, we have earmarked \$280 million in the 2010-2011 academic year for offering home e-learning subsidy to secondary and primary students in need. It is expected that about 410 000 students will benefit. Besides, with a view to lightening the burdens of families in financial hardship at the commencement of new school years, the Government intends to provide every needy student with a one-off cash grant of \$1,000 in the 2010-2011 academic year, on top of the existing financial assistance schemes. It is expected that the cash grant will benefit more than 500 000 students, involving an extra non-recurrent expenditure of \$570 million.

Some in society are of the view that poor families may be unable to afford any after-school and extra-curricular learning activities. To provide assistance to students in financial need, we have been operating the School-based After-School Learning and Support Programmes since the 2005-2006 academic year. These programmes provide subsidy to schools and non-governmental organizations for organizing a diversified range of after-school activities for poor students. In the budget, it is also announced that the Government intends to increase the funding for these programmes substantially from \$75 million to \$175 million with effect from the 2010-2011 academic year.

In respect of higher and tertiary education, the Government similarly operates various assistance schemes to ensure that no young people will be denied education through lack of means. In the 2008-2009 academic year, totally \$2.80 billion was granted to 64 000 students pursuing tertiary and continuing education programmes.

By improving education as a means of nurturing talents, we seek to make young people well-equipped for grasping the opportunities presented by the knowledge-based economy and making progress. The Government also recognizes that we should seek to create business opportunities and employment opportunities for different trades and industries through the development of the economy and a diversified range of industries. That way, talents can give full play to their abilities, thus promoting upward social mobility. In the policy address, the Chief Executive makes it very clear that efforts will be made to promote six industries in which we have clear advantages, including education services, medical services, testing and certification services, environmental industries, innovation and technology and cultural and creative industries.

Admittedly, these six industries are each marked by unique characteristics, and their specific development strategies are not quite the same, but overall, their main directions of development are enhancing the participation of the self-financing sector or the private market, the provision of training geared to industry needs, and the creation of business and employment opportunities. In the case of education services and medical services, for example, the Government has already reserved land lots to encourage the development of self-financing tertiary institutions and private hospitals. Also, in the case of nurturing creative talents, Create Hong Kong has already launched various projects on nurturing talents for the creative industries. And, funding for relevant programmes is provided under the \$300 million CreateSmart Initiative. Through the Film Development Fund, the Government also provides support to the local animation industry. Also, film animation education is also provided in the visual art programme under the new senior secondary curriculum, with a view to cultivating young people's appreciation of films and animation and identifying and nurturing talents for the film and animation industries. The Government has also joined hands with the local advertising and design sectors to launch internship schemes for the provision of internship opportunities to fresh university graduates or tertiary students, so that they can gain practical working experience.

Regarding the proposals in the original motion and the amendments on assisting young people in buying their homes, I would like to explain the position of the Transport and Housing Bureau and also the Development Bureau.

Several Members propose in their amendments that the construction of Home Ownership Scheme (HOS) flats be resumed. As already pointed out by the Financial Secretary earlier on, the Government's decision of stopping the construction of HOS flats years ago is a major decision. As a result, it will not lightly decide to re-enter the market. Whether one is going to buy a home is very much a decision based on personal considerations and affordability. At present, in the secondary market, some 250 000 HOS flats with regrant premium unpaid are available for sale. Promoting the turnover of such flats may increase the supply of small-sized residential units. The Housing Department is currently exploring various feasible schemes of revitalizing the secondary HOS market. It is expected that from late May onwards, the Housing Authority (HA) will hold discussions on the various feasible schemes and all the further details. On the other hand, earlier this month, the Hong Kong Housing Society already put all its remaining sandwich-class housing units on the market for sale. And, late this month, the HA will also hold discussions on selling its remaining HOS flats. The Transport and Housing Bureau will advise the HA to sell all its remaining 4 000 or so units in one single exercise. We believe that there should be a marked increase in the supply of small and medium flats in the coming few months.

As for the proposal on selling public housing units, it must be pointed out that there are now more than 120 000 applicants on the Waiting List for public housing. If public housing units are sold to tenants, it will be impossible to allocate the units concerned to waiting applicants. This will affect the HA's objective of maintaining the average waiting time for public housing at roughly three years.

