

### WHO IS TO BLAME ?

It is said that there is no such thing as a bad child, only a bad parent.

Leaders of countries and territories should not complain about the failings to be found in their people, for such failings, more likely than not, have their root cause in the leaders, themselves.

If the leader of a country/territory is made of a base material, one must expect the people, under the control of the base leader, also, to follow his example and to be, fundamentally, base.

One has only to take a look at certain Latin American countries to see the proof of this assertion.

The incorrigible wickedness of the subjects of a ruler is due in part, if not in whole, to the wickedness, or ineptitude, of the leader of the subjects.

Leaders of countries and territories, no matter what the political makeup may be, have to be proactive, not reactive.

One cannot, as the saying goes, lock the barn door after the horses have bolted.

The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is facing what, in modern terms, a record level of unemployment.

Last week, unemployment in the 416 square miles that constitute the HKSAR, was put down at 7 percent.

But the statistics, released by the Government's Census and Statistics Department, last Thursday, was only up to the end of March.

Since then, there have been numerous mass layoffs (a mass layoff is defined as being the sacking of 50 or more workers from a single entity at the same time).

Last Friday, the Chief Executive of the HKSAR, Mr Tung Chee Hwa, nearly 5 years into his first term as the leader of the population of the territory, numbering some 6.72 million people, said, for the first time, that unemployment in the HKSAR would be the focus of his second term in office, which, officially, will start on July 1, 2002.

So, one must assume that, for the 50 months of his first term in office as Chief Executive of the HKSAR, unemployment was not the focus of his Administration.

Yet, it was only too clear, years ago, long before the Beijing appointed Mr Tung Chee Hwa to be the top man in the HKSAR, that the territory was undergoing a transformation, from an industrial economy to a service economy.

Even when the British ruled the roost, that was clearly known, going back to the early 1980s.

The HKSAR could never hope to compete with the many advantages to be obtained by establishing manufacturing bases in the PRC, with its relatively cheap land prices and its abundant labour force, including, of course, tax benefits, afforded by the PRC Government.

It would appear to TARGET that insufficient criticism has been levelled against Mr Tung Chee Hwa, who has shown that he and his Administration is marked with the label of being reactive rather than proactive.

TARGET was told by one foreign diplomat, stationed in the HKSAR, that Mr Tung Chee Hwa lacks vitality and any real display of power in his mien.

But, other than this error, he is a good leader and that he is doing most things, correctly.

TARGET finds this difficult to digest because it would appear to this medium that Mr Tung Chee Hwa, if anything, lacks perspicacity and nous, among other things.

He may well be a nice man and a good family man as well as being a good follower of the teachings of Confucius, as he maintains, but that does not make him a good leader of man.

During his first term in office, it was marked by a lack of action rather than anything else.

He has, it is said, placed emphasis on education, by investing heavily in schools of higher learning ... while his 6.72 million subjects undergo some of the most difficult times in modern history, and while deflation gripped the economy.

The seemingly low interest rates of today, in fact, are far too high when one factors into the equation a general perception of near-term lower prices for property – which has proved to be only too accurate during the past 3 years, at least.

And property prices, especially commercial Class A properties, are likely to continue to fall until the end of this year, at least.

Property prices, as TARGET has stated, many times in the past, are the backbone of any economy so that, when property loses a goodly portion of its value on the open market, it is due to a general perception insofar as the future of an economy is concerned.

The people of the HKSAR, in general, have lost faith in their economy, of that there can be no question.

The record number of bankruptcies, of late, indicates the perception that individuals have of the stigma of the term, undischarged bankrupt, and how it is perceived by the man in the street.

In the not-too-distant past, to be an undischarged bankrupt was a tremendous loss of face, one which has caused many a Chinese businessmen to commit suicide or to run away from the HKSAR, rather than face his creditors.

Today, to be declared an undischarged bankrupt for a period of 3 years is a method to avoid paying one's creditors because the law, as it pertains to an individual, faced with mounting debts, who is said to be unable to cope with them, is such that it ameliorates a falling from grace in the eyes of one's business peers or one's neighbours.

The landscape of the HKSAR has changed – and it is not for the better, in TARGET's opinion.

It is the fault of the leaders of the territory, not the people of the territory.

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