

Cosying up

Lifan Li and Raffaello Pantucci say China's holistic approach in Central Asia is gradually paying off. Ten years after its founding, the Shanghai Co-operation Organisation is helping Beijing advance its cause peacefully

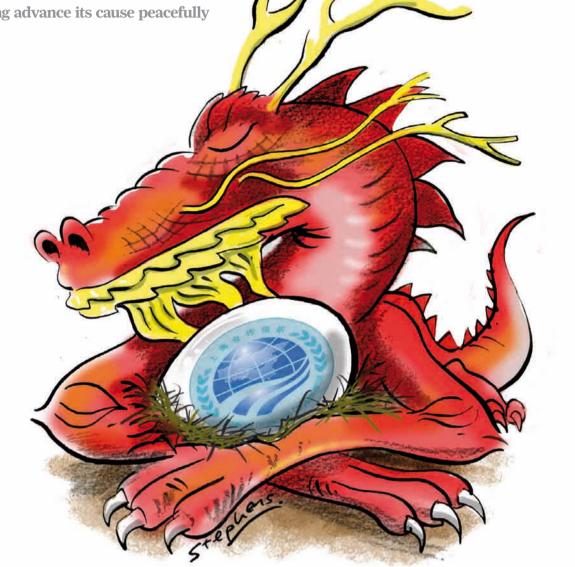
en years on and the Shanghai Cooperation Organisation (SCO) remains a work in progress. It has achieved much in its short life, but its hesitation in resolving unrest in Kyrgyzstan last year and its ongoing inability to contribute much to improve stability in neighbouring Afghanistan have shown the limits of its power. All of these raises questions about the grouping's aims and hopes for the next decade.

China is increasingly becoming a force in Central Asia, a predominantly Russo-Turkic region. On the ground, it is still possible to find expressions of tension towards China, but, nevertheless, growing numbers of Central Asian families are electing to send their children to China to study. From Kazakhstan alone, there are some 1,600 students now in Chinese universities; Shanghai has 800 students from Kazakhstan. Meanwhile, numbers electing to go to the West are shrinking.

Studying in China, especially in Shanghai, is an affordable and increasingly enticing prospect – hitching your star from a young age to China's is savvy and offers interesting prospects. Elements of a "Chinese dream" are starting to emerge, appealing to not just Chinese youth, but also those from around the developing world.

And this vision is something that China has been eager to nurture. Xinjiang Normal University says it trained some 3,000 students in 2009 at its Confucius Institutes in Kyrgyzstan and Tajikistan (two of six in Central Asia; the other four are in Kazakhstan and Uzbekistan). In parallel, Beijing has also encouraged the development of the SCO University, a network of some 56 universities across member states that will help pool knowledge as well as train the next generation of SCO leaders mindful of their regional heritage.

China's reasons for this interest are not, of course, entirely altruistic. It shares a border with the Central Asian states of over 3,000 kilometres and, since the Qing dynasty unification of China in 1759, the region has been the source of at least two dozen major disturbances in China's western provinces. In some cases, this has expressed itself in the form of Islamistinspired violence, like the East Turkestan Islamic Movement, elements of which are believed to have trained in the past with the Taliban and al-Qaeda. Rioting regionally often has an ethnic flavour; communities involved



treatment systems in Uzbekistan, electricity grids in Kyrgyzstan and a high-speed rail link between Astana and Almaty are merely some of the projects being carried out by Chinese contractors.

At a strategic level, Beijing sees the development of the region as a way to turn it once again into a key route from East to West and a land bridge between Asia and Europe. All of this shows why China is so eager to see the SCO function as an effective regional actor.

Developing the grouping as a security actor also helps assuage broader Chinese strategic

security establishment continue to fear Nato expansion, and see a gradual American encirclement with US forces in Japan, South Korea, Afghanistan (and parts of Pakistan), while American ally India completes the circle on their southern border. The development of a Chinese-instigated security alliance to the west provides China with a growing degree of influence over regional security decisions.