In regard to the proposal on re-launching the Home Starter Loan Scheme, I would like to point out that at present, there are already many different loan institutions providing a wide range of property mortgage schemes to satisfy the needs of different property buyers. Besides, with the mortgage insurance provided by the Hong Kong Mortgage Corporation, loan institutions may actually offer mortgage loans up to 95% of the market values of the properties concerned.

Some Members propose to lower the threshold for applying for public housing. The Government's policy is to focus its resources on assisting low-income families which are unable to rent private housing units in renting public housing units. Any rash attempt to raise the income and asset ceilings prescribed for the Waiting List will only lengthen the waiting time of low-income families.

Concerning land supply, the policy objective of the Government is to ensure a fair and stable environment by maintaining a stable supply of land. It is hoped that the property market can thus operate freely and efficiently. In order to increase the supply of small and medium residential units, the Government will hold discussions with the MTR Corporation Limited of Hong Kong and the Urban Renewal Authority on increasing the supply of such units under the West Rail property projects and urban renewal projects. The Government also intends to invite public tenders for a lot measuring 1.2 hectares adjacent to Long Ping Station of the West Rail for the construction of private residential units. The terms of sale will specify, among other things, the minimum number of flats, and also the lowest and highest floor areas, so as to increase the supply of small and medium units.

In conclusion, the Government has been providing a diversified range of learning opportunities to young people, so that they can make choices according to their own interests and development needs. The development of the economy and the six industries with clear advantages can help create business opportunities and employment opportunities, thus enabling talents to bring their abilities into play. On the existing basis, we will continue to explore quality learning opportunities and create more prospects for young people, so that they can give full play to their abilities, thus promoting upward social mobility.

President, I so submit.

**SECRETARY FOR LABOUR AND WELFARE** (in Cantonese): President, I am very grateful to Honourable Members for putting forward a lot of valuable advice and suggestions. As the Secretary for Education has already given a comprehensive response, I will now add some comments in greater detail with respect to several key points.

In my opening speech, I pointed out that it is imperative for Hong Kong to upgrade the quality of our working population as a whole for this will not only promote social mobility, it can even be regarded as the prerequisite for Hong Kong to maintain its overall competitive edge. In the 2010-2011 Budget speech, the Financial Secretary indicated that the Government would conduct another round of manpower projection in the first half of this year and evaluate the future supply and demand of manpower in Hong Kong at the macro-economic level. The findings of the projection will cover analyses made in the light of economic industries (including the six industries with clear advantages), occupational groups and education level. Policy Bureaux and government departments in charge of the six industries will make use of the findings of the manpower projection to study the supply and demand of manpower of the relevant industries and introduce appropriate measures and training initiatives to meet the development needs of the industries.

Meanwhile, we will continue to provide vocational training and retraining to upgrade the skills of our workforce to enable it to cope with the changing manpower demands as a result of economic transformation and globalization and, at the same time, enhance their employment abilities as well as preparing them for climbing up the career ladder.

In this connection, the Employees Retraining Board (ERB) has injected a lot of resources for service provision. As Members are well aware, the actual expenditure is estimated to reach \$800 million in 2009-2010. The targets served by the ERB are wide-ranging, including Hong Kong residents aged 15 or above and with educational attainment at sub-degree or below level. These people may enrol in more than 500 programmes provided by more than 70 training providers all over the territory. While expanding its targets, the ERB will continue to provide services to low-skill unemployed people, people seeking alternative employment and the disadvantaged. For instance, pinpointing the specific needs of unemployed youths of different backgrounds, we have collaborated with the Vocational Training Council (VTC) — I have to thank its Chairman, Mr Andrew LEUNG, who is present here, for rendering us enormous assistance — and other training bodies to launch the pilot Youth Training Programme (YTP). It is very important that the YTP provides vocational training and foundation skills training while cultivating among young people a positive attitude towards life and self-confidence. Upon completion of the courses, the training bodies will refer their trainees for further studies or assist them to secure employment while providing them with follow-up services, or so-called "after-sale services", for six to nine months.

