

# **On the Core Requirements and the Basic Objectives of the “One Country, Two Systems” Policy**

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On 1<sup>st</sup> July 2012, the President of the People’s Republic of China (PRC) Hu Jintao gave an important speech at the Meeting Celebrating the 15<sup>th</sup> Anniversary of Hong Kong’s Return to the Motherland and the Inaugural Ceremony of the Fourth-term Government of the Hong Kong Special Administrative Region (SAR). He summed up the core requirement and basic objective of practicing the “One Country, Two Systems” policy, drawing upon its theoretical evolution and practice since the founding of the Hong Kong SAR. He said, “The fundamental goal of the principles, policies and major steps of the Central Government for Hong Kong is to safeguard state sovereignty, security and development interests and to ensure long-term prosperity and stability in Hong Kong. This is the core requirement and basic objective of practicing the ‘One Country, Two Systems’ policy in Hong Kong.” The report to the 18<sup>th</sup> National Congress of the Communist Party of China (CPC) reaffirmed the spirit of Hu’s speech and stressed, “The underlying goal of the principles and policies adopted by the Central Government concerning Hong Kong and Macao is to uphold China’s sovereignty, security and development interests and maintain long-term prosperity and stability of the two regions.” Hu Jintao’s succinct summary of the core requirement and basic objective of the “One Country, Two Systems” policy, in a scientific manner, provides a clear guide for a better understanding of the “One Country, Two Systems” policy and a beacon for setting our direction forward under new conditions, which requires our enhanced understanding.

## **I. Peaceful Reunification and Territorial Integrity are the Premise of the “One Country, Two Systems” Theory**

The “One Country, Two Systems” theory was first proposed by Deng Xiaoping in the 1980s. Why did Deng Xiaoping put forward this theory at that particular juncture?

China had remained a divided state due to foreign invasions since the Opium War. In 1949, the mainland of China achieved unification under the CPC after foreign invaders were expelled and the Kuomintang regime retreated to an island. However, China as a whole in the 1980s was yet to achieve complete unification. China had by then just come out a decade of turmoil caused by the Cultural Revolution and much remained to be done in national reconstruction. The 3<sup>rd</sup> Plenary Session of the 11<sup>th</sup> National Congress of the CPC endorsed a new national strategy of reform and opening up. Under such conditions, China needed to review the approach and strategy for national reunification and the principle of “One Country, Two Systems” was thus put forward by the Chinese Government for achieving unification of the Mainland and Taiwan, and of the Mainland and Hong Kong and Macao. Deng Xiaoping elaborated the rationale for adopting the “One Country, Two Systems” policy. He said, “The concept of ‘One Country, Two Systems’ has been formulated

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according to China's realities, and it has attracted international attention. China has not only the Hong Kong Question to tackle but also the Taiwan Question. What is the solution to these questions? As for the second, is it for socialism to swallow up Taiwan, or for the 'Three Principle of the People' preached by Taiwan to swallow up the Mainland? The answer is neither. If the problem cannot be solved by peaceful means, then it must be solved by force. Neither side would benefit from that. Reunification of the motherland is the aspiration of the whole nation. If it cannot be accomplished in 100 years, it will be in 1,000 years. As I see it, the only solution lies in practicing two systems in one country."<sup>1</sup> Thus, the "One Country, Two Systems" idea meant an approach for achieving national reunification through peaceful means based on China's realities. What were China's realities then? China was disunited, with the split regions practicing different societal systems. The dominant Mainland part of the country practiced a socialist system while Taiwan, Hong Kong and Macao the capitalist system. Further, the British and Portuguese had respectively occupied Hong Kong and Macao, and China was subject to constraints and interference by the Western bloc led by the United States. On the domestic front, China had the capability to achieve national unity by force. However, given consideration for avoidance of war in the interest of the nation, the Chinese Government proposed a path to peaceful reunification through the "One Country, Two Systems" approach, basically retaining existing systems in the different regions. Thus, peaceful reunification is the premise for and fundamental objective of the "One Country, Two Systems" policy. Without the premise of national unification or territorial and sovereign integrity, the notion of "One Country, Two Systems" would not have existed.