But what does China want for the future? Beijing hopes to build on the first decade of the SCO to deepen "three goods" in the region – "good neighbours, good partners and good friends". The aim is to ensure the best interests both of China and the Central Asian states, and to create a genuine "community of interests". But these parameters need to be pushed to make the SCO a more capable actor in reacting to large-scale regional problems. The SCO is fundamentally a Chinese creation, albeit one that uses the language of communal decision-making. To alter the balance of this statement, China needs to find ways of strengthening its soft-power capacity in

the region. The grouping needs to find further ways of showing it is working as an effective organisation beyond the large-scale annual pint training exercises. Ultimately, these missions are only of use if they translate into joint operations to deal with the very serious security threats that exist in the SCO's neighbourhood.

The time of Great Games in Central Asia is now over. Learning this, China has taken a holistic approach to the region using the SCO as its key vehicle for engagement. As we pass the first decade of its life, we can see that the story so far has been one of gradual growth. By using the SCO and language of communal interests, China has managed to gradually ingratiate itself with the region and advance its cause without overpowering others. For the next 10 years, look to see much of the same.

Smart choice

Kelly Yang says tutors

should rely on more than good looks and jokes to help students learn, because their appeal doesn't last



or years, Hong Kong's star tutors have capitalised on a formula that has made them millions – education as entertainment. Star tutors like Richard Eng and Kelly Mok have branded themselves as not just teachers, but also rock stars, attracting hundreds of students to their classes and mesmerising them with their cool looks, stylish clothes, latest gadgets and expensive cars. But are these star tutors right? Should the future of education be like watching a show?

The big tutoring agencies, among them King's Glory, Modern Education and Beacon College, lead Hong Kong's HK\$400 million industry. These big players operate on a business model of charging a relatively small fee per student but packing them in. As such, star tutors need vast numbers of students, sometimes hundreds per class. And in Hong Kong's cutthroat tutoring industry, the pressure is high for the classes to be as entertaining as possible. When I talk to students who go to these

institutions, they say their star tutors often swear in class, sing, and even tell inappropriate sex jokes. Unlike their conservatively dressed teachers, the female star tutors wear high heels and miniskirts. Tutors add their students to Facebook and often talk in the same text-speak lingo. Students were quick to point out the advantages. "We can't help but put our iPod Touches down and listen," said one.

Is this where education is heading? And if it seems to be working, is this bad? After all, education experts have recently acknowledged that Generation Y children are harder to teach. With all their gadgets and addiction to instant gratification, children now have a harder time paying attention and staying focused. Yet, they still need to learn "mundane" subjects like calculus. Is the solution simply for teachers to jump up on a table? Or write obscenities on the whiteboard?

As much as I'd like to say "no", I have to admit that when education is entertaining, more often than not, it works. The fact is that in most secondary schools in Hong Kong, teachers struggle with students who are falling asleep in class, listening to their iPods, or texting on their phones. Ironically, the cram schools do not seem to have this problem. It used to be that introducing technology to the class would be enough to grab students' attention. But what do we do when technology on its own is no longer sexy?

The truth is that education as entertainment works. No child would ever turn down a hilarious, attractive teacher. However, we do not want to teach children that the reason you pay attention is because a person looks nice. Over time, it stops working because the one thing even more stimulating than listening to an attractive person is listening to someone who is really smart.

The problem with the tutoring schools is that they

are also present in China. More recent troubles have stemmed from the high volume of drugs flowing through the region from Afghanistan and other regional producers.

Beyond security, Beijing also sees opportunity in Central Asia. The region is rich in raw materials and hydrocarbons, something China's 9 per cent annual growth needs to maintain its vigour. And Central Asian states need China's cheap products and capacity to build large infrastructure projects. Water

security concerns. Elements in the Chinese

China needs to find ways of strengthening its soft power capacity in the region

Lifan Li is a researcher at the Shanghai Academy of Social Sciences (SASS) and Raffaello Pantucci is a visiting scholar at SASS and a China programme associate at the European Council on Foreign Relations do not think children can figure out the difference between a teacher who is really great at teaching and one who is just popular. But they can. So, instead of spending so much money on their appearance, star tutors should take a leap of faith and believe in our city's students. And just teach.