In 2001, the VTC received \$400 million in funding to establish a Skills Upgrading Scheme. As at the end of last year, more than 600 programmes have been organized under the Scheme, benefiting 26 industries, including retail, electrical and mechanical engineering trade, property management, import and export trade, and so on, as well as 130 000 workers at work. It is estimated that the funds allocated to the Scheme will more or less be exhausted in the first half of 2011. By then, the entire Scheme will be taken over by the ERB, which will continue to assist people at work to add value for self-enhancement. In order to achieve a smooth transition, the ERB has, since July last year, launched programmes under a new Skills Upgrading Scheme designed according to levels one to four of the Qualifications Framework and taken over other programmes organized under the Skills Upgrading Scheme in a progressive manner. It is estimated that nearly 20 000 training places will be provided by the ERB under the new Skills Upgrading Scheme in 2010-2011 for people at work and people seeking alternative employment. This figure is not at all small.

In his speech, Mr Jeffrey LAM called on the Labour Department (LD) to enhance employment services to help job seekers. Members should understand that besides training talents, providing employment support for job seekers is also crucial to promoting social mobility. This has always been the objective and work of the LD. The "Employment Programme for the Middle-aged", launched by the LD, aims at providing training allowance to employers to encourage them to provide job opportunities to middle-aged job seekers aged 40 or above and to provide them with on-the-job training. In June last year, the "Employment Programme for the Middle-aged" was beefed up to enhance support for middle-aged job seekers. Since the implementation of the enhancement measures, the Programme has helped nearly 3 000 people in landing a job.

The employment of young people remains a concern to many Members. The Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) has been enhanced and integrated into a programme, now renamed as "YPTP • YWETS", offering comprehensive pre-employment and on-the-job training. Admission under the enhanced "YPTP • YWETS" is now conducted throughout the year. Since September last year, the programme has received enthusiastic responses, with more than 10 000 young people having enrolled in it. My own pledge is that no one will be turned away by the Scheme, and training will be provided to all without discrimination.

Besides, the LD has set up two Youth Employment Resource Centres (YERCs) and provided personalized and one-stop counselling and support service on employment and self-employment to young people. Earlier, some Members of the Panel on Manpower of the Legislative Council were invited to visit the YERC located at Langham Place, Mong Kok. They should have understood that the YERC has succeeded in assisting young people in enhancing their employability and planning their future in the light of their temperaments and needs, thereby helping them secure a firm footing in the labour market for sustainable development. In 2009, more than 70 000 young people were served by the two YERCs. Many of them have truly succeeded in becoming self-employed.

Through training and skills tests, the Construction Industry Council has attracted more aspirants, particularly young people, to join the construction industry. I would like to thank Prof Patrick LAU for affirming the efforts made by the Government and relevant authorities on this front. Efforts should be made to change the work culture, safety culture and image of the trade while attracting young people to join the industry. Reluctance shown by young people to join the industry, as mentioned by Mr LEE Cheuk-yan just now, is precisely the reason for us to begin changing the culture in the hope that the industry can really enjoy good prospects. In addition to front-line vacancies, there are also a lot of vacancies for skilled workers as well as promotion prospects. In September 2009, the Construction Industry Council Training Academy launched the Construction Industry Youth Training Scheme to provide professional skills training to young people and people aspiring to join the industry with a view to enabling them to acquire recognized qualifications. During the training period, the trainees will be paid and assured that their income will gradually increase in tandem with the upgrading of their qualification.

Young people with low educational attainment, learning difficulties or troubled by emotional or behavioural problems are in special need of our assistance. Therefore, this year's budget has earmarked a small amount of funds to us. Under a focused scheme, the LD will offer 500 places to help this group of young people, or so-called "job seekers with special difficulties", aged 15 to 24 to work and receive training in non-governmental organizations for one year with pay, in the hope that they can build up their self-confidence, dignity and self-discipline.

