

INSIGHT

Creative escapes

Marjorie Yang says that innovation is the key to lifting people out of poverty, and women are often best placed to find creative solutions to seemingly intractable economic problems

Poverty is debilitating. Because of women's standing in many traditional communities, they are often the ones who bear the brunt of the effects. This year's Asia-Pacific Economic Co-operation summit on women and the economy underscored the importance of women's role in breaking out of poverty and improving economic realities for themselves and their communities. In the session "The New Wave: Women and Innovation", we discussed how innovation could meet these challenges.

Many companies struggle to find innovative solutions to one problem: how to be successful while being socially responsible in a sustainable way. At Esquel, a company in the traditional, labour-intensive garment industry, we touch the lives of the less privileged and are in a position to bring about positive change. Through the years, we have found that innovation holds the key for this to happen.

There is a myth that the garment industry is low-tech, and that innovation, often technology-oriented, is an unaffordable luxury as competition is centred on lowering costs. If the garment industry continues to base its competitiveness on employing low-skilled, cheap labour, it will never make a significant social contribution by improving the lives of the less privileged. In fact, technology-driven change is the way forward. We have, over the years, adopted management systems that used information technology to improve worker productivity, providing them with training that expands their skills in the process.

Yet innovation is not just about technology. It requires management vision and a nurturing corporate culture embraced by everyone. In our experience, as workers absorb and share our values and passion for social change, they become enthusiastic participants in our mission. We have always encouraged and empowered employees to propose and drive changes, creating an environment for internally driven innovation and initiatives, rather than relying on importing them from outside.

We try to enlist everyone, especially supervisors and junior colleagues who are most in contact with our workers. It is important to get them to understand our mission. Often, through constant questioning, observing and experimenting, they are the ones who find new solutions to old problems. By encouraging creative problem-solving at this level, we can be assured of their decision-making capabilities once they reach senior management positions.

Innovation is also about looking at old problems from new perspectives. As the council chairman of Hong Kong Polytechnic University, I have taken a keen interest in a joint project by PolyU and Yunnan University. PolyU created an access to markets for ethnic minority women in Yunnan (雲南) province who



wouldn't have had the opportunity on their own. Design teams from PolyU help these women market their designs and crafts, allowing them to earn an income, attain financial independence and consequently improve their social standing.

Skills that the indigenous women already possess are utilised to bring about meaningful social change. One of the women I met even took up a leadership position within her community following her newly acquired status. It is encouraging to see how rigid, deeply entrenched social structures can be influenced for the better through such projects.

Another example is the story of two girls

Women can play a much more active role in incubating and promoting change

from the Harvard Kennedy School of Government who wanted to start a social enterprise to alleviate poverty in Tibet by using already abundant resources in the region. They founded Shokay, making use of yak down with its cashmere-like fibres. They have come a long way since 2006, when they began, with little knowledge of the textile industry; today, Shokay's products can be found in more than 100 stores in 10 countries. Many Tibetan families own a yak, resulting in a wide net of participants. This resource has been around for hundreds of years, but it took innovation to turn it into a force for change in economically underdeveloped communities.

Such examples exemplify how women can play a much more active role in incubating and promoting change. Women's keen abilities in observing, relating and questioning are important skills for an innovator. Society needs to provide women with an empowering environment with opportunities for exposure, networking, taking risks and experimenting with new ideas and initiatives.

In the long term, at a macro level, education

is key for innovative environments. Much is done to foster creativity at college level, but this will only have a limited effect if the effort is not extended to education at secondary and even primary levels.

Fortunately, bright innovative minds are working to address this problem. One project of note is Scratch, computer software developed by MIT Media Lab, that allows young children to create programs and multimedia content. It is now used by many schools worldwide. Education systems should seek to nurture and reward the creative, problem-solving mind.

Those who innovate hold the greatest potential to bridge societal gaps. In particular, women, who are the core on both domestic and professional fronts, are in a position to build a culture for innovation at home, work, and across society.

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Born sinners

John Gong says the Wal-Mart pork scandal in China is a reminder that corporations easily succumb to bad business practices without oversight

Wal-Mart's 13 stores in Chongqing (重慶) have reopened after being shut for two weeks for selling regular pork labelled, and priced, as organic. This scandal just adds to the fundamental belief that all corporations – if not supervised and regulated properly – are inherently evil and will do whatever it takes to make an extra buck. Just witness the current "Occupy Wall Street" protests for further evidence.

Wal-Mart Stores is certainly no stranger to legal wrangles. Throughout its 60-year history, the company has faced lawsuits in the US, mainly involving claims of labour and workplace violations, sexual discrimination and product liability.

