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Two birds, one stone

Even as the world's political attention is focused on global warming, air pollution remains widespread and dangerous. It poses a daily threat to people, animals and plants, and leaves a brown-black haze that affects visibility. This is the right time for our government to lay the groundwork to ensure its climate change and air pollution policies dovetail. It is already consulting the public on tightening air quality standards, and another study under way seeks views on what the city can do to fight climate change.

The public clearly supports reducing air pollution and improving public health. The climate change study needs to discuss two aspects of air pollution with large climate-heating effects – black carbon and ozone. Reducing them is relatively easy, cheap and politically feasible compared with mitigating carbon emissions.

Black carbon is a form of particulate pollution that turns things brown-black. It results from inefficient and incomplete fossil-fuel burning, such as from poorly maintained vehicle engines and heavy bunker fuel for ships. Power plants and factories that burn coal inefficiently also contribute to the problem.

Black carbon's warming effect is equal to between 20 per cent and 50 per cent of the effect of carbon dioxide, making it the second or third largest contributor to global warming. Ozone, a natural occurrence in the upper atmosphere, filters ultraviolet radiation, and its depletion can have serious effects on humans, such as dramatically higher rates of skin cancer.

However, ozone can also occur at lower levels. It is formed when gases such as carbon monoxide and nitrogen oxide – which are derived from burning fossil fuels – react with sunlight. It is a heat-trapping greenhouse gas whose warming effect is equal to about 20 per cent of the effect of carbon dioxide, and is bad for our health.

The major sources of these emissions locally are vehicles, ships and power plants. While carbon stays in the atmosphere for centuries, black carbon and ozone remain for only a matter of days or weeks. Nonetheless, they are both widespread and being emitted continuously. Reducing them would see rapid improvements to air quality and global warming.

Black carbon and ozone can be reduced with existing technologies at relatively low cost compared to mitigating carbon. Fossil-fuel use, especially diesel, is responsible for 35 per cent of global black carbon emissions. Particulate filters for vehicles are a first line of defence. Air pollutants that form ozone come mostly from transport and industrial processes. Solutions to the transport problem – most relevant to Hong Kong – include fuel additives and catalytic converters. Hong Kong already has programmes for trucks to use filters and catalytic converters. The government's climate change study needs to assess any benefits these have produced and how they can be enhanced.

The government's consultation on air quality standards includes proposals to deal with diesel engines. Should Hong Kong shift away from diesel fuel?

This is not easy to answer but some experts think cleaning up diesel to remove more pollutants may be a losing proposition. Much energy is used to produce each cleaner grade and, during the refining process, more carbon is emitted. Moreover, filters, additives and catalytic converters are not ideal.

Thus, switching to natural gas, biodiesel, hybrids and low-carbon electricity may be better in the long term. A move away from dirtier fuels has many benefits, and this issue will be increasingly debated around the world. The government's study to develop a climate strategy shouldn't ignore this question.

Once the government recognises that black carbon and ozone have key environmental, public health and climate effects, officials will have to tackle them in tandem, rather than treat them separately. A new policy should focus on reducing air pollution in ways that also slow global warming.

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After its all-too-hasty embrace of globalisation, Asia must now focus on regional integration too, writes Jong-Wha Lee

Regaining balance

Today and tomorrow, leaders of the Group of 20 economies are meeting in Pittsburgh to reaffirm their commitment to economic stimulus and begin forging a new global financial regulatory framework.

This summit is critical. It passes the baton from the frenetic bailout emergency response to avert economic catastrophe to one that must rebuild global confidence in the international financial firmament. It will not only continue to plot a course to a hoped-for worldwide recovery, but try to decipher what needs to be done to prevent this happening again. Pittsburgh is a city that has felt the pain of both industrial and financial missteps. Americans can relate. But this summit is global. It represents the interests of 20 of the world's largest nations in terms of income, trade and population.

To us in Asia, the problem is that the talk largely remains the industrial world's agenda. Developing countries cannot afford to have their destiny shunted aside in favour of the interests of industrialised countries. Emerging economies of the developing world must be allowed to speak frankly on their increasingly pivotal role in keeping the global economy growing. They must not just let their voices be heard, but most important, play a major part in defining the reform process.

From our perspective, the crisis was a kind of slap in the face. It showed that developing Asia went too far in pursuing globalisation – and too fast. In the rush to recover from the devastation of the 1997-98 Asian financial crisis, we slipped into an over-reliance on external, extra-regional demand. Developing Asia used export-driven growth to boost savings – via foreign exchange reserves. The result was a dependency that, in today's global recession, battered the region's income from exports, and to a lesser degree reduced capital inflows and slowed the growth of overseas worker remittances. It also contributed to the global payments imbalance. In our rush to become global, we actually increased the region's vulnerability to the global downturn. The more open our economies were, the harder they were hit.

Does that mean Asia should turn away from globalisation? Far from it, Asia must continue to embrace globalisation. It has helped the region give its people more than just greater income and better living standards. It has reduced poverty at unprecedented levels. But Asia has embraced globalisation with a fervour that

has left it unbalanced. Our challenge is to broaden the scope and structure of our economic openness, and reassess the speed at which we open our arms to globalisation.

Our openness must be broadened in a way that also fortifies economic links between ourselves. To avoid vulnerability to extra-regional demand cycles, we must solidify our own regional demand for the products we produce, including those we export outside Asia. That provides a buffer to external shocks. We need a delicate balance to foster a regionally integrated, yet globally connected Asia. This is true for products, for trade, capital, and the movement of workers, whether labourers or professionals. This all needs to be on the international agenda.

We need to balance external with domestic demand as drivers of growth. We need to balance trade with the world and trade within Asia. We need to balance the gift of our labour abroad with what we receive in remittances – quite resilient even during times of crisis – and better skills.

It is indeed a delicate balancing act. The Asian financial crisis and the current global economic crisis both clearly show the risks attendant to excessive and unbalanced openness. Our integration and openness must be matched by well-entrenched institutions and regulatory systems.

The potential benefits from broader globalisation are enormous. Asia is now leading the world out of this crisis. In a new report, "Asian Development Outlook 2009 Update", the Asian Development Bank forecasts that developing Asia will contribute more than 75 per cent to world economic growth this year. And, in the years to come, Asia's global footprint will become even more pronounced. Broader globalisation will help Asia reap rewards while minimising economic distortions.

This growth model need not come at the expense of ties with industrial economies. As we learned from the European Union and North American Free Trade Agreement, there is no reason why vibrant international trade cannot coexist with intra-regional trade.

Balanced openness and globalisation are key to the world's future economic growth. But Asia cannot do this alone. Successfully managing globalisation calls for co-operation between advanced and developing countries. Protectionism must fall by the wayside. Promoting regional integration in a global context must be brought centre stage.

Jong-Wha Lee is the ADB's chief economist



Other Voices

Liberty falls victim to the liberals' dichotomy

Michael Gerson

Two Octobers ago, the Dalai Lama received the Congressional Gold Medal, one of America's highest civilian honours, in the rotunda of the US Capitol. Speaker Nancy Pelosi talked of a "special relationship between His Holiness the Dalai Lama and the United States". Then-president George W. Bush urged Chinese leaders "to welcome the Dalai Lama to China. They will find this good man to be a man of peace and reconciliation."

This October, on a scheduled visit to the US, the Dalai Lama will not be welcomed at the White House. The Obama administration has its diplomatic reasons. After the uprisings of 2008, Beijing is particularly sensitive on the topic of Tibet (西藏). President Hu Jintao (胡锦涛) is a guest in the US this week. And White House officials hint that Obama will eventually meet the Dalai Lama, after the president's own visit to China in November.

Yet between the gold medal and the cold shoulder, a large diplomatic signal is being sent. It is not that Obama is completely unwilling to anger the Chinese. Earlier this month he imposed a 35 per cent tariff on tyre imports from China. The head of the United Steelworkers said the president was willing to "put himself in the line of fire for the jobs of US workers". But Obama is clearly less willing to put himself in the diplomatic line of fire for other, less tangibly political, reasons.

Clinton has argued that pressing China on human rights "can't interfere with the global economic crisis, the global climate change crisis and the security crisis" – which left Amnesty International "shocked and extremely disappointed". Support for Iranian democrats has been hesitant. Overtures to repressive regimes in Iran, Cuba, North Korea, Venezuela, Syria and Egypt have generally ignored the struggles of dissidents and prisoners.

Those who donate to Amnesty International and put "Free Tibet" stickers on their Volvos often assume these commitments are supported by liberal politicians. But it really depends. On human rights, modern liberals are divided.

In a recent essay in *The New Republic*, Richard Just describes the "contradictory impulses" of liberal foreign policy: "If liberals view anti-imperialism as their primary philosophical commitment, then they will be reluctant to meddle in the affairs of other countries, even when they are ruled by authoritarian governments... But if liberalism's primary commitment is to human rights, then liberals will be willing to judge, to oppose, and even to undermine such governments."

This split is now evident within the Obama administration. It includes some very principled, liberal defenders of human rights. But it seems dominated by those who consider the human rights enterprise as morally arrogant and an obstacle to mature diplomacy.

Minimum wage law will just ensure social injustice

Hans Mahncke

Tomorrow marks the end of the public consultation period on the proposed minimum wage law. While the issue has been the topic of lively debate, there is one area that has received little attention: the proposed legislation itself. Yet, the bill currently being considered by the Legislative Council is the most veritable source for understanding what effect a mandatory minimum wage would have for Hong Kong. Above all, the proposed legislation's objective to exclude domestic helpers from its ambit betrays the inherent failing which afflicts all minimum wage laws – they cause unemployment.

The minimum wage narrative began in earnest with the adoption of a voluntary wage protection scheme in 2006. However, in his 2008 policy address, Chief Executive Donald Tsang Yam-kuen declared that the voluntary scheme had failed, insisting that a statutory minimum wage was necessary to ensure "social justice". And who could disagree with that? Even so, the statement would be more convincing if, in the meantime, Tsang had checked whether the proposed law was actually just.