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Everyone will profit from PCCW business trust spin-off

Albert Cheng believes it will help shore up Hong Kong's status as a financial hub

'ong Kong's role as a leading financial centre in Asia has become increasingly important, not only in the region, but also the world. The powerful earthquake that struck Japan in March rocked more than just the country's physical infrastructure; its status as one of Asia's top financial centres was affected. Meanwhile, Singapore - Hong Kong's other major competitor - lacks our inherent advantage: having an economic superpower as a backer.

Hong Kong is well positioned to reap tremendous benefits from the internationalisation of the renminbi and the mainland's move to advance its monetary system.

It should not become complacent and must develop innovative financial products to further develop its capability if it wants to remain a vital part of the "Nylonkong" triumvirate – a term coined to represent New York, London and Hong Kong, which form a network that facilities the global economy.

Hong Kong has always been good at attracting foreign capital and investors. Recently, top foreign brands and companies have been eyeing the Hong Kong stock exchange for their initial public offerings to raise capital. Manchester United and Italian fashion house Prada are just two examples. It goes to show Hong Kong's attractiveness as the city of choice for listing and will help to make the city a hub for famous products.

But, in terms of developing new financial products, we are not as

proactive as Singapore. At the beginning of the year, Hutchison Whampoa, a Hong Kong-listed ports-to-telecoms conglomerate, announced plans to spin off its port operations in southern China and list it in Singapore as a business trust. That listing was the largest business transaction for the island state.

The business trust model was unheard of in Hong Kong, which prompted Hutchison to go elsewhere. Meanwhile, Hong Kong's biggest phone company, PCCW, recently won approval to list its telecoms operation as a business trust. It is now working with relevant regulatory authorities to formulate the necessary legal framework to facilitate its listing.

A business trust is a type of income trust, somewhat similar to the more popular real estate investment trust. If a company has achieved steady growth and has good liquidity to satisfy the requirements of high cash dividend yield, it will be qualified to spin off its business for listing through a business trust. This will certainly provide investors with another high-

yielding investment option. Following the spin-off, PCCW's telecoms business will be listed and operated independently through a business trust, and is expected to bring in a steady income for investors. The spin-off will also allow the company to further expand and develop its business divisions, including PCCW Solutions and PCCW Media, which last year reported earnings of around HK\$2.1

billion and HK\$2.38 billion, respectively.

The business trust model will bring numerous benefits to PCCW. It will help unleash the potential value of its communications assets, identify the fair value of its telecoms operation, allow the capital raised to be reinvested in business expansion and help with debt reduction. The bottom line is that the model

creates value for shareholders and investors.

We have to understand that a business trust model is not equivalent to privatisation and it's unfair for some to criticise it. The truth is that the spin-off activity will allow PCCW to raise capital to boost its financial position to bring longterm benefits to the company and shareholders.

In fact, this may only be the beginning. Other businesses, such as public utilities and infrastructure companies, could take a leaf out of PCCW's book.

Not only does this listing method create a win-win situation for the company and investors, it can also help diversify investment options by generating more creative products to reinforce our reputation as an international financial centre.

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India's emergence as aid donor is welcome

Shashi Tharoor says nations in Asia and Africa are benefiting from the focus on capacity development

The recent India-Africa summit in Addis Ababa, Ethiopia, at which India's government pledged US\$5 billion in credit to African countries, drew attention to a largely overlooked phenomenon - India's emergence as a source, rather than a recipient, of foreign aid.

For years after independence, India was seen as an impoverished land of destitute people, in need of international handouts.

But, with the liberalisation of the Indian economy in 1991, the country embarked on a period of dizzying growth. During this time, India weaned itself from dependence on aid, preferring to borrow from multilateral lenders and, increasingly, from banks. Most foreign-aid programmes have dwindled or been eliminated.