## **II. The Core Requirement of the "One Country, Two Systems" Policy: Resumption of Exercise of Full Sovereignty and Jurisdiction over Hong Kong by the State**

The British imperialists seized the Chinese territory of Hong Kong following the Opium War in 1840. The Chinese people had since carried out ceaseless struggles to regain sovereignty over Hong Kong in their efforts for national unity and sovereign / territorial integrity. In the early 1980s, China and Britain began negotiations on the Hong Kong Question. The Chinese Government proposed the "One Country, Two Systems" approach for its resumption of sovereignty over Hong Kong. "Our basic position on the Question of Hong Kong is clear. There are three major issues involved. One is sovereignty. Another is the way in which China will administer Hong Kong so as to maintain its prosperity after 1997. And still another is the need for the Chinese and British Governments to hold appropriate discussions on ways to avoid major disturbances in Hong Kong during the 15 years between now and 1997."<sup>2</sup> Deng Xiaoping stressed in particular, "On the question of sovereignty, China has no room for maneuver. To be frank, the question is non-negotiable."<sup>3</sup> The British Government was not willing to give up, tried to haggle with China on the question of sovereignty, and proposed returning sovereignty over Hong Kong in exchange for continued British administration of Hong Kong after 1997. The British scheme met resolute rebuttal by the Chinese Government, which stressed that sovereignty and jurisdiction were inseparable and the question was non-negotiable. As for the approach adopted by the Chinese Government for Governance of Hong Kong after 1997, i.e. the system to be practiced in Hong Kong, the Chinese Government would proceed from the consideration for Hong Kong's prosperity and stability. The United Kingdom eventually had to accept Chinese government's position. The *Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong* (hereinafter as "the Sino-British Joint Declaration") clearly stated, "the Government of the People's Republic of China has decided to resume the exercise of sovereignty over Hong Kong with effect from 1 July

1997;” “The Government of the United Kingdom declares that it will restore Hong Kong to the People’s Republic of China with effect from 1 July 1997.”

The fundamental objective of the “One Country, Two Systems” policy is for China to resume exercise of sovereignty over Hong Kong, which is clearly stipulated and fully guaranteed by the Sino-British Joint Declaration later further stipulated legal provisions to ensure resumption of exercise of full sovereignty and jurisdiction over Hong Kong by the state, which were formulated in accordance with Article 31 of the *Constitution of the People’s Republic of China* (hereinafter as “the Constitution”) and provisions in the Sino-British Joint Declaration.

1. The *Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China* (hereinafter as “the Hong Kong Basic Law”) defines in unequivocal terms the nature of the state and legal status of the Hong Kong SAR, indicating that Hong Kong being a non-sovereign territory.

Article 1 of the Hong Kong Basic Law stipulates, “The Hong Kong Special Administrative Region is an inalienable part of the People’s Republic of China.” Its Article 12 provides that “The Hong Kong Special Administrative Region shall be a local administrative region of the People’s Republic of China, which shall enjoy a high degree of autonomy and come directly under the Central People’s Government.” These provisions illustrate that China is a unitary state and Hong Kong as non-sovereign territory is a local administrative region of China. Article 2 of the Hong Kong Basic Law stipulates, “The National People’s Congress authorizes the Hong Kong Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of this Law.” This provision illustrates that all the powers of the Hong Kong SAR are vested by the Central Government, rather than inherent as in sovereign authority.

2. The Central Government directly exercises certain important powers of jurisdiction on matters concerning state sovereignty, while granting other powers to the SAR Government.

According to provisions of the Hong Kong Basic Law, the powers of jurisdiction directly exercised by the Central Government chiefly include: enacting the Hong Kong Basic Law (third paragraph in preamble), the right to amend the Hong Kong Basic Law (Article 159), interpretation of the Hong Kong Basic Law (Article 158), legal review (Articles 17 and 160), steering development of government form (Articles 45 and 68), appointment of senior officials (Article 15), national defense and foreign affairs (Articles 13 and 14), and decisions on major matters (Article 48 and 8).

3. The Central Government exercises supervision over Hong Kong’s high degree of autonomy, including its exercise of administrative powers that were formerly held by the Central Government and now vested in Hong Kong, and the exercise of autonomy in the SAR.

4. The Central Government has the right to change the scope of powers it vests in the SAR Government, by amending the Hong Kong Basic Law (Article 159), giving further authorization (Article 20) or declaring a state of war or emergency in Hong Kong (Clause 4 of Article 18).