Just now, Prof Patrick LAU and Mr Jeffrey LAM called on the Government to make more efforts under the Continuing Education Fund (CEF) so as to widen its scope. I would like to give a brief response here. Under a one-off special arrangement made as a result of the economic slowdown, the \$5 billion CEF received an additional \$1.2 billion in July last year to benefit more people aspiring to pursue continuous studies. The Government has further widened the scope of subsidy of the Fund. Since the launch of the Qualifications Framework (QF) in May 2008, programmes designed according to the competence standards developed by the industry training advisory committees established under the QF, even though they do not fall under the eight areas specified by the CEF, may register under the CEF should they be accredited. As pointed out by the Financial Secretary in the Budget speech, since the QF came into operation, the Government has set up industry training advisory committees for 13 sectors. The Government will continue to collaborate with the sectors to promote the QF to complement the development of various industries, including the six industries with clear advantages, in the long run.

In addition to training and employment support, young people need holistic development. The motion proposes the establishment of communication channels such as new media to encourage young people to actively participate in social affairs. New media, particularly social media, which is growing in penetration, has become a key channel for communication among people from all sectors, including young people. In the 2008 policy address, the Chief Executive indicated that "the Government will collect public opinion from the Internet more actively". Policy Bureaux, government departments and individual government officials have from time to time been conducting online questionnaire surveys, writing blogs, collecting views through online social media and setting up topical websites or forums, with a view to consulting the public on various policies. The Government welcomes views expressed by various sectors on ways to achieve more effective use of new media to enhance communication with the public, including young people, and facilitate discussions among various parties on policy matters.

A Member has proposed to enhance the level of participation of young people in various statutory and advisory bodies. I also know that Mr Frederick FUNG hopes more can be done by the Government on this front. I would like to point out that, in making appointments to statutory and advisory bodies, the Government will give consideration to the candidates' competence, expertise,

experience, integrity and passion for serving the community, as well as the functions and nature of work of the relevant bodies. At the same time, the Government will take into account the statutory provisions governing the relevant statutory bodies to ensure that members of these bodies can really extensively reflect the interests and views of various sectors of the community. Under the "merit principle", the Government will definitely give consideration if young people are found to be suitable for appointment to these bodies. In identifying suitable candidates, the appointment authorities will generally refer to the personal data contained in the centralized database kept in the Home Affairs Bureau. Therefore, people interested in joining statutory and advisory bodies, including young people, may take the initiative to provide their personal data to the Home Affairs Bureau for consideration by the authorities concerned in making appointments. Such data will definitely be kept confidential.

Besides paying attention to social affairs, young people should also gain a better understanding of the national and global developments. Each year, the Commission On Youth (COY) provides funding to youth groups to provide opportunities to approximately 7 000 young people in Hong Kong to go to the Mainland for visits or exchanges. It is indeed not a small number. Furthermore, the COY will organize the International Youth Exchange Programme on an annual basis to enable young people in Hong Kong to travel abroad to get to know their counterparts in other countries with a view to broadening their international outlook. All these events will help enhance the competitive edge of young people and enable them to lay a good foundation for engaging themselves in society.

In consideration of the difficulties encountered by the labour force in joining the free market, a Member advocated that social enterprises be developed vigorously in order to provide workers with alternative opportunities of development.

The "Enhancing Self-Reliance Through District Partnership Programme", launched by the Home Affairs Bureau in June 2006, provides seed money to support eligible social enterprises during their initial operation. So far, approximately 90 social enterprise projects have been approved under the Programme, involving a total sum of approximately \$94 million and creating more than 1 500 jobs for the disadvantaged. Meanwhile, the Social Enterprise Advisory Committee, which is chaired by the Secretary for Home Affairs and

comprises social enterprise operators, members of the business sector, academics and persons aspiring to promoting social enterprise development, was officially established in January this year. The Social Enterprise Advisory Committee can assist in formulating and improving measures conducive to the development of social enterprises and further combine the strengths of the Government and the community so as to respond to the needs of the community more appropriately.

Mr WONG Sing-Chi, Mr CHEUNG Kwok-che and Mr Frederick FUNG have pointed out in their amendments that increasing social mobility can help address the poverty problem. I agree with them. In fact, promoting economic development to create more job opportunities, enhancing the competitive edge of the labour force through training and retraining, and investing in education and children development to promote social mobility have been our key strategies in addressing the poverty problem.