Today, the proverbial shoe is on the other foot. India has emerged as a significant donor to developing countries in Africa and Asia, second only to China in the range and quantity of assistance given by developing countries.

The Indian Technical and Economic Co-operation Programme, set up in 1964, now has money to offer, in addition to training facilities and technological know-how. India has also built factories, hospitals and parliaments in various countries, and sent doctors, teachers and IT professionals to treat and train the nationals of recipient countries.

In Asia, India remains by far the largest single donor to its neighbour Bhutan, as well as a

generous aid donor to Nepal, the Maldives, Bangladesh and Sri Lanka. In Afghanistan, India's assistance already amounts to over US\$1.2 billion - modest from the standpoint of Afghan needs, but large for a non-traditional donor and is set to rise further.

In Africa, India's strength as an aid provider is that it is not an overdeveloped power, but rather one whose own experience of development challenges is both recent and familiar. African countries, for example, look at China and the US with a certain awe, but do not believe they can become like either of them. Moreover, unlike China, India does not descend on other countries with a heavy governmental footprint. Nor do Indian employers come with an overwhelming labour force that lives in ghettoes or impose their ways of doing things on aid recipients. Finally, India accommodates itself to aid recipients' desires.

Its focus on capacity development, its accessibility and its long record of support for developing countries have made India an increasingly welcome donor. This could not have been imagined even 20 years ago, and it is one of the best consequences of India's emergence as a global economic power.

Shashi Tharoor, a former Indian minister of state for external affairs and UN undersecretary general, is a member of India's parliament. Copyright: Project Syndicate

Will one Saudi woman's brave act steer change?

Mai Yamani finds hope in a campaign to overturn the misogynist ban on female driving

The unexpected visibility and assertiveness of women in the revolutions unfolding across the Arab world have helped propel the "Arab spring" The contrast between this

dynamic space for open protest and Saudi Arabia could hardly be starker. Saudi women find themselves living in a petrified system. Nowhere else in the world do we see modernity experienced as such a problem. Skyscrapers rise out of the desert, yet women are not permitted to ride with men in their lifts. Nor are they allowed to walk in the streets, drive a car or leave the country without the permission of a male guardian.

Yet globalisation knows no limits. Nine-year-old Saudi girls chat online. Many women remain secretly glued to satellite television channels, watching their peers in the public squares of Egypt or Yemen, beyond their reach but not

beyond their imagination. Last month, a brave woman named Manal al-Sharif dared to defy the ban on women driving. For the next week, she sat in a Saudi prison. But, within two days of her detention, 500,000 viewers had watched the YouTube video of her excursion. Thousands of Saudi women, frustrated and humiliated by the ban, have vowed to stage a "driving day" this Friday.

Saudi Arabia is the only country in the world that forbids women to drive cars. This system of confinement is justified neither by Islamic texts nor by the nature of the diverse Saudi society.

The Saudi judicial system is one of the most formidable obstacles to women's aspirations, relying on Islamic interpretations that protect a patriarchal system. Thus, Saudi women are barred from the legal profession on the basis of a Wahhabi stricture that "a woman is lacking in mind and religion". In other words, the rule of law in Saudi Arabia is the rule of misogyny.

Saudi rulers have announced that demonstrations are haram-a sin punishable by jail and flogging. Now some clerics have pronounced driving by women to be foreign-inspired haram, punishable in the same way. Yet, despite such threats, thousands of Saudi women joined "We are all Manal al-Sharif" on Facebook, and other videos of women driving have also appeared on YouTube.

They, too, have been detained. But activists are nonetheless insisting that driving a car is their legitimate right, and are eloquently demanding the removal of restrictions and an end to women's dependency.

Rosa Parks' revolutionary bravery in refusing to move to the back of a municipal bus in Montgomery, Alabama, in 1955, helped spark the American civil rights movement. We shall soon find out whether Manal al-Sharif's defiance of the Saudi regime's systemic confinement of women produces a similar effect.

Mai Yamani's most recent book is Cradle of Islam