**SCMP Article**

**Can business and politics mix, in the US or HK?**

Like nearly everyone, I was surprised by the election of Donald Trump as president of the United States. I don’t remember any election that has produced such strong emotions or uncertainty. His victory is a warning that the world really is changing. Hong Kong is not alone in experiencing anger about high housing costs, influxes of outsiders, declining opportunities and rising inequality. In much of the developed world, it seems people have lost confidence in mainstream leaders and economic policies.

Without angry voters, it is hard to see how someone like Trump could have been a serious contender. He has no experience in government, and he made some outrageous remarks during the campaign. In particular, there are huge questions about whether he can handle both public office and his business activities.

Here in Hong Kong, the public and media are always on the lookout for politicians who might have conflicts of interest. Chief executive Tung Chee-hwa cut himself off from his family’s business when he took office – and has stayed away ever since, just to be sure.

Today, Chief Executive Leung Chun-ying is attacked for his payment from UGL. It was connected to an agreement not to compete with the company in future. Opponents claim he should have declared it on taking office. But the real issue is appearances. Just the perception that something might not be right can be enough to make people doubt your integrity.

Trump’s business connections are on a totally different level. He has a property and hotel empire that is inevitably exposed to US government policy on issues like tax and labour. In other words, his future decisions as president could directly affect his own businesses’ profitability. Indeed, it is hard to see how they cannot. He has major holdings overseas, in countries including Turkey, Saudi Arabia, India, South Korea and the Philippines. His own foreign policy decisions could potentially affect those businesses. In some cases, his foreign investment partners are connected with politicians or political parties.

His companies also have major loans from overseas banks, including Deutsche Bank, which was recently investigated by the US government, and Bank of China, which is of course state-owned. The real estate industry depends heavily on credit, so his companies could have a direct interest in the way new banking regulations are formed. Although federal laws against conflicts of interest exempt the president, some experts think he could be acting unconstitutionally if any foreign official pays his companies for services – even perhaps just a night in a hotel.

Critics are calling for him to put all his assets into a blind trust. This would mean liquidating his entire business empire – including an irreplaceable real-estate portfolio. The money would then be invested by an independent third party, with all details kept from him. Instead, his children will continue to be involved in his businesses once he is in the White House.

In Hong Kong, just a tiny fraction of this exposure to business would make it impossible for someone to occupy a top government position. Even declared ownership of simple assets like an apartment can lead to accusations of a conflict of interest.

The blind trust idea would be a deal-breaker for many local businesspeople thinking of going into government. To take my own case, I would have to sell the family company, which several generations have cared for and grown, for well over half a century. I doubt whether many local business owners could imagine sacrificing the family heritage for a few years in public office.

In Hong Kong, this would restrict the pool of political talent. Without business and professional figures, we would have to limit top government positions to civil servants and maybe academics or community workers. Maybe that is a price worth paying to avoid conflicts of interest.

And yet – Americans have voted for someone with this huge amount of wealth exposed to his own future policies. It looks like a major risk, and they seem prepared to take it. Either they will end up regretting it as corruption spreads, or we will have to rethink the dangers of conflicts of interest.