Hong Kong has a sound welfare system. Through the Comprehensive Social Security Assistance (CSSA) Scheme, the Government provides a social security safety net for families with financial difficulties in order to help them meet their basic living expenses. People in need may also benefit from the free and heavily subsidized services provided by the Government in education, health care, welfare and housing. In 2010-2011, the recurrent public expenditure on four major policy groups, namely social welfare (including CSSA and Social Security Allowance), education, hygiene and housing, reaches \$139.2 billion, accounting for 57.2% of the total recurrent public expenditure.

Mr CHEUNG Kwok-che has just left the Chamber. I would like to respond to his earlier remark concerning the theory advocated by Prof TOWNSEND, that the Government should treat welfare as "investment". I would like to point out that this is precisely the philosophy underlining the SAR Government's social welfare policy. We have never treated social welfare solely as a kind of relief. Actually, social welfare is far more than a relief. To us, social welfare is a kind of social investment instrumental in establishing a harmonious community while providing a safety net. At the same time, it equips recipients with the ability to achieve self-reliance, move from receiving assistance towards achieving self-reliance, contribute to society and be a good citizen. In fact, this is in line with the SAR's positioning of its welfare policy, which is very important, too.

The various forms of support provided seek not only to help people cope with their pressing needs or resolving the hardship facing them but, more importantly, help the disadvantaged to move from relying on assistance to achieving self-reliance, so that they can improve their own living and that of their younger generation. This is very important indeed. Let me cite CSSA as an example. Under the existing Support for Self-reliance (SFS) Scheme, the Social Welfare Department (SWD) will assist able-bodied unemployed CSSA recipients, through employment support services and community work programmes, to enhance their employability and employment opportunities. Among these programmes, a project, called My STEP, targeted at young CSSA recipients, has even incorporated counselling services and structured motivational/disciplinary training to motivate them to secure employment. During the period from June 1999, when the My STEP was launched, to January this year, more than 100 000 participants have ceased participating in the SFS Scheme and secured full-time paid employment, with approximately 30% of them (more than 30 000) having left the safety net. This shows that the SFS Scheme is effective, to a certain extent, in assisting CSSA recipients in achieving upward social mobility.

Members should know very well that the disregarded earnings arrangement is one of the key measures under the SFS Scheme, whereby some of the monthly earnings made by recipients are not deducted from their CSSA amounts, subject to a ceiling of \$2,500 a month. This measure seeks to provide incentives to recipients to encourage them to secure employment and achieve sustained employment. Mr WONG Sing-Chi proposes that the income of a CSSA recipient that exceeds the limit of disregarded earnings be transferred to a savings account and the total sum returned to the recipient when the cumulative sum exceeds twice the ceiling of household income, so that such recipients can leave the CSSA net. Mr WONG, we have considered this proposal. Our preliminary view is that the proposal will be counter-productive as some CSSA households with means will remain in the CSSA net for a longer period than otherwise necessary. Furthermore, as the savings belong to the recipient, the Government can hardly prevent him or her from making withdrawals. This makes it difficult to ensure the effectiveness of the proposal. Even if the cumulative sum of the savings must have reached a certain level before the recipient leaves the CSSA net as required, it might still be possible for his or her family to fall back into the CSSA net in future when their assets and income fall under the ceiling of CSSA applications. Therefore, this proposal warrants careful consideration.

It must be understood that CSSA is a non-contributory social security scheme fully funded by taxpayers. Hence, care and caution must be exercised in drawing up details of the scheme (including the provision of disregarded earnings). Meanwhile, we must ascertain the genuine needs of recipients to ensure proper use of public funds, so that the CSSA system itself can continue to operate.

Some Members have proposed re-establishing the Commission on Poverty (CoP). This proposal has been raised numerous times before. I would like to reiterate that, although the former CoP had already concluded its work, the Task Force on Poverty, which is headed by me, has been working very hard and making efforts in implementing the 53 recommendations made by the former CoP. Most of these recommendations have been implemented, including the Child Development Fund and the "My STEP", which is specially designed for young, unemployed CSSA recipients, as mentioned by me earlier. Of course, the "Transport Support Scheme" is also one of the key recommendations made by the former CoP. The relevant Task Force will continue to co-ordinate various government departments in undertaking poverty-related work and explore new schemes and measures to assist the disadvantaged and people in need to examine what efforts can be made. Similarly, we will make efforts in this direction.