To understand the bill, it is instructive to read the accompanying 13-page legislative brief presented to Legco before its first reading on July 8. Although it purports to provide the rationale for adopting a minimum wage law, only one sentence is allocated to justify the need for legislation. This mirrors Tsang's unsubstantiated claim that the voluntary wage protection scheme has failed.

The other striking aspect about the brief is that more than a third of it

is devoted to justifying why domestic helpers should not be covered. This exclusion seems to contradict Tsang's declaration that a minimum wage should apply to "employees in all trades and industries". To be sure, the most recent announcement from Legco states that the law "seeks to provide for a minimum wage at an hourly rate for certain employees". It seems as if employees are only equal in the chief executive's rhetoric.

The first reason advanced by the

The bill discriminates against one group while rendering swathes of other people unemployable

government for treating domestic helpers differently is that they have "distinctive working patterns". While it is stipulated that "round-the-clock attendance [is] expected of live-in domestic workers", the government's conclusion is that it is "impossible to ascertain the actual hours worked".

The only problem with this reasoning is that Article 3 of the proposed legislation specifies that working hours are those hours during which "the employee is in attendance", irrespective of whether they actually work or not. Thus, rather than justifying exclusion, the law seems to support extending a minimum wage for domestic helpers.

The other argument is that domestic helpers "dwell free of charge". The accompanying brief states do-

mestic helpers also enjoy "free food", "free medical treatment" and "free passage". In the real world, the non-cash benefits enjoyed by domestic helpers are quantifiable and form part of their overall compensation package, like employment benefits. Thus, the proposed law again fails to justify discriminatory treatment.

But if excluding domestic helpers is legally not justifiable, why has the government made such an effort to exclude them? Fortunately, it provides us with the answer in its own brief, under the heading of "Possible significant and far-reaching socio-economic ramifications". Here it claims that a pay rise for domestic helpers would cause "distress" for many Hong Kong families.

Logically, what applies to domestic helpers applies to security guards and cleaners, too. The truth is that when the government makes hiring more expensive, fewer people are hired. The real reason for differentiating between domestic helpers and other low-wage workers is that the latter are seen as more dispensable.

What the bill does is to discriminate against one group of people while rendering swathes of other people unemployable. Is this what Tsang means by "social justice"?

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The hardball option for dealing with Iran

Thomas Friedman

For the first time since Iran began enriching uranium that could be used in a nuclear weapon, we have a glimmer of hope for a diplomatic solution to this problem – as long as we are not too diplomatic, as long as Iran's rulers are made to understand that biting economic sanctions are an absolute certainty and military force by Israel is a live possibility.

The reason we now have a slight chance for a negotiated deal is because Iran's nuclear programme has always been a survival strategy for Tehran's ruling clique: what Karim Sadjadpour, an Iran expert with the Carnegie Endowment, calls "the small cartel of hardline clerics and nouveau riche Revolutionary Guardsmen who run Iran today".

After stealing June's election, this ruling cartel is now more unpopular and illegitimate than ever. As a result, President Mahmoud Ahmadinejad's government can ill afford real biting sanctions that would make life in Iran not only politically miserable but even more economically miserable – and his dictatorial clique even more unpopular.

I wouldn't exaggerate this because this regime has never minded inflicting pain on its people, but this time it may be more vulnerable. That is why we may be in a position to say to the Iranian regime that continuing to increase its stockpiles of low-enriched uranium outside international controls, and suffering real economic sanctions, could threaten its survival more than it would help.

On October 1, William Burns, the US undersecretary of state, will join diplomats from Britain, France,

Germany, Russia and China for talks with Iran's chief nuclear negotiator to see whether any deal is possible.

While real sanctions are necessary to exploit this moment, they are not sufficient. We also need to keep alive the prospect that Israel could do something crazy.

The murderous crackdown on Iran's mass democracy movement should have removed the last scales from the eyes of those Iran watchers who think this is simply a poor, misunderstood regime that really wants to repair its relations with the West, and we just have to learn how to speak to it properly. This is a brutal, cynical, corrupt, anti-Semitic regime that maintains a hostile posture to the West to justify its grip on power. It is not going to be sweet-talked out of its nuclear programme. Negotiating with such a regime without the reality of sanctions and the possibility of force is like playing baseball without a bat.

By improving relations with Russia, US President Barack Obama has done a good job of increasing his leverage with Iran. But, as the talks begin, there is another dimension that we have to keep in mind: Obama officials must be careful not to say that all they care about is a deal that stops Iran's nukes, and, if we get that, we have no problem with those in power in Tehran.

"If we neglect to be vocal about human rights," said Sadjadpour, "our message to the Iranian people is 'We don't care about you. We only care about nukes'.... The deeper problem we have with Iran has more to do with the character of its regime than its nuclear ambitions."

Thomas L. Friedman is a New York Times columnist