It is therefore evident that relevant provisions of the Hong Kong Basic Law embody the core requirement of the “One Country, Two Systems” policy, i.e. ensuring the exercise of sovereignty and jurisdiction over Hong Kong by the state.

### **III. British Government’s Reluctant Acceptance of the “One Country, Two Systems” Policy and Its Scheming and Strife against the Chinese Government**

#### **3.1 British Government’s Reluctant Acceptance of the “One Country, Two Systems” Policy**

It is worth noting that the resumption of exercise of sovereignty over Hong Kong by the

Chinese Government using the "One Country, Two Systems" approach was not all plain sailing. The British Government only rather reluctantly accepted the "One Country, Two Systems" policy and the resumption of exercise of sovereignty over Hong Kong by the Chinese Government.

Initially, the British Government had intended in their negotiations with the Chinese Government to extract recognition of legality and effect of the three unequal treaties entered between the British and Chinese governments in the 19<sup>th</sup> century. With such recognition, it had hoped to reach certain agreement with the Chinese Government to turn Hong Kong into an independent or semi-independent political entity, or give the Chinese Government nominal sovereignty over Hong Kong while keeping it under the control of Britain or its political allies. In her memoirs *Downing Street Years*, Margaret Thatcher revealed the original British intention, "to develop a democratic structure in Hong Kong as though it was its aim to achieve independence or self-government within a short period, as it had done with Singapore. ... We might also consider using referenda." On 18<sup>th</sup> July 1984, the British Government in Hong Kong published a *White Paper on the Further Development of Representative Government in Hong Kong*, which gave an indication of the British intent on its arrangement for Hong Kong, which was to develop so-called "democracy" in the territory and exert control over the direction of its political system. Its key points included a) developing a system of representative government the authority for which is rooted in Hong Kong, in the name of "returning government authority to the people"; b) making the role of the Chief Executive insubstantial and creating a situation of "ruling Hong Kong by the British" without their actual presence. The British plan was resolutely opposed to and rejected by the Chinese Government. The focus of contention between China and Britain was not on whether a socialist or capitalist system should be practiced in Hong Kong after 1997, but if full sovereignty over Hong Kong should be returned to China or only nominally so, with actual control retained by the British. In other words, both the core issue in Sino-British talks and the core requirement of the "One Country, Two Systems" policy concern the question of sovereignty over Hong Kong. The Chinese Government indicated firmly that fully regaining sovereignty over Hong Kong is a prerequisite for practicing the "One Country, Two Systems" policy in Hong Kong. If the British Government were to refuse Chinese Government's position, the Chinese Government would recover Hong Kong in the manner it chose. If "the Chinese and British fail to reach any agreement, China would have to reconsider the timing and manner of recovering Hong Kong."<sup>4</sup> Apparently, the fundamental objective of Chinese Government for the "One Country, Two Systems" policy is to ensure its exercise of full sovereignty over Hong Kong. Short of achieving this objective, Chinese Government would not use the "One Country, Two Systems" approach in recovering Hong Kong. After weighing different options for British interests, the British Government concluded that reaching an agreement with the Chinese Government would better guarantee long-term interests of the British in Hong Kong, than having no agreement and the Chinese Government making a unilateral takeover.<sup>5</sup> Thus, the core issue about the "One Country, Two Systems" policy is to ensure, in a peaceful way, the exercise of sovereignty over Hong Kong by the Chinese Government. The British Government was at last compelled to accept the plan proposed by the Chinese government.

The author of *Margaret Thatcher*, a biography published in the United Kingdom, commented in connection with her handling of the Hong Kong Question, "Thatcher was a realist statesperson. Although she was tough and unyielding, she knew that the Chinese government would take over Hong Kong in 1997 one way or the other; on this there was little she could do."<sup>6</sup>

These facts show that regaining full sovereignty over Hong Kong was a precondition for Chinese Government's approach to recover Hong Kong through the "One Country, Two Systems" policy. Only under the condition of China's exercise of full sovereignty over Hong Kong, would the Chinese Government at its discretion grant a high degree of autonomy for Hong Kong and allow it to keep its capitalist system and way of life unchanged for 50 years. Thus, ensuring the

exercise of Chinese sovereignty over Hong Kong is the premise and cornerstone of the “One Country, Two Systems” policy. The notion that practicing capitalist system in Hong Kong is the core requirement of the “One Country, Two Systems” policy, or the practice of capitalism and Hong Kong being an inalienable part of the PRC have the same level of importance, reveals a lack of understanding and even misinterpretation of the core requirement of the “One Country, Two Systems” policy.

### **3.2 Misinterpretation of the “One Country, Two Systems” policy by the British Government and its allies according to their own political agenda**

In accordance with the “One Country, Two Systems” principle, the Chinese Government was to recover full sovereignty and jurisdiction over Hong Kong as an SAR of China, which the British Government had no choice but to accept. However, before the ink was dry on the Sino-British Joint Declaration, the British Government began to use its position in Hong Kong in systematic destruction of the Sino-British Joint Declaration, hoping to recover what it had failed to achieve in the negotiations.

According to the Sino-British Joint Declaration, the British Government should restore Hong Kong to the PRC with effect from 1<sup>st</sup> July 1997. “It is clear that according to *the Joint Declaration* the British Government should return the power to rule over Hong Kong directly to the Chinese government in 1997. As for how the Chinese government would delegate the power it had recovered to the SAR government comprising of Hong Kong people is China’s internal matter.”<sup>7</sup> However, on 21<sup>st</sup> November 1984, a few days before the signing of the Sino-British Joint Declaration, the British Government in Hong Kong unilaterally issued the *White Paper on the Further Development of Representative Government in Hong Kong*, laying out its plan for the development of a representative government in Hong Kong. Its “ultimate goal for a representative system of government is to return the political powers vested in officers appointed by the British government to leaders elected by the people of Hong Kong who represent authoritatively the views of, and are more directly accountable to, the people of Hong Kong.”<sup>8</sup> The British Government attempted to substitute “returning government to China” with “returning government to the people”, so as to change and weaken the sovereign authority that the Chinese Government was to exercise over Hong Kong. This contravened the essence of the “One Country, Two Systems” policy and the spirit of the Sino-British Joint Declaration. Thereafter, Chris Patten, the last British Governor of Hong Kong, continued to violate provisions of the Sino-British Joint Declaration and agreements reached between the two governments, meddling with political arrangement, pushing for so-called democracy in Hong Kong, and attempting to institute measures that would change and weaken the sovereign authority that the Chinese Government was to exercise over Hong Kong. In response, the Chinese Government took a series of counter-measures, cancelling the agreed arrangement for the Legislative Council of Hong Kong elected under British rule to remain for direct transition on a “through train” to be the Legislative Council of the Hong Kong SAR. The Chinese side decided on a different approach and saw to the establishment of a Provisional Legislative Council to initiate the political transition in Hong Kong and ensure exercise of full sovereignty by the Chinese Government after 1997.

### **3.3 Opposition attempts, chiefly driven by external forces, to change the nature of the SAR after its establishment in Hong Kong**

On 1<sup>st</sup> July 1997, the Chinese Government resumed the exercise of sovereignty over Hong Kong. In accordance with provisions of the Hong Kong Basic Law, the Central Government issued a decree for the establishment of the Hong Kong SAR and began exercise its authority over Hong Kong. Following the establishment of the SAR, the opposition forces advocated “referendum”, “city-state autonomy movement”, and even took out Hong Kong emblem of the era of British rule

in their street demonstrations for "Hong Kong independence", all in contravention of the Hong Kong Basic Law. Such actions that challenged the essence of the "One Country, Two Systems" policy were completely wrong. A series of articles under the heading of "Path for Pluralism and Opposition" and written by Ho Chun-yan, leader of the Democratic Party in Hong Kong and flag bearer of the opposition, were published by *Ming Pao* on 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> May 2011, expounding the opposition's agenda and roadmap for opposing the "One Country, Two Systems" policy and advocating the concepts of "One Country, One System" or "Two Countries and Two Systems" for Hong Kong. These articles, which served as a rare negative example of the opposition opinions, contained the following key points.

First, Ho Chun-yan refuted the legitimacy of Chinese Government's resumption of exercise of sovereignty over Hong Kong, indicating opposition's goal for an ideal new order and political system in Hong Kong. His assessment of Hong Kong's political reality is that Hong Kong is a "besieged city" under the de-facto rule of the Chinese Government. China had allowed the opposition in Hong Kong a marginalized role out of consideration for its own political and economic interests. The opposition should not be content with such a role in a "besieged city", but rather should take advantage of the unique historic juncture and the opportunity to play a profound, far-reaching and decisive role at the critical juncture.

Second, Ho Chun-yan unmistakably stated, "Hong Kong should endeavor to win democracy not from the SAR Government and the Chief Executive, but rather from the CPC leadership in Beijing that rules over the entire country and the Central Government under the CPC." The opposition's goal was to rally forces in opposition to the Central Government, to change fundamentally the socialist system practiced on the Chinese Mainland and achieve the goal of "One Country, One System". "We should never forget that every little step we take in Hong Kong means moving forward of the nation as a whole, which is a significant task. We should endeavor to change the mindset of the power elite on the Mainland and spread the notion that the whole country needs to move progressively and orderly toward democracy (including establishing a timetable and roadmap acceptable to the people), so as to establish legitimate rule and authority vested with popular support." Ho Chun-yan stressed. "When we open the door to democracy, it may seem for Hong Kong only, but in fact it can very well be for whole China."

Third, the opposition forces in Hong Kong have adopted a well-defined goal and method in its attempt to change the "One Country, Two Systems" policy and achieve the goal of "One Country, One System". It is to leverage Central Government's relaxed policy for Hong Kong, in persistent efforts to mobilize grassroots support, exert pressure both in and outside the Legislative Council and win compromise and concessions from the government. They try to inch forward and extract every possible gain to effect irreversible change of substance through cumulative progress. Their strategy is so-called "path dependency", to use a theoretical term. Specifically, they aim first to win over the Legislative Council in order to paralyze the SAR Government, push for general election in hope of taking over the office of the SAR Government, and effect system change for whole China by rallying anti-Communist forces worldwide, in Taiwan and on the Mainland.

This is the roadmap designed by the Hong Kong opposition to change the "One Country, Two Systems" policy, destabilize Chinese sovereignty over Hong Kong, and eventually subvert and change the government on the Mainland. This was also the background of Hu Jintao's call in his report to the 18<sup>th</sup> National Congress of the CPC. He stressed that to safeguard state sovereignty, security and development interests and to ensure long-term prosperity and stability in Hong Kong "is the fundamental goal of the principles, policies of the Central Government for Hong Kong and core requirement of the 'One Country, Two Systems' policy".

## **IV. Adhering to Core Requirement and Fundamental Goal of the “One Country, Two Systems” Policy and Governing the SAR According to the Basic Law**

Ho Chun-yan’s statements, alarming though they may sound, could not change the fact of Hong Kong being an SAR of China. It served at best to remind us the “One Country, Two Systems” policy was not recognized and accepted by all. There were people who were prepared to change the socialist system on the Mainland to achieve so-called the goal of “One Country, One System”, or to push for Hong Kong independence to achieve an alternative goal of “Two Countries, Two Systems”. Whatever the opposition may attempt, we should adhere to the “One Country, Two Systems” policy and the Hong Kong Basic Law and uphold steadfastly the core value of the “One Country, Two Systems” policy, so as to achieve the fundamental objective of the “One Country, Two Systems” policy.

### **4.1 The core requirement of the “One Country, Two Systems” policy is to ensure China’s exercise of full sovereignty over Hong Kong**

With an aim to ensure the exercise of sovereignty over Hong Kong, the Hong Kong Basic Law has made many important provisions. The Central Government should properly exercise its powers defined in the Hong Kong Basic Law and maintain a sound relationship with the SAR that should eventually be institutionalized by law. The Central Government should not concede to any attempts by any department of the SAR government in whatever manner to challenge or supersede its authority, setting any bad precedent for “path dependency”.

### **4.2 Adequately ensure and supervise the exercise of powers vested in, and fulfillment of obligations required of, the SAR government**

Rights entail corresponding obligations. To ensure adequate exercise of a high degree of autonomy by the SAR Government according to the Hong Kong Basic Law, the Central Government should not interfere in matters within the scope of powers of the SAR Government. Meanwhile, the state should monitor and urge the SAR government to fulfill its legal obligations. For example, legislation in relation to national security is a matter of national significance and its completion is required of the SAR government explicitly by Article 23 of the Hong Kong Basic Law. It is a constitutional obligation that the SAR governments should fulfill. It was originally within the scope of the Central Government’s legislative authority and then delegated to the SAR per Basic Law. If Hong Kong were to fail to fulfill this obligation, a corresponding national law could be made applicable to Hong Kong in accordance with the Hong Kong Basic Law.

### **4.3 The Hong Kong SAR as a non-sovereign territory**

It should be made perfectly clear that Hong Kong is an administrative region of China and a non-sovereign territory. It is wrong to regard its administrative, judicial powers and the power of final adjudication as those only belonging to a sovereign state and using this as basis for advocating a new political structure.

### **4.4 Enhancing economic integration of the Mainland and Hong Kong and paying attention to Hong Kong’s prosperity, stability and development**

Ensuring the stability and prosperity of Hong Kong through the practice of the “One Country, Two Systems” policy has always been an important objective of the “One Country, Two Systems” policy. With continuous advancement of China’s modernization, the level of economic development on the Mainland has gradually caught up with and even surpassed that of Hong Kong. Following its return in 1997 and the Asian financial crisis, Hong Kong has been able to weather various crises with the support of the Mainland. Hong Kong belongs to China. Its successful

economy and economic system once provided support and useful lesson for economic development on the Mainland. The reality is that today Hong Kong needs the support of the Mainland more. Especially, it has to integrate itself into the economic development on the Mainland to avoid its economy being marginalized and to ensure its long-term stability and prosperity. The Central Government has realigned its policy timely, incorporating the economic development of Hong Kong into national economic development plan, with emphasis on cooperation between Hong Kong, Shenzhen, Guangdong and the entire Mainland for greater prosperity in Hong Kong. We should further promote economic cooperation and integration of the Mainland and Hong Kong, building a more stable and prosperous Hong Kong in the spirit of the Report to the 18<sup>th</sup> National Congress of the CPC. All this is in keeping with the requirement of the "One Country, Two Systems" policy.

#### **4.5 Adhering to the executive-led political system as defined by the Hong Kong Basic Law, and safeguarding this system as an important requirement of the "One Country, Two Systems" policy**

Deng Xiaoping made a special comment on the political system in Hong Kong after 1997, in addition to emphasizing keeping Hong Kong's capitalist system and way of life unchanged for 50 years, when talking about the "One Country, Two Systems" policy and Hong Kong's stability. He said, "In addition to stable economic development, Hong Kong needs a stable political system. As I have said, at present Hong Kong has a political system that is different from the ones in Britain and the United States, and it will not copy any Western system in future either. Arbitrarily copying Western systems would cause unrest, and that would be very harmful. This is a very practical and serious problem."<sup>9</sup> Following Deng Xiaoping's suggestion, the SAR system defined by the Hong Kong Basic Law is a system that ensures patriots forming the main body of administrators and is executive-led. Its practice for more than a decade has demonstrated smooth functioning, ensured the exercise of full sovereignty by the Chinese Government, safeguarded democracy and freedom of the people of Hong Kong, and advanced its social stability and economic prosperity. However, the naysayers in the West and Hong Kong have refused to accept and attempted to change this system, to break out from the "besieged city" and fundamentally undermine the "One Country, Two Systems" policy. In order to defend the "One Country, Two Systems" policy, and safeguard national sovereignty and Hong Kong's stability and development, we should unwaveringly adhere to the basic principle of governing Hong Kong by patriots and advance Hong Kong's constitutional development in accordance with the Hong Kong Basic Law and mandates of the Central Government.

### **V. Direction and Future of the "One Country, Two Systems" Policy for Hong Kong after 2047**

On 8<sup>th</sup> November 2012, Andrew Li Kwok-nang, a former Chief Justice of the Hong Kong SAR, said in his speech at the University of Hong Kong, "In reality, the future of 'One Country, Two Systems' will have to be discussed and settled within one country well before the end of the 50 years in 2047, probably around 2030."<sup>10</sup> Johannes Chan, Dean of the Faculty of Law at the University of Hong Kong, also said, "Many banks give loans with a maximum term of 25 years secured against land titles... Many large construction projects are carried out under contracts of 20-, 30-year terms. To start discussions about 'remaining unchanged for 50 years' in 2030 will be a bit too late and can perhaps start earlier."<sup>11</sup> Commentators in Hong Kong pointed out that the call for earlier discussion of arrangement for Hong Kong after 2047 was aimed "to extend the term of keeping 'previous capitalist system and way of life' unchanged for 50 years to 'perpetuity'<sup>12</sup>,



within the boundaries of Hong Kong with a territory of 1,100 square kilometers.” Such status quo in a peripheral “besieged city” would allow it time and opportunity to break the siege and to “play a profound, far-reaching and decisive role” and “open the door to democracy which may seem for Hong Kong only, but in fact can very well be for the whole of China.”

It may indeed be too early to discuss questions of direction and future of the “One Country, Two Systems” policy in Hong Kong after 2047. However, these questions, either from a practical or legal perspective, will be unavoidable. We need to consider the following when discussing direction and future of the “One Country, Two Systems” policy in Hong Kong after 2047.

### **5.1 Careful assessment as to if the core requirement and basic objective of the “One Country, Two Systems” policy are fulfilled in Hong Kong**

As we know, Deng Xiaoping’s goal when proposing the “One Country, Two Systems” policy was very clear: a) to resume sovereignty over Hong Kong in a peaceful way and to safeguard national sovereignty and security interest; b) to safeguard China’s development, ensure implementation of the policy for reform and opening up and to ensure long-term stability and prosperity of Hong Kong. Deng Xiaoping said, “We have solemnly promised that our policy towards Hong Kong will remain unchanged for 50 years after 1997. Why 50 years? There is a reason for that. Not only do we need to reassure the people of Hong Kong, but we also have to take into consideration the close relation between the prosperity and stability of Hong Kong and the strategy for the development of China. The time needed for development includes the last 12 years of this century and the first 50 years of the next.”<sup>13</sup>

It is worth noting that what has happened in Hong Kong since handover has shown that the fundamental objective of the “One Country, Two Systems” policy set forth by Deng Xiaoping is being realized. Hong Kong has become an SAR of China; China’s economy has sustained steady growth, becoming the world’s second largest; Hong Kong has maintained stability and prosperity, having weathered many an economic and political storm with support of the Mainland. For many years, Hong Kong has ranked as the world’s freest economy. We have every reason to believe that the Mainland and Hong Kong will be more stable and more prosperous moving toward 2047. Since we have realized the fundamental objective established by the “One Country, Two Systems” policy, looking forward, should we be content with our achievements and remain stationary, or consider the design of relationship between the Mainland and Hong Kong from the perspective of a higher goal for the country’s sovereignty, unity, strength and prosperity?

### **5.2 Determining the direction and future of the “One Country, Two Systems” policy in Hong Kong in accordance with China’s realities around 2047**

Why did the Chinese Government institute the “One Country, Two Systems” policy in Hong Kong in the first place? As Deng Xiaoping said, the concept of “One Country, Two Systems” had been formulated according to China’s realities.<sup>14</sup> What were China realities then? First, China had by then just come out of a decade of turmoil caused by the Cultural Revolution and much remained to be done in national reconstruction. The 3<sup>rd</sup> Plenary Session of the 11<sup>th</sup> National Congress of the CPC endorsed the strategy that started the process of China’s reform and opening up. China needed a peaceful domestic and international environment for its development. Second, Hong Kong was still under British rule and had achieved a level of development much higher than that of the Mainland. China needed to maintain Hong Kong’s stability and prosperity while resuming exercise of sovereignty over Hong Kong. Third, China’s level of development was relatively rather low then. As Deng Xiaoping said, “The People’s Republic of China shall become an economic power in not too long a period of time,” and China “is already a political power now.” China needed to “unify” and develop the country adopting the “One Country, Two Systems” policy.<sup>15</sup> By 2047, China will definitely achieve its intended goals of national development, putting China among the moderately

developed countries. According to projections by international entities, Chinese economy is expected to surpass that of the United States in 2025, making it the world's largest. By 2045, the size of Chinese economy will be twice that of the United States. By 2047, the economies of China and Hong Kong will well have been integrated. By then, do we still need arbitrary separation between the system of Hong Kong and that of the Mainland?

### **5.3 Considering the direction and future of the "One Country, Two Systems" policy in Hong Kong in accordance with political realities of China and Hong Kong around 2047**

The process of formulation, implementation and practice of the "One Country, Two Systems" policy in Hong Kong was the outcome of multiple factors on the part of China and Britain and in the world, rather than a unilateral wish of the Chinese Government. In the early 1980s, whether China could resume sovereignty over Hong Kong using the approach of "One Country, Two Systems" depended largely on Britain's acceptance of this arrangement. Deng Xiaoping said, "To settle the Hong Kong Question peacefully, we had to take into consideration the actual conditions in Hong Kong, in China and in Great Britain. In other words, the way in which we settled the question had to be acceptable to all three parties... So the only solution to the Hong Kong Question that would be acceptable to all three parties was the 'One Country, Two Systems' arrangement."<sup>16</sup> In fact, the British were reluctant to accept the "One Country, Two Systems" approach at early stages of Sino-British negotiations and wanted a "One Country, One System" situation under de-facto British control. The Chinese Government stressed on multiple occasions that if the two sides "could not reach an agreement on China's recovering Hong Kong with the 'One Country, Two Systems' arrangement, China will proceed to reconsider the timing and manner for recovering Hong Kong." In the same light, to continue the practice of the "One Country, Two Systems" policy in Hong Kong after 2047 or not is entirely China's internal matter.

What justification will there be for continuing the "One Country, Two Systems" policy in Hong Kong after 2047? To accommodate remaining British elements that might still be round, or the opposition that wants to break the "siege"? To keep a "besieged city" for the opposition as a façade for "democracy", or as an example for a solution of Taiwan Question? In the author's view, none of these will be valid consideration by then. According to China's development plan and actual progress, China's GDP and per capita income, using 2010 as baseline, will double by 2020. It will be nearly three decades from 2020 to 2047. According to the most conservative estimate, its GDP and per capita income will double again. The goal of being among the moderately developed countries that Deng Xiaoping hoped China would achieve in 50 years will have been realized by then. The Chinese Mainland and Hong Kong will reach the same level of economic development. Will there be need for an example for Taiwan? In the author's view, if Taiwan were still not reunified with the Mainland and China should still remain a divided country after 35 years, wouldn't General Secretary Xi Jinping's notion of Chinese Dream, the dream of achieving the great revival of the Chinese nation, be merely empty talk? I am convinced that by and beyond 2047, China will not feel compelled any more by political considerations to practice the "One Country, Two Systems" policy, a policy adopted under special conditions of the 1980s. Nor will there be any need for such an arrangement for Hong Kong. By then, China will be a unified, democratic, powerful, prosperous, and highly civilized nation. The "One Country, Two Systems" policy will become a page in history, as testimony to the wisdom, rationality, peacefulness and civilization of the Chinese nation.

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- <sup>1</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 67.
- <sup>2</sup> *Ibid.*, 12.
- <sup>3</sup> *Ibid.*
- <sup>4</sup> *Ibid.*, 85.
- <sup>5</sup> See the White Paper on Initialing the Joint Declaration by the Government of China and the Government of the United Kingdom issued by the British Government. 26<sup>th</sup> September 1984.
- <sup>6</sup> Xu Linling (2007). If There Was Only One Woman at the Negotiation Table: an Interview with the author of *Margaret Thatcher*. *Nanfang People Weekly*. July 2007.
- <sup>7</sup> Chen Hung-yee Albert (1986). *Hong Kong's Legal System and the Basic Law*. Hong Kong: Wide Angle Press. 133
- <sup>8</sup> *Ibid.*
- <sup>9</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 267.
- <sup>10</sup> A Commentary on the *Linhe ZaoBao*. 9<sup>th</sup> November 2011.
- <sup>11</sup> *Ibid.*
- <sup>12</sup> Zhou Bajun (2012). Hong Kong's Development Must Transcend Time and Geographic Boundaries. *Hong Kong Economic Journal*. 17<sup>th</sup> and 18<sup>th</sup> November 2012. A12.
- <sup>13</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 267.
- <sup>14</sup> *Ibid.*, 59.
- <sup>15</sup> *Ibid.*
- <sup>16</sup> *Ibid.*, 101-102.