Some Members have called on the Government to provide young people with more opportunities to participate in politics. In the opinion of the Constitutional and Mainland Affairs Bureau, as Hong Kong's democratic system gradually moves towards universal suffrage, the young generation is going to play a more important role in constitutional development.

President, being a liberal and open economy, Hong Kong is full of challenges and opportunities. A lot of people have worked very hard and made brilliant achievements. Mr Ronny TONG, the touching story you have told us is a typical story of success in Hong Kong, and I have to congratulate you, too. The enterprising spirit of the people is the impetus for progress of society. As it is natural for people to look for greener pasture, we will make concerted efforts to achieve the goals of maintaining social mobility and encouraging young people and the grassroots to strive for upward movement.

Over the years, the Government has continued to provide additional resources to heavily subsidize various social services, and invest vigorously in

education and manpower training to provide conditions conducive to personal and social development. Promoting upward social mobility in Hong Kong is a challenging, long-term and persistent task, as well as a time-consuming process. However, we will work hard and with perseverance to enable Hong Kong's edge and the potentials of talents to continue to come into play.

President, I so submit. Thank you.

**PRESIDENT** (in Cantonese): I now call upon Mr Frederick FUNG to move his amendment to the motion.

**MR FREDERICK FUNG** (in Cantonese): President, I move that Mrs Sophie LEUNG's motion be amended.

**Mr Frederick FUNG moved the following amendment: (Translation)**

"To delete "recently become" after "has" and substitute with "been"; to add "for a long time" after "the concern of various sectors of the community"; to add "(c) to break the vicious cycle of inter-generational poverty and provide support for poor families on all fronts;" after "the whole community"; to delete the original "(c)" and substitute with "(d)"; to add "create a fair social environment," before "encourage the public"; to delete the original "(d)" and substitute with "(e)"; to delete the original "(e)" and substitute with "(f)"; to delete the original "(f)" and substitute with "(g)"; to add "resume the construction of Home Ownership Scheme ('HOS') flats and" before "assist the younger generation"; to delete "Home Ownership Scheme" after "market of" and substitute with "HOS"; to delete "and" after "the Home Starter Loan Scheme, etc.;" to delete the original "(g)" and substitute with "(h)"; to add "enhance the level of participation of young people in various statutory and advisory bodies, and" before "establish"; to delete "for young people to express views and" after "new media" and substitute with "to listen sincerely to young people's views and let them"; and to add "; and (i) to vigorously develop social enterprises so as to provide alternative development opportunities for those workers who have not been absorbed by the free market" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Frederick FUNG to Mrs Sophie LEUNG's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Miriam LAU rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Miriam LAU has claimed a division. The division bell will ring for three minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou and Dr Samson TAM voted for the amendment.

Ms Miriam LAU voted against the amendment.

Dr Raymond HO and Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Frederick FUNG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr CHEUNG Hok-ming, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr CHAN Hak-kan, Mr WONG Sing-chi and Mr WONG Kwok-kin voted for the amendment.

Dr Priscilla LEUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, 14 were in favour of the amendment, one against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 21 were present, 19 were in favour of the amendment and one abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**PRESIDENT** (in Cantonese): As Members have been informed, Mr LEE Wing-tat and Ms Miriam LAU have withdrawn their amendments subsequent to Mr Frederick FUNG's amendment having been passed.

**PRESIDENT** (in Cantonese): Mr CHEUNG Kwok-che, as the amendment by Mr Frederick FUNG has been passed, you may now move your revised amendment.

**MR CHEUNG KWOK-CHE** (in Cantonese): President, I move that Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG be further amended by my revised amendment. I have nothing to add.

**Mr CHEUNG Kwok-che moved the following further amendment to the motion as amended by Mr Frederick FUNG: (Translation)**

"To add "; (j) to respect the right of young people to achieve self-development; and (k) to re-establish the Commission on Poverty to actively study and formulate long-term policies to solve the problem of inter-generational poverty" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr CHEUNG Kwok-che's amendment to Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Miriam LAU rose to claim a division.

**PRESIDENT** (in Cantonese): Ms Miriam LAU has claimed a division. The division bell will ring for three minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr CHEUNG Kwok-che, Mr IP Wai-ming, Dr PAN Pey-chyou and Dr Samson TAM voted for the amendment.

Ms Miriam LAU voted against the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Mr IP Kwok-him and Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr WONG Kwok-hing, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Mr WONG Sing-chi and Mr WONG Kwok-kin voted for the amendment.

Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan and Dr Priscilla LEUNG abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, nine were in favour of the amendment, one against it and seven abstained; while among the Members returned by geographical constituencies through direct elections, 20 were present, 15 were in favour of the amendment and four abstained. Since the question was agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was passed.

**MS MIRIAM LAU** (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion "Adding impetus for promoting upward social mobility" or any amendments thereto, the Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): I now propose the question to you, and that is: That the motion moved by Ms Miriam LAU be passed.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion "Adding impetus for promoting upward social mobility" or any amendments thereto, the Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

**PRESIDENT** (in Cantonese): Mr WONG Sing-chi, as the amendments by Mr Frederick FUNG and Mr CHEUNG Kwok-che have been passed, you may now move your revised amendment.

**MR WONG SING-CHI** (in Cantonese): President, I move that Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che be further amended by my revised amendment. I wish to add one point here. Some of the contents of the amendments by Mr Frederick FUNG and Mr CHEUNG Kwok-che are similar to those in my own amendment. In particular, I note that they both advocate the elimination of inter-generational poverty and the provision of support for poor families on all fronts. As a matter of fact, besides breaking the vicious cycle of inter-generational poverty, we must also change the present practice of appointing the young generations of tycoons to advisory committees. This practice will only make the rich and powerful yet richer and more powerful. The children of poor families are simply unable to have any opportunities of active participation in politics in society. As Members can observe, many advisory committees have become the "clubs" of the children of tycoons.

In this motion debate, we can observe that both Mr Frederick FUNG and Mr CHEUNG Kwok-che actually advocate the same direction. I hope that in any future consultation or avenues of participation, the Government can allow all young people — all young people irrespective of their family background — to participate and make contribution to society, so that all in society can have opportunities of upward social mobility.

I so submit.

**Mr WONG Sing-chi moved the following further amendment to the motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che: (Translation)**

"To add "; (l) to develop critical thinking personality among students to distinguish between right and wrong; (m) to consolidate Hong Kong's core values of 'caring about the underprivileged, striving for justice, equality, democracy and rule of law'; (n) to help small and medium enterprises through developing the economy and new industries, so as to prevent large consortiums and real estate developers from monopolizing opportunities for development; (o) to reduce housing expenses through increasing the supply of land; (p) when appointing advisory committee members, the Government should consider the person's ability and not adopt family status and wealth as factors of consideration so that the

youth and the grassroots will have equal opportunities to participate; to implement general and fair elections, abolish functional constituencies, so that young people will have more opportunities to participate in political affairs, and the underprivileged will have more edge and opportunities for upward mobility; (q) to transfer the income of a Comprehensive Social Security Assistance ('CSSA') recipient that exceeds the limit of disregarded earning to a savings accounts, and return the total sum to the recipient when the cumulative sum exceeds twice the ceiling of household income, so that such recipients can leave the CSSA net and have more opportunities for upward mobility; (r) to formulate single-parent family policies and through catering for the needs of single-parent families in different policy areas such as housing and taxation, etc. to increase their opportunities for upward social mobility; and (s) to continuously and vigorously deploy resources for education and various training and re-training programmes, and ensure that people in need are given the opportunities to receive education and training" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you, and that is: That Mr WONG Sing-chi's amendment to Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Mr IP Kwok-him rose to claim a division.

**PRESIDENT** (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no questions, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Ms Miriam LAU, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted against the amendment.

Mr Paul CHAN and Dr LEUNG Ka-lau abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO and Mr WONG Sing-chi voted for the amendment.

Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Kwok-kin voted against the amendment.

THE PRESIDENT, MR JASPER TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, two were in favour of the amendment, 13 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 20 were present, 13 were in favour of the amendment and six against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

**PRESIDENT** (in Cantonese): Mr Ronny TONG, as the amendments by Mr Frederick FUNG and Mr CHEUNG Kwok-che have been passed, you may now move your revised amendment.