Yet, I can't find a single instance where the world's largest retailer has intentionally cheated its American customers. Nor do I think it would ever dare to. After all, the US as a functioning democracy has a fair business environment and a legal system that comes down hard on unscrupulous business practices.

I am confident that if Wal-Mart were found to have intentionally labelled non-organic food as organic in the US, the company would have been quickly shut down with its CEO summoned to Washington to answer senators' questions in a Congressional hearing while also facing the possibility of a jail term. And, for sure, those who were directly involved would be put behind bars.

But, in China, it is a different story. This is not the first time Wal-Mart has cheated its customers here, nor was it an isolated or occasional aberration in an individual store that probably went unnoticed by its corporate management.

Wal-Mart's stores in Chongqing all reportedly have a history of violations, including selling food that has passed its expiration date, overcharging customers and using misleading advertising. Since the company opened its stores in that large inland industrial city, they have been caught red-handed 20 times, and fined by the regulatory bodies for various violations.

This could not have gone unnoticed by managers at its mainland headquarters in Shenzhen. Yet, it appears that warnings from the State Administration of Industry and Commerce, plus fines, were not enough to wake management.

Just why would a company with apparent integrity in the US act this way in China? This is not just the case for Wal-Mart.

My theory is that companies are born sinners, and there is no hope of salvation. Under a good system with proper regulations, such as in the US, they tend to behave. But as soon as the regulatory environment becomes lax and the business playing field becomes a hotbed for corruption and shady practices, the ugly side of capitalism surfaces.

With less than 30 years of capitalism, China is an imperfect market that lacks many of the necessary regulatory mechanisms and government oversight necessary to keep businesses in check. After coming to China, multinational companies learn local practices so fast that they often forget their Western business values.

Companies don't deserve the benefit of the doubt. They should be presumed guilty, at least guilty in intent, until proven otherwise.

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A new Orwellian euphemism for stifling online dissent

David Eimer says 'cultural security' targets the messengers, not the issues

With the economy slowing, it might appear strange that culture rather than the nation's finances was the main theme when the Communist Party's top leadership met in Beijing last week. Yet, the gathering signalled the start of the mainland's equivalent of an election year, because the next time the party's Central Committee meets, sometime in September or October 2012, it will be to anoint the successors to President Hu Jintao (胡锦涛) and Premier Wen Jiabao (温家宝).

For the next 12 months, the appearance of stability and the suppression of dissent are more important than anything else and that is why "cultural security" was this year's buzz phrase.

By highlighting the need to guarantee the nation's "cultural security", and making an explicit link between culture and national unity, the party is sending a message to the mainland's artists, filmmakers and writers that it intends to tighten control over them.

It is also a signal that Beijing is preparing to stifle the increasingly discordant voices of the ever-growing ranks of social media users on the mainland.

"Cultural Security" is a suitably Orwellian euphemism that expresses the party's fear of microblogs, in particular Weibo, the mainland's version of Twitter. Comments appearing on it are often ridiculous, offensive and inaccurate, or sheer rumour-mongering. Yet, they provide an instant reaction by

ordinary people to events as they happen and so offer the party deeply sobering feedback into what their subjects think.

Judging by the scathing posts in response to the way the authorities handled the Wenzhou (温州) train crash in July, as well as virulent attacks on corrupt and high-handed officials, the 200-million-plus Weibo users are mostly unimpressed by their leaders. Worse, microblogs are now so omnipresent that even the tame traditional media have been forced to pick up on the topics they focus on.

Such open criticism would be unwelcome at any time. But with the present leaders desperate to ensure that their final year is not tainted by expressions of widespread dissatisfaction with their rule, cutting off the means by which people can complain and criticise is essential.

Equally important for the party is the need to guarantee a smooth transition of power. That has become far more difficult, as the distance between the privileged and largely anonymous heirs to the Politburo and their far more charismatic revolutionary predecessors grows ever wider. Shutting up microbloggers will make that task easier.

Rumours have been flying since the start of September, prompted by various official voices citing the irresponsible nature of some microblogging, that there will be a clampdown on Weibo. Some sort of real-name registration system is likely to be introduced, although

whether that can succeed in stemming the tidal wave of online criticism is doubtful as enforcing it will require a gargantuan effort.

Beijing, too, may be missing a trick in focusing on "cultural security" instead of doing more to halt the slowdown in economic growth. The party has noted the role that Facebook and Blackberry instant messaging played in helping the London rioters organise in July. But on the mainland, it is rising food prices and unemployment, and illegal land confiscations, which are far more likely to send ordinary people on to the streets to protest than comments on Weibo.

As for the plan to use culture to reinforce national unity, that is a natural extension of the campaign by the ambitious Chongqing (重慶) party secretary Bo Xilai (薄熙来) to revive the concept of "red culture". Like cracking down on social media, it is a way for Beijing to close down the space that dissent needs to exist. But by monitoring artists even more closely and stressing a need for patriotic art, the mainland's cultural output will lack even more credibility overseas. Rather than boosting the nation's "soft power", it seems the CCP wants only to ensure that its grip on power is reinforced.

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No strings attached? Pull the other one

Lau Nai-keung says it's disingenuous to claim that Jimmy Lai's contributions were purely altruistic

The revelation of media mogul Jimmy Lai Chee-ying's secret contributions to local democrats has shocked the city. The most troublesome appear to be the gifts to Cardinal Joseph Zen Ze-kiun (HK\$20 million) and Anson Chan Fang On-sang (HK\$1.3 million).

His reported donations of more than HK\$13.5 million to the Democratic Party from 2006 to last year and over HK\$14.5 million to the Civic Party for the same period further demonstrate his anti-China, anti-Hong-Kong-government zeal.

Even in a country like the US, which prides itself on its freedom and democracy, acts of this nature would commonly be regarded as unacceptable.

One can compare Lai's political contributions to those of billionaire George Soros, but Soros does it in a much more transparent manner. Lai, on the other hand, has been working in the dark.

No wonder Cardinal Zen and Lai vehemently oppose the implementation of Article 23 national security legislation: some of the money given to Cardinal Zen, for example, was used to fund underground churches on the mainland, an act that could be deemed treasonous.

According to recent WikiLeaks disclosures, Lai was part of a coalition of senior democratic figures who were reportedly instrumental in winning over Civic Party chief Audrey Eu Yuet-mee on the "de facto referendum" by-

election plan. This was dressed up as democracy and freedom of speech. It now seems more like freedom of money.

All the dissident political parties insist there were no strings attached to Lai's contributions. Yet, one would expect to have to at least listen to a donor whose payments constitute a substantial chunk of a party's budget.

Lai's political inclinations are well known, as are those of his media empire.

A more puzzling development is over the HK\$1 million seemingly paid to the League of Social Democrats last year in support of its by-election campaign. Chairman Andrew To Kwan-hang has claimed that neither he nor the league received the money.

And then there's the matter of where Lai's money comes from. He insists it's all his.

All we know is that Lai's actual and planned contributions for this year seem to have been quite unaffected by reported losses at the Next Media Group, the dwindling circulation of *Apple Daily*, and the piles of the free tabloid *sharpdaily.com* that end up in the landfill and waste-paper collection shops every day.

No matter, the crucial question remains: should the media be so proactive in politics that it becomes a driving force?

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Building wealth long after the miners depart

Helen Clark says being rich in natural resources doesn't have to be a curse for developing nations

A conference on managing extractive industries in Ulan Bator, Mongolia, addressed the challenge of how resource-rich countries can make best use of their precious oil, gas or mineral assets and develop resilience to price volatility.

Countries exporting these commodities need options to stabilise their economies and make them less vulnerable to the vagaries of unpredictable prices. Recent market history shows why: copper prices dropped nearly 15 per cent from July to September, and the price of gold has gone up more than 30 per cent since January. Such fluctuations make budget planning difficult and resource-rich developing countries vulnerable to market shocks.

It's also true that economies where extractive industries dominate do not always reap social and economic benefits for their people. Indeed, the extraction of mineral resources can become a curse where it fuels conflict and creates environmental disaster.

The gross mismatch between the wealth generated and the paucity of local benefits derived is often exacerbated by weak governance and a lack of transparency and accountability.

Yet it is possible to design policies that guard against the negative impacts of exploiting natural resources. That is why the UNDP and the government of Mongolia brought together representatives of 17 resource-rich developing countries to address

ways of making the wealth generated by extractive industries work for human development.

The choices that governments and other partners make directly affects whether natural resources contribute to social and economic development. Good governance and sound long-term planning help countries avoid the effects of the resource curse, and provide quality services such as education and health care to their citizens.

Effective anti-corruption laws and high civil-society engagement also encourage governments to be more transparent about how they spend and distribute their nation's natural resource wealth. Strong environmental planning and regulation can help avoid the legacy of degraded ecosystems often associated with mining.

Economic diversification is a key to macro-economic stability. Countries can establish sovereign wealth funds that preserve a share of resource-generated wealth for future generations. Such funds allow countries to plan ahead for the days when their extractive industry resources are depleted.

Managing resources generated by extractive industries needs to balance the need for current investment with securing a legacy for future generations. Striking that balance can reap benefits long after their natural resource endowment is exhausted.

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