



香港僱主聯合會
Employers'
Federation
of Hong Kong

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30 March 2005

The Secretariat
Constitutional Development Task Force
Constitutional Affairs Bureau
3/F., Main Wing
Central Government Offices
Lower Albert Road
Hong Kong

Dear Sirs,

**The Fourth Report of the Constitutional Development Task Force:
Views and Proposals of Members of the Community on the methods for
selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008**

Following our submission of last August on the Third Report of the Constitutional Development Task Force on the methods for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008, the Employers' Federation of Hong Kong (hereinafter referred to as "the Federation") wishes to submit its views on the follow-up questions set out in Appendix III of the Fourth Report of the Constitutional Development Taskforce.

I. Method for selecting the Chief Executive in 2007

(1) The Number of Members of the Election Committee

Under the principles of wider representation and progressive development towards democracy, the Federation shares the view that the total number of members of the Election Committee should be expanded.

(2) The Composition of the Election Committee

While considering the existing four Sectors of the Election Committee to be sufficiently representative of the Hong Kong community as a whole, the Federation urges that the representation of the Industrial, Commercial and Financial Sectors under the First Sector should always be maintained at not less than 25% of the total number of members of the four Sectors in the revised structure, so as to enable the major economic sectors of Hong Kong to be adequately represented.

(3) The Number of Members of the Election Committee Required for Nominating candidates for the Office of the Chief Executive

The current threshold of requiring one eighth of the total number of members of the Election Committee for nomination of a candidate for the office of the Chief Executive is

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considered to be a reasonable level for establishing a minimum degree of support for prospective candidates running for election. The Federation also considers the introduction of an upper limit on the number of nominations to be secured by each candidate running for election to be justifiable. This will allow more potential candidates to be nominated in the initial stages of the election process. However, the Federation does not see any significant rationale for requiring each candidate to secure a minimum number of nominations in each of the four Sectors of the Election Committee.

(4) The Delineation and Size of the Electorate of the Election Committee

Although there are arguments that corporate voting should be replaced by individual voting in the election of members of the Election Committee, the Federation is of the view that corporate voting should be maintained where necessary and appropriate. In some designated sectors (including the Federation) which are by definition composed of legal persons (i.e. corporate entities) rather than natural persons (i.e. individuals), there can be no proper substitute for corporate voting.

(5) Others

The Federation is of the view that political affiliation of the Chief Executive should only be considered in the long run when the development of political parties in Hong Kong reaches a sufficient stage of maturity.

II. The Method for Forming the Legislative Council in 2008

(1) The Number of Seats in the Legislative Council

Under the same principle of broadening public participation and representation in the political arena, the Federation highly recommends an increase in the number of seats in the Legislative Council in the 2008 election. A total addition of twenty seats for both Geographical Constituencies and Functional Constituencies will gradually direct the Hong Kong Legislature towards full democracy in the long run.

(2) The Number of Seats Returned by Geographical Constituencies through Direct Elections

The Federation agrees that the number of seats to be returned by Geographical Constituencies could be increased provided that there will be a corresponding increase in the number of seats to be returned by Functional Constituencies.

(3) The Number of Seats Returned by Functional Constituencies

New Functional Constituencies should be added to fill existing gaps of under representation in the current legislature. The Federation has drawn attention in its previous submission of August 2004 to one of these existing gaps, namely the absence of a Functional Constituency specifically representing employers while there are three Functional Constituencies specifically representing labour.

(4) The Delineation and Size of the Electorate of Functional Constituencies

Please refer to our comments in sub-paragraph II (3) above.

(5) Provisions Regarding Nationality of Legislative Council Members

The Federation considers the current allowance for some Legislative Council Members to be non-Chinese nationals should be retained.

(6) **Others**

The Federation is mindful of the provision in Article 68 of the Basic Law that the ultimate aim is the election of all the members of the Legislative Council by universal suffrage. At the same time, the Federation considers that Functional Constituencies should be retained in the long run. The Functional Constituencies in the Legislative Council comprise representatives from major trades and professions in the community the insights and expertise of which are crucial to ensuring that the laws enacted by the Legislature Council takes into full consideration the interests of all the concerned key players in the community. Only by taking into account the views of different trades and professions can Hong Kong achieve social solidarity and continue to prosper.

Consideration will need to be given in due course to whether universal suffrage necessarily precludes corporate voting on behalf of legal persons and, if so, how corporate voting in certain Functional Constituencies might be replaced by individual voting.

The methods of selecting the Chief Executive in 2007 and forming the Legislative Council in 2008 are clearly stated in the Basic Law. The Federation considers it sensible and feasible to broaden public participation and representation in Hong Kong's political arena progressively. Before general consensus is reached, it is inappropriate and hasty to set any timetable for universal suffrage for the time being.

In the long run, election of the Chief Executive by universal suffrage can be considered by converting the Election Committee into a Nomination Committee nominating potential candidates for the election of the Chief Executive. To ensure that the elected Chief Executive will enjoy the majority support of the community at largest, the Federation considers that, at least for the first time when the Chief Executive is to be elected by universal suffrage, the Nomination Committee should produce two candidates for the community to vote on.

III. An Employer Seat for the Federation

In view of the increasing debate within the community on a wide range of pressing social issues such as unemployment, employee protection, health care financing and social security, particularly during the prolonged painful and unsettling adjustment period following the Asian financial turmoil, the '911' incident in the United States, avian flu and SARS, Hong Kong needs a loud and clear voice for employers, an important social partner and engine of wealth creation, to allow professional, constructive and balanced debate on these political issues which are crucial to the stability and prosperity of Hong Kong.

In the current legislature, three seats have been allocated to employee representatives under the "Labour" Functional Constituency. There is no direct counterpart for "Employers" as such. While there are corresponding establishments of "Commercial" and "Industrial" Constituencies, the remits of the designated organisations are considerably broader than employment matters. The co-existence of both "Employer" and "Labour" representatives will facilitate balanced, healthy debate. Only by providing such constructive platform can the Government ensure mutual understanding and solidarity between employers and employees, the two key components constituting Hong Kong's economic activity and prosperity.

A new "Employer" functional constituency, if created, should be designated to the Federation, a recognised and long established employer group with special focus on employment matters. Established since 1947, the Federation has been the key advocate for Hong Kong employers on employment issues including but not limited to good employment practices, manpower and training, labour legislation and pay expectation, with the aim of maintaining the competitiveness of Hong Kong regionally and internationally for the success of business. All along the Federation has maintained regular dialogues with major unions in Hong Kong to enhance communication and facilitate mutual understanding between employers and employees. Details supporting the Federation's proposition have already been elaborated in the Federation's first submission of August 2004, a copy of which is enclosed for ease of reference.

Employment matters are becoming a major political issue for Hong Kong in the coming years. To allow professional debate on constructive and balanced employment-related legislation to benefit the community as a whole, the Federation earnestly requests the Task Force and the Hong Kong SAR Government to give full and favourable consideration to the establishment of a new "Employer" functional constituency for the Legislative Council in 2008 and the designation of the Federation as the organisation constituting that constituency.

Should you wish to have further elaboration on the Federation's submission, please do not hesitate to contact me or Mrs Jackie Ma, the Executive Director of the Federation at 2528 0033. For detail information of the Federation's mission and works, please refer to website: www.efhk.org.hk

Yours sincerely,

(Signed)

Victor Apps
Chairman