**MR RONNY TONG** (in Cantonese): President, I move that Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che be further amended by my revised amendment.

**Mr Ronny TONG moved the following further amendment to the motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che: (Translation)**

"To add "; and (l) to increase the number of subsidized university places to train local talents" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr Ronny TONG's amendment to Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG and Mr CHEUNG Kwok-che be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

**PRESIDENT** (in Cantonese): Mr CHAN Kin-por, as the amendments by Mr Frederick FUNG, Mr CHEUNG Kwok-che and Mr Ronny TONG have been passed, you may now move your revised amendment.

**MR CHAN KIN-POR** (in Cantonese): President, I move that Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG, Mr CHEUNG Kwok-che and Mr Ronny TONG be further amended by my revised amendment.

**Mr CHAN Kin-por moved the following further amendment to the motion as amended by Mr Frederick FUNG, Mr CHEUNG Kwok-che and Mr Ronny TONG: (Translation)**

"To add "; and (m) to introduce tax concessions and other appealing measures for running businesses, so as to strive for business organizations around the world to establish their regional business headquarters in Hong Kong, thereby creating more employment opportunities, providing diversified posts, developing room for upward mobility for young people and their international outlook" immediately before the full stop."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Mr CHAN Kin-por's amendment to Mrs Sophie LEUNG's motion as amended by Mr Frederick FUNG, Mr CHEUNG Kwok-che and Mr Ronny TONG be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

Mr WONG Sing-chi rose to claim a division.

**PRESIDENT** (in Cantonese): Mr WONG Sing-chi has claimed a division. The division bell will ring for one minute.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall stop and the results be displayed.

Functional Constituencies:

Dr Raymond HO, Mrs Sophie LEUNG, Ms Miriam LAU, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Dr LEUNG Ka-lau, Mr IP Wai-ming, Mr IP Kwok-him, Dr PAN Pey-chyou, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che abstained.

Geographical Constituencies:

Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mr WONG Kwok-kin voted for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Ms Audrey EU, Mr LEE Wing-tat, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO and Mr WONG Sing-chi abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 17 were present, 15 were in favour of the amendment and two abstained; while among the Members returned by geographical constituencies through direct elections, 20 were present, six were in favour of the amendment and 13 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Since Ms Starry LEE has withdrawn her amendment, Mrs Sophie LEUNG, you may now reply and you have two minutes five seconds.

**MRS SOPHIE LEUNG** (in Cantonese): President, first of all, I would like to thank the many Members for spending so much time discussing this topic even on the second day of this extended meeting. I am certainly a bit unhappy with the attachment of many unnecessary "tails" to the motion. It is not a question of my personal preference. I am only concerned whether we can convey our message to the public in a focused and clear manner. However, having regard to the voting just now, I believe the Democratic Party might abstain from voting or vote against this motion. Therefore, I would like to make an appeal again in the hope

that people of insight can render assistance by all means to enable the passage of this motion today.

President, just now Ms Emily LAU was smiling when I mentioned people of insight. I do regard all Members as people of insight. The subject we have been discussing today is new. It is similar to the issue of social enterprises brought up by me in the Legislative Council a few years ago. I was asked by many colleagues what social enterprises meant, and thereafter the culture of discussion among Members began. Certainly, social enterprises can still not be considered successful nowadays for a number of reasons. The most important reason is the excessively wide gap between the concepts of our NGOs and that of businesses. As a result, social enterprises cannot be promoted flexibly. In this connection, I will render assistance by all means.

In my opinion, to promote upward social mobility and motivate young people to move upward, and even for people of our age to do so, we must not rely on other people. We must grasp each and every opportunity that comes to us. We must rely on ourselves in seeking opportunities. Like air, opportunities arise every now and then. However, opportunities cannot be grasped simply by putting in more resources.

President, I implore Members to at least allow this motion to take shape in this Council.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Sophie LEUNG, as amended by Mr Frederick FUNG, Mr CHEUNG Kwok-che and Mr Ronny TONG, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 14 April 2010.

*Adjourned accordingly at sixteen minutes past Four o'clock.*