

# A Study on the Advantages and Development of the “One Country, Two Systems” Theory

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## I. Advantages of the “One Country, Two Systems” Policy

### 1.1 Advantages of the “One Country” principle

What the “One Country” principle brings to the residents in Hong Kong and Macao is not only responsibilities and obligations, but also glory, pride, rights and freedoms, and even new chances and opportunities. To avoid the development marginalization of Hong Kong and Macao, we must fully exploit the connotation and value of the “One Country” principle, and seize the opportunities brought by the “One Country” policy. We shall realize that the “One Country” principle is not a burden, but the assets of Hong Kong and Macao, and the new advantage and new growth point; we shall make full use of various benefits brought by the “One Country” principle, and get a positive understanding of the “One Country” principle.

#### 1.1.1 Political advantage

##### 1.1.1.1 Constitution guarantee

Firstly, the two Special Administrative Regions (SARs) will be guaranteed by the *Constitution of the People’s Republic of China* (hereinafter as “the Constitution”). The Constitution is the fundamental law of China, which stipulates the fundamental systems and tasks of the state, and has the highest legal force.<sup>1</sup> The Article 31 of the Constitution stipulates that: “The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People’s Congress in the light of specific conditions.”

Correspondingly, the Article 62 of the Constitution stipulates that: “The National People’s Congress decides on the establishment of special administrative regions and the systems to be instituted there”. When explaining the provisions of the Constitution, Peng Zhen said, “We are never ambiguous in safeguarding China’s sovereignty, unity and territorial integrity, and meanwhile, we are flexible in specific policies and measures.”<sup>2</sup>

Secondly, the “Two Systems” idea is a basic state policy. Relevant provisions in Article 31 of the Constitution have made principle design and authorization on the “One Country, Two Systems” policy. It has turned out that the “One Country, Two Systems” policy is a basic state policy confirmed by the Constitution instead of an expedient.<sup>3</sup> As is pointed out by Deng Xiaoping, “it is neither an emotional impulse nor playing tricks for us to take the approach of ‘One Country, Two Systems’ to solve the Hong Kong Question. Completely from the reality, we take full consideration into the historical and actual situation of Hong Kong.”<sup>4</sup>

With the guarantee of the Constitution, it has both established the legal basis for the establishment of the *Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China* (hereinafter as “the Hong Kong Basic Law”) and the *Basic Law of the Macao*

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*Special Administrative Region of the People's Republic of China* (hereinafter as "the Macao Basic Law"), ensured the status and nature of the SARs, and meanwhile, straightened out the relationship between the Central Authorities and the SARs, and stabilized the trust and confidence of the residents in the SARs in the "One Country, Two Systems" policy.

#### *1.1.1.2 Political participation*

It is believed in the Marxist Theory of State that the political participation refers to the political behavior of ordinary citizens affecting the political power structure by legitimate way.<sup>5</sup> Under the background of the "One Country" principle, the SARs expand the opportunities and levels of political participation, and increase the rights to defend the state interests. After relieved from their offices, Tung Chee-hwa, the first Chief Executive of the Hong Kong SAR, and Edmund Ho Hau-wah, the first Chief Executive of the Macao SAR, have served as Vice Chairman of Chinese People's Political Consultative Conference (CPPCC) successively, and the Chinese citizens in the SARs can participate in the National People's Congress (NPC) and the elections of members of CPPCC, which is an opportunity for political participation that never happened before the return. The residents in the SARs have not only the opportunity for political participation of the state level, but also have the opportunity for political participation of the international level. Margaret Chan Fung Fu-chun, the former Director of Health in the Hong Kong Government served as the Director-General of the World Health Organization (WHO) on behalf of China in 2007, becoming the first Chinese that taking the position since the establishment of the organization in 58 years ago.<sup>6</sup> This is the first Chinese citizen that ever takes the highest position in international organizations since the beginning of Hong Kong's history. After all, it is the guarantee of the "One Country" principle.

With the opportunity and level to expand the political participation, the SARs will have the right of discourse, and can defend the national interests in the SARs, the state and the world with action.

#### *1.1.1.3 Political mutual trust*

The so-called political mutual trust refers to the trust and confidence between the superstructures. The fundamental reason for the easiness of getting the foundation for political mutual trust under the "one country" is "same root". China has been adhering to the principle of faith since ancient times, and the Chinese Government is the government worthy to be trusted. It is pointed out in the Annual Global Credibility Report of 2011 issued by Edelman (Edelman Global Public Relations), one of the worlds's five largest public relation firms that the Chinese Government ranked as the first in the world with the credibility of 88%.<sup>7</sup> Deng Xiaoping once said, "We, the Central Government and the Central Committee of the Communist Party of China, have been keeping our words internationally, even in the turbulent times in the past. It is the tradition of our nation to keep the words, which is not uniquely happened in this generation."<sup>8</sup> The Central Government believes in the SARs. Deng Xiaoping had ever said, "As for the Sino-British Joint Declaration, we not only believe that we will abide by it, but also believe that the British will abide by it, and the compatriots in Hong Kong will better abide by it."<sup>9</sup> "We shall believe that the Chinese in Hong Kong can govern Hong Kong well."<sup>10</sup> As for the SARs, it must be fully understood that the relationship between the SARs and the Central Government is a unified and subordinate relationship. In case of difference discrepancies, we shall take it as the top priority to defend the interests of the "One Country" principle; otherwise, there will be no "two systems".

### **1.1.2 Economic advantage**

#### *1.1.2.1 Brought into national development planning*

It is closely connected with the national development plans of every five years for China to become the world's second largest economy, the main production base and a huge consumer market. Many countries want to join in the economic circle related with China, so as to share the economic results of China's development plan. However, under the "One Country" principle, the

two SARs need no roundabout, and is directly brought into national development planning, to participate in national production and division, and share the fruits, which is not only the highlighted advantages of “a country”, but also the inevitable choice of “One Country” and “Two Systems”. In early 2006, the Central Government mentioned Hong Kong in the “11<sup>th</sup> Five-Year Plan” for the first time, pointing out that we shall strengthen the cooperation between the Mainland and Hong Kong, support Hong Kong to development the service industry such as finance, shipping, tourism and information, and maintain the standing of Hong Kong as an international financial, trade and shipping center. On 18<sup>th</sup> October 2010, the 5<sup>th</sup> Plenary Sessions of the 17<sup>th</sup> Central Committee of the Communist Party of China (CPC) passed the “12<sup>th</sup> Five-Year Plan”, and continued to bring Hong Kong and Macao into the national planning: “Keep the long-term prosperity and stability of Hong Kong and Macao.” “We shall strengthen the exchanges and cooperation between the Mainland and the two Special Administrative Regions; continue to implement closer economic partnership arrangement. We shall deepen the cooperation between Guangdong, Hong Kong and Macao, and promote the harmonious economic and social development. We shall support Macao to build tourism and leisure center and promote the moderate economic pluralistic development.”<sup>11</sup>

It is of great significance to bring Hong Kong and Macao into national development planning: Firstly, the progressive relationship between the “sovereignty” and the “governance” is no longer a one-way political affiliation, but is an opposite economic interaction, which is benefit to consolidate the “sovereignty” and the development of the “governance”. Secondly, it can make the development of the SARs stand on a high point to fully play their economic advantages, including participation in the national division, world organization and economic circles. Thirdly, it helps the SAR enter the international market. Behind the international market, there are state games with the game results largely depending on the non-economic dominant factors (political and military).

#### *1.1.2.2 Strong backup of development*

The “One Country” principle is the staunch supporter of the existence of the “Two Systems” situation. Without the foundation of the “One Country” principle, it is impossible for the development of the “Two Systems” policy. The “principle of equity” pursued by modern concept of national competition cannot be separated from “the Law of the Jungle” of Hobbes. We have been warned by the history that the strength of the “One Country” principle is closed related to the safety of the SARs and the ups and downs of the economy. It is a demonstration when Hong Kong and Macao were colonized by other countries in the late Qing Dynasty. If the new China was not established, what would be the situation in Hong Kong and Macao? The answer is obvious.

In addition to the anti-trap jungle (preventing from invasion), the staunch support for development also include the environmental conditions and nutrients required by the jungle. For example, as Hong Kong and Macao are small in land and deficient in resources, the problems such as water, electricity and food necessary for the life of the people, the production shortage problems during the development process, or the economic sustainable development can get the great support of the national policy under the “One Country” policy.

#### **1.1.3 Building “harmonious” culture**

Hu Jintao had ever said, “the Chinese civilization has always given prominence to social harmony, unity and mutual assistance. Back in the early days of the Chinese nation, the Chinese already advocated that ‘harmony is most valuable’. They strove for harmony between man and nature, among people and between man’s body and soul, and yearned for an ideal society where ‘everyone loves everyone else, everyone is equal, and the whole world is one community’.”<sup>12</sup> The “harmony in diversity”, the uniform thought containing the differences and opposites, constitutes the philosophical theoretical basis of the “valuable harmony” thought in Chinese traditional culture.<sup>13</sup>

“Harmony” is the culture foundation for building theoretical system of socialism with Chinese

characteristics. The thought of "harmony" is profound with a long history. On one hand, it has become a "soft power" to unite the nation, condense the national spirit and national consciousness, and promote the development of China's modernization; and on the other hand, it has also become the state theory to consolidate the China's sovereignty and develop the local governance. Cao Deben pointed out in his book *Chinese Traditional Culture* that: The Chinese traditional culture is a relatively stable cultural pattern formed and developed by the Chinese nation in ancient Chinese society. It is the crystallization of wisdom of Chinese nation with various forms. But the core system is the ideology, namely, the ideological system that embodies the subject consciousness of the Chinese nation formed by integrating and absorbing various thoughts and foreign ideology and culture with Confucianism as the main basis.<sup>14</sup>

Under the "One Country" theory, the cultural exchanges must be more frequent, and the ideological collision is inevitable. However, Hong Kong and Macao have always been the societies of the Chinese. The harmonious culture of China will have a positive effect, integrate with the local development, and form the mainstream value, whereas, the ideological collision is just a process of cultural integration.

## **1.2 Advantages of the "Two Systems" policy**

### **1.2.1 Systematical advantages**

The complete political connotation of the "Two Systems" policy is that, at the premise of one China, the mainland as the state subject maintains a socialist system, whilst Hong Kong, Macao and Taiwan are inalienable parts of China, and can retain the original capitalist systems and way of life. The two different systems shall be mutually recognized and respected, and both remain unchanged for a long term.

#### *1.2.1.1 Socialist system*

Firstly, promoting productivity. Deng Xiaoping pointed out that, we believe that the socialism is superior to the capitalism system, with the superiority that it has better conditions for developing social productivity than capitalism. Marxism believes that the socialism is superior to the capitalism system, and the social productivity growth rate is higher than that of the capitalism. The superiority of socialism over the capitalism not only lies in the nice noun, but also lies in the higher productivity growth rate than that of the capitalism. How to compare the socialism with the capitalism? It is the comparison of the productivity development. As a result, the socialist system is superior to the capitalist system. Without the productivity development, there will be no superiority of the socialism. The basic theoretical foundation for recognizing the relation between the system and the productivity is theory about the two basic social contradictions, namely, social relationship between the productivity and the production and the economic foundation and superstructure. It is the advantage of the system to adapt to and promote the development of the productivity. Any system will lack existence rationality in case of a departure from this principle.

Secondly, reaching social consensus. The socialist economy is based on public ownership, and the production is to meet the people's material and cultural needs to the maximum extent instead of exploitation. Due to these characteristics of the socialist system, the Chinese people have common political, economic and social ideals and common ethical standards, which seem impossible for the capitalist society. Social consensus is the foundation for the national development and social harmony. There are many factors for the formation of the social consensus of a country, and the institutional factor is of great importance. Compared with all kinds of previous social forms, the outstanding characteristic of socialist system is that it has the advantage of interest representative, therefore, it can furthest gather and represent the interests of the masses, benefit the formation of the social consensus and set up the common morality and value conception.

Thirdly, orderly development of democracy. The superiority of the socialist system must be reflected in the politically creation of democracy, which is higher and more practical than that of

the capitalist countries, and cultivating more talents that are more excellent than those countries. Deng Xiaoping said, “the democratic centralism is also our superiority. This kind of system is more conducive to unite the people, and is far better than the western democracy.”<sup>15</sup> In terms of the system of multi-party cooperation and political consultations, Deng Xiaoping believed that it was one of the characteristics and advantages of China’s political systems. As for the political system reform, Deng Xiaoping pointed out, the purpose is to develop the socialist democracy, and arouse the enthusiasm of the people and the grass-roots units. Without democracy, there would be no socialism. The higher the development of socialism is, the higher the development of democracy. With the guidance of Deng Xiaoping Theory, the understanding of socialist democracy of the CPC is increasingly growing. It was stressed at the 17<sup>th</sup> National Congress of the CPC that the democracy was the life of the socialism, and it is the most critical for adhering to the development path of socialist democratic politics with Chinese characteristics to give full play to the institutional advantage of the socialist system.

#### *1.2.1.2 Capitalist system of Hong Kong and Macao*

First, remaining unchanged for 50 years. The Basic Laws stipulate that, the socialist system and policies shall not be practiced in the two SARs, and the previous capitalist system and way of life shall remain unchanged for 50 years. Deng Xiaoping said, “the reason for remaining unchanged for 50 years is not only to reassure the public of Hong Kong, but also take the consideration that the prosperity and stability of Hong Kong are closely connected with the development strategy of China.”<sup>16</sup> Deng Xiaoping’s speech highlighted the development advantages of the capitalism of Hong Kong and Macao.

(1) Stability. 50 years is half a century, which can reassure the people’s minds. As long as the minds of the people are reassured, the prosperity can be assured. (2) Strategy. “The reason for remaining unchanged for 50 years is not only to reassure the public of Hong Kong, but also take the consideration that the prosperity and stability of Hong Kong are closely connected with the development strategy of China.” There is very far-reaching strategic deployment in this sentence. Firstly, we shall ensure the prosperity of Hong Kong. How to ensure that? We shall give full play to the advantage of the “One Country” principle, including the policy supports in the political, economic, cultural and diplomatic aspects, rather than leaving them alone after the return of Hong Kong and Macao. Secondly, we shall set up the model of the “One Country, Two Systems” policy. How to set it up? We shall not only ensure that the capitalist system and way of life in the two SARs remain unchanged for 50 years, and shall promote the modernized development of the capitalism and progress in the way of life in Hong Kong and Macao within 50 years, so that the residents can live and work in peace and contentment, and enjoy the human rights and freedoms with synchronized material and spiritual improvement. As long as the overall development of Hong Kong and Macao is improved within 50 years, the “One Country, Two Systems” policy will stand the test of practice, and the residents of Taiwan will take a relatively objective view on the “One Country, Two Systems” policy, which is conducive to the peaceful negotiation of both sides, and realizing the goal of peaceful reunification of the motherland. Thirdly, we shall promote the development of the socialist system. Although the socialist system is more scientific than the capitalist system in essence, for truly scientific development, we have to be realistic, draw on the successful development experience, and blend the outlook on scientific development of the socialist system. The capitalist system of Hong Kong and Macao has the development history of over a century. Under this system, Hong Kong has become one of the Asian Tigers, with the economic strength comparable with that of Singapore and South Korea. As a region, it can be comparable with a country, which proves that the system has advantages and strong points worthy learning.

Second, unchanged private property system. As is stipulated in the Basic Laws, the private property systems of the SARs are protected by law. The private property system is the core of the capitalist system. The fundamental reason that the capitalist system is generally accepted in the

world with the summit development is that the personal private property can be effectively protected by the law. With the capitalism, everyone is desperately chasing the maximization of individual interests and continue to drive the development of productivity, production mode and production relations. Therefore, this point has been clearly written in the Basic Laws, which basically ensure the advantages of productivity under the capitalist system of Hong Kong and Macao, as it not only protects the individual interests, but also meets the investment desire of the capitalists. Wang Weiguang pointed out in the book *On Interest* that "Individual interests are original cells of the dynamical structure of the interests."<sup>17</sup> With the individual interests, the dynamical structure of the interests can be maintained; the capitalists will not escape; and the promise of Deng Xiaoping on reassuring the people's minds can be fulfilled.

Third, unchanged Libreville market position. There are relevant provisions in the Basic Laws that it is guaranteed that the Libreville market positions of Hong Kong and Macao remain unchanged, including free ports, free trade policies, Agreement on Tariffs and Trade and other aspects. Libreville field is an important feature of traditional capitalist system, arguing that the government shall not intervene in the laissez-faire market with self-regulation, and constituting the production power of the capitalist system together with the legal protection of private property. In the Libreville field, Hong Kong and Macao can utilize their own advantages to build a global platform, keep closer economic and trade exchanges and cultural communications with each country, and meanwhile, and play the intermediary role of China and other countries in the world to promote "made in China" to the world, and bring world advanced technology, capitals and management experience into China.

### **1.2.2 The exercise of a high degree of autonomy**

The political ethics of the "Two Systems" policy is that: with the main structure of the state, the CPC, the sole ruling party in mainland China, exercises the sovereignty on behalf of the state, while Taiwan, Hong Kong and Macao, the SARs, and can effectively implement the administration power, including political, legal, military and other institutional constructions. Under the principle of "One Country, Two Systems", Hong Kong and Macao enjoy a high degree of autonomy and practise the policy "Hong Kong people ruling Hong Kong" and "Macao people ruling Macao" respectively.

It has been expressly stated in the preambles of the Basic Laws that in accordance with the Constitution, the NPC enacted the Hong Kong Basic Law and the Macao Basic Law respectively applicable to the Hong Kong SAR and the Macao SAR, prescribing the systems to be practiced in the two SARs, in order to ensure the implementation of the basic policies of the People's Republic of China (PRC) regarding Hong Kong and Macao.

Formulated in accordance with the Constitution, the Basic Laws are also called as "mini-constitutions" of the respective SARs.<sup>18</sup> The main role of the Basic Laws is to clearly state the structure and relationship between the sovereignty and the governance with legal provisions of a higher level.

Firstly, clearly stating the sovereignty of "One Country". For example, in the preambles of the Hong Kong Basic Law and the Macao Basic Law, it is clearly pointed out that China resumed the exercise of sovereignty over Hong Kong and Macao with effect from 1997 and 1999 respectively; Article 1 of Chapter I General Principles of the Hong Kong Basic Law and the Macao Basic Law respectively states that the two SARs are inalienable parts of the PRC; Article 2 states that the NPC of the PRC authorizes the SARs to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication. In Chapter II, Article 12 states that the two SARs shall be the local administrative regions of the PRC, which shall enjoy a high degree of autonomy and come directly under the Central Government; Article 13 and Article 14 state that the Central Government shall be responsible for the foreign affairs and defense of the two SARs; Article 15 states that the Central Government shall appoint the Chief Executive

and the principal officials of the executive authorities of the two SARs in accordance with the provisions of the Basic Laws.

Secondly, ensuring the “governance” of the SARs. For example, it is stipulated in the Basic Laws that, the NPC of the PRC authorizes the two SARs to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication.<sup>19</sup> The socialist system and policies shall not be practiced in the two SARs, and the previous capitalist system and way of life shall remain unchanged for 50 years.<sup>20</sup> The administration and legislature of the two SARs is constituted by the permanent residents of the two SARs in accordance with the Basic Laws.<sup>21</sup> The land and natural resources within the two SARs shall be state property. The Governments of the two SARs shall be responsible for their management, use and development and for their lease or grant to individuals, legal persons or organizations for use or development. The revenues derived therefrom shall be exclusively at the disposal of the Governments of the SARs.<sup>22</sup> Chinese citizens who are residents of the two SARs shall be entitled to participate in the management of state affairs according to law.<sup>23</sup> The Chief Executives of the two SARs shall be selected by election or through consultations held locally.<sup>24</sup> The two SARs shall enjoy the rights to formulate and implement policies; to conduct administrative affairs; to draw up and introduce budgets and final accounts; and to draft and introduce bills, motions and subordinate legislation.<sup>25</sup> The two SARs shall use their financial revenues exclusively for their own purposes, and they shall not be handed over to the Central Government. The Central Government shall not levy taxes in the two SARs.<sup>26</sup>

The Basic Laws have defined the affiliation, the source of power and clear division of responsibilities of the sovereignty and governance in the legal form at a higher level. The Basic Laws specify the systems to be implemented in the two SARs, and also ensures the implementation of the basic policies of the state on Hong Kong and Macao.

The greatest advantage of the two SARs is the high degree of autonomy authorized by the Basic Laws. There are totally 9 articles (including Article 1, Article 12, Article 20, Article 94, Article 116, Article 117, Article 138, Article 139 and Article 140) related to the authorization of the Central Government in the Basic Laws. Article 2 of the General Principles is the article related to the overall authorization items, which states that, the NPC authorizes the two SARs 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 the Basic Laws. This is a special authorization criterion. The high degree of autonomy of the SARs is the autonomy (including that of final adjudication) is the world’s highest in level and widest in range.<sup>27</sup>

With the high degree of autonomy, the two SARs can play the original institutional advantages.

(1) Policy autonomy. The Basic Laws stipulate that the SARs shall enjoy the rights to formulate and implement policies; to conduct administrative affairs; to draw up and introduce budgets and final accounts; and to introduce bills and motions and to draft administrative regulations. With the policy autonomy, the SAR Governments can promote the sustainable economic development by formulating relevant policies. For example: Enhancing the regional cooperation through policies, and absorbing the technology, labor, land, capital and raw materials from the surrounding areas to settle the problems of the shortage of production factors; improving the investment environment by policies to attract foreign investment; encouraging self-improvement and professional development by policies to achieve full employment; promoting the education reform by policies to realize the great plan of bringing up a generation of people within a hundred years, etc.

(2) Legislative autonomy. The Basic Laws stipulate that the SARs have legislative power. The two SARs can realize the autonomy through legislation. On the one hand, as is required by the social and economic development, we shall timely conduct the legislative revisions or additional

legislation, so as to better avoid institutional rigidities. On the other hand, it can promote the reforms of the rule of law reforms and build the society with the rule of law.

(3) Independent judicial power, including that of final adjudication. The Basic Laws stipulate that the SARs enjoy independent judicial power, including that of final adjudication. The two SARs can make use of the independent judiciary and final adjudication system to maintain a fair, just and righteous society.

## **II. Normal Playing of the Advantage of the "One Country" Principle**

The "One Country, Two Systems" policy is connected with the achievement of the peaceful reunification target of the state and the great national rejuvenation, and therefore is the long-term national policy of China. Deng Xiaoping once said, "Today, I'd like to talk about the problem of remaining unchanged. The policy of Hong Kong will remain unchanged for fifty years since 1997 when she returns to the motherland, including the Basic Law formulated by us, which will be in charge for at least fifty years. I have to say that it is unnecessary to change after fifty years. The status of Hong Kong will remain unchanged; the policies on Hong Kong will remain unchanged; the policies on Macao will remain unchanged; and the policies on Taiwan will also remain unchanged fifty years after the reunification problem is settled in accordance with the 'One Country, Two Systems' policy."<sup>28</sup> He also said that, "I'll be gone at that time, but I believe our successors will know this truth."<sup>29</sup>

At the premise of the long-term state policy of "One Country, Two Systems", how should we take the advantage?

### **2.1 Defending the "One Country" principle**

What does it mean of defending the "One Country" principle? It is required to take the core interest of the state as the top priority. What is the core interest of the state? Deng Xiaoping has ever said, "China's sovereignty and security shall be always put at the first place."<sup>30</sup> Therefore, defending the "One Country" principle means safeguarding the national security and defending China's sovereignty.

#### **2.1.1 Safeguarding national security**

The national security is closely connected with the survival or extinction of the nation, and every Chinese citizen has the responsibility and obligation to safeguard it. Without the country, there will be no homes; and without homes, there will be no individual interests. This kind of interest affiliation is extremely simple. The Hong Kong SAR and the Macao SAR are inalienable parts of China, and enjoy the institutional arrangements such as the policies of "One Country, Two Systems", "Hong Kong people ruling Hong Kong", "Macao people ruling Macao", and a high degree of autonomy, with the advantages unmatched by other domestic provinces, municipalities and autonomous regions. Both belonging to the "one country" – the PRC, the two SARs are the biggest beneficiary. As the biggest beneficiary, Hong Kong and Macao shall take the greatest efforts to safeguard the national security. Because there are inalienable interest relations between them – namely, without the foundation of the "One Country" principle, there will be no existence of the "Two Systems" policy.

In accordance with Article 23 of the Hong Kong Basic Law and the Macao Basic Law, the two SAR Governments shall enact laws on their own to prohibit any act of treason, secession, sedition, subversion against the Central Government, or theft of state secrets, to prohibit foreign political organizations or bodies from conducting political activities in the SARs, and to prohibit political organizations or bodies of the SARs from establishing ties with foreign political organizations or bodies. The Basic Laws adopt "self-independent legislation" instead of "compulsory legislation",

and have not mentioned the legislation timetable, which is obviously a political test for the Hong Kong SAR and the Macao SAR. Normally, in consideration of the national security and the interests of the SARs, the Hong Kong SAR and the Macao SAR shall attach great importance to the self-independent legislation at the beginning of establishment. However, the fact is not. Macao passed the legislation in 2009, but Hong Kong has not passed the legislation till now. It indicates that the Hong Kong SAR and the Macao SAR do not have the concept of “One Country first” and “Two Systems later” or have different opinions in the idea of “One Country” with the “belatedly realization” or “unconsciousness” in the national security problems formed. In contrast, the problem of Macao is less serious as the Article 23 has been passed, which is only “belatedly realization” and a reflection of political chaos; but Hong Kong has not initiated relevant legislative procedures till now, and the Hong Kong SAR Government, the political parties, and the citizens have not yet reached a consensus, which seems relatively serious. It is no longer simple political chaos, but a deep political ideology – the ideological opposition of socialism and capitalism. In this case, the legislation is likely to be on the Greek calends. If the national security is threatened, the mutual political trust between the Central Government and the SARs will be damages, which will be adverse to the development of the “Two Systems” policy. Wu Bangguo, the former Chairman of the NPC, said, “the Hong Kong SAR will have as many authorities as the Central Government grants”<sup>31</sup>, which indicates the affiliation relationship between the “sovereignty” and “governance”?

The legislation, stipulated in the Article 23 of the Basic Laws, is a major political challenge for the two SARs in safeguarding the national security. Although Macao has passed the legislation, it does not mean that the national security has been safeguarded. The legislation is only the beginning of safeguarding, the real political test lie in the earnest implementation of the law and effective safeguarding of the national security. As for Hong Kong, relevant legislation has not been passed till now. The political test could become a political storm or political challenge, which has weekend the mutual political trust basis between the central government and the SAR government to a certain extent, and will be definitely adverse to the development of the Hong Kong SAR in the long run. On the contrary, if Hong Kong and Macao have been preparing for the legislation, stipulated in the Article 23 of the Basic Laws, with foresight at the beginning of the establishment of the two SARs, and attach great importance to safeguarding the national security, Hong Kong and Macao will not only pass the great challenge, but also help to consolidate the mutual political trust basis between the Central Government and the two SARs. Meanwhile, it will acknowledge the local governments of the mainland know that the institutional arrangement of the “One Country, Two Systems” policy is based on the core interest of the state, and is not a kind of special treatment. In accordance with the Article 20 of the Basic Laws, the Hong Kong SAR and the Macao SAR may enjoy other powers granted to it by the NPC, the Standing Committee of the NPC or the Central Government.

In general, to give better play of the institutional arrangement of the “One Country, Two Systems” policy, the two SARs shall not only do well in the legislation, stipulated in the Article 23 of the Basic Laws, but shall strictly implement it, and truly safeguard the national security. Only in this way can the mutual political trust between the Central Government and the SARs can be consolidated with more conditions for the “governance” arrangement. The key is that the Hong Kong SAR and the Macao SAR have to make prompt decisions and handle the affairs in accordance with the law with foresights in the problems related to national security.

### **2.1.2 Defending China’s sovereignty**

Deng Xiaoping’s idea of China’s sovereignty may be summarized as follows: In the territorial sovereignty, the prescription of insisting on the principle of China’s sovereignty shall remain unchanged; China’s sovereignty shall be superior to the human rights; and the economic advance shall be the basis of China’s sovereignty. Deng Xiaoping once said, “There are many disputes in the word. We have to find out a solution to the problems. I have been thinking for years that what

kind of methods we shall take. We shall take a peaceful way instead of the means of war to solve this problem. The way of unification of the mainland and Taiwan put forward is reasonable and rational. After the reunification, Taiwan will continue the capitalism, while the mainland will continue the socialism, but it is a unified China."<sup>32</sup> The "One Country, Two Systems" theory proposed by Deng Xiaoping has realized the successful and peaceful reunification of Hong Kong and Macao, which makes the sovereignty thought of Deng Xiaoping with the prescription of insisting on the principle of China's sovereignty in terms of the territorial sovereignty more prominent. It can also be understood that defending the national sovereignty is the ultimate goal, and the "One Country, Two Systems" is the means to defend.

To achieve better performance in the practice of the "One Country, Two Systems" policy, the two SARs shall not be disaffiliated from the prescription of insisting on the principle of China's sovereignty at the great premise, which shall remain unchanged, and shall have firm determination of defending.

(1) Defending the territorial integrity. At present, China's foreign relations issues related to China's sovereignty and territorial issues include the Taiwan Question, the Hong Kong Question, the Macao Question, the Nansha Islands Question, and the Diaoyu Island Question, etc. Although it is regulated in the Article 13 of the Basic Laws that the Central Government shall be responsible for the foreign affairs related to the Hong Kong SAR and the Macao SARs, it does not mean that Hong Kong and Macao have no defending power in these questions. As long as it has not surpassed relevant regulations on the authorities in Article 13, both Hong Kong and Macao can defend the China's sovereignty and territorial integrity. For example, the SAR Government issued relevant declarations; and the national education – inviting renowned domestic experts to Hong Kong and Macao to deliver speeches on China's sovereignty and territorial integrity, etc.

(2) Opposing the interference of other countries in China's internal affairs by making use of the Hong Kong SAR and the Macao SAR. At present, there are still some countries with ulterior motives making use of the Hong Kong SAR and the Macao SAR to make a fuss, attack the "One Country, Two Systems" policy, criticize the dictatorship of the CPC, distort the human rights situation in China, and damage the freedom status in the Hong Kong SAR and the Macao SAR. It is a serious challenge to China's sovereignty, and Hong Kong and Macao shall stand up to defend it. Earlier, the Hong Kong SAR Government responded to *Report to the Sino-US Economic and Security Review Commission of the U.S. Congress in 2010*: "The part related to Hong Kong in the Report to the Sino-US Economic and Security Review Commission of the United States Congress is based on the misunderstanding of the constitutional status and history of Hong Kong. In the constitutional history of Hong Kong, the allegations that 'the general election guaranteed under the Sino-British Joint Declaration will be delayed to implement again' is wrong. In fact, the Sino-British Joint Declaration did not mention the general election. When the Britain and China reached an agreement on the Sino-British Joint Declaration in 1984, there were only two simple provisions about election in the Declaration, namely, the legislation shall be selected by election; and the Chief Executive shall be selected locally by election or consultations."<sup>33</sup> This is a typical event of attacking the "One Country, Two Systems" policy, but the response of the Hong Kong SAR Government is just pushing daisies without defense of China's sovereignty, which is the defect.

(3) Respect the political ideology and political system of China. The political ideology and political system of China are an important part of theoretical system of socialism with Chinese characteristics. At present, the political ideology of China covers the culture of five thousand years with penetration of Marxism-Leninism, injection of Mao Zedong Thought, the development of Deng Xiaoping Theory, proposition of the "Three Represents" and the formation of the "Scientific Outlook on Development"; The political system of China is the system of multi-party cooperation and political consultation with the lead of the CPC. The West has always been hostile to the

political ideology and political system of China. They ignore the political reality of China (the survival and development problem of the 1.3 billion populations) with an attempt to transform China's political ecology. As the SARs of China under the socialist system, Hong Kong and Macao should not take the ideological antagonism as the Western, nor have any ideas of attempting to transform China's political ecology. Otherwise, it will be contrary to the existence value of the "One Country, Two Systems" policy. As Deng Xiaoping said, "we are developing socialism with Chinese characteristics, therefore, we formulated the 'One Country, Two Systems' policy, so as to realize the coexistence of two systems."<sup>34</sup> At the present stage, Hong Kong and Macao may not agree with the political ideology and political system of China, but shall not oppose, and shall constantly keep the manner of mutual respect at the premise of the state. Respect refers to a kind of mutual exchange including the intellectual, spiritual and action exchanges under the background of seeking common points while reserving difference. As the Hong Kong SAR and the Macao SAR belong to "one country" and implement "two systems", it is understandable and reasonable to put forward kind criticism, but it is wrong and unwise to recklessly accuse the domestic practice without understanding the situation, and it is adverse to the better development of the "One Country, Two Systems" policy. Deng Xiaoping once said, "To maintain the prosperity and stability of Hong Kong for fifty years and fifty years later, we shall maintain the socialist system under the leadership of the Communist Party of China."<sup>35</sup> It can be understood that, at the premise of respecting and recognizing the socialist system led by the CPC, the Hong Kong SAR and the Macao SAR can obtain prosperity and stability after 50 years.

## **2.2 Practice of the "Two Systems" policy**

What does practicing the "Two Systems" policy mean? In simple words, it means to strictly follow the provisions of the Basic Laws. The Hong Kong SAR and the Macao SAR shall implement the policies of "Hong Kong people ruling Hong Kong", "Macao people ruling Macao", and a high degree of autonomy on the basis of their own original system development. In strict words, the scope of practicing the "Two Systems" policy not only includes the autonomy, prosperity and stability of Hong Kong and Macao, but also includes safeguarding the national security and defending China's sovereignty. As is stressed by Wu Bangguo, the former Chairman of the NPC, that, "The most important for correctly grasp the spiritual essence of the Basic Laws is to firmly grasp the following three points: First is to defend China's sovereignty; second is to implement a high degree of autonomy; and the third is to guarantee prosperity and stability."<sup>36</sup> The material significance is greater than the symbolic significance for the Hong Kong SAR and the Macao SAR to correctly understand and practice the "Two Systems" policy. As is pointed out by Wu Bangguo that, "By reviewing the development process of Hong Kong since the reunification, it is of great significance to summarize the successful experience of the implementation of the Basic Law for the continuous promotion of the great practice of the "One Country, Two Systems" policy, deepening the implementation of the Basic Law, and maintaining the long-term prosperity and stability of Hong Kong."<sup>37</sup>

### **2.2.1 High degree of autonomy**

Xu Chongde believes that, "a high degree of autonomy does not mean there are no limits. The limits include: Firstly, the degree of autonomy depends on the authorization of the Central Government. Secondly, handling the affairs in strict accordance with the Basic Law. The high degree of autonomy shall not surpass the authorization of the Central Government and the provisions of the law."<sup>38</sup> At this premise, how can the Hong Kong SAR and the Macao SARs implement high degree of autonomy?

From the perspective of the SARs, the two SARs should be strictly in accordance with the provisions of the Basic Laws, and make full use of the governance granted by the Central Government. On one hand, the two SARs shall make full use of the formulation and the

implementation of various policies and efficient SAR Governments, and ultimately realize the prosperous and contented life of the residents in the Hong Kong SAR and the Macao SAR; on the other hand, the two SARs shall make full use of the legislative and independent judicial power, including that of final adjudication, improve the capitalist system, both develop Chinese traditional culture and absorb the advanced Western productivity and creativity; both sticking to the rule of law and the rule of men; both develop the democratism and consolidate the nationalism; both promote tradition and innovation.

From the national perspective, the high degree of autonomy is not merely based on the regional standard to think, but is based on the state standard. Authorized by the Central Government, the two SARs implement a high degree of autonomy with not only economic tasks, but also political tasks. In terms of the economic tasks, the two SARs shall not only carry out self development, but also promote domestic production and development by depending on their own development advantages (such as capital, management, profession and languages, etc.). Deng Xiaoping said that, "The subject of China shall be socialism, but it is allowed to implement capitalism in some domestic regions such as Hong Kong and Macao. Some cities of the mainland have been open to allow some foreign capital as the supplement to the socialist economy, which is favorable for the development of the socialist productivity."<sup>39</sup> Our country is still a developing country striving for a relatively comfortable life with the per capita GDP still far behind the Western developed countries. Relatively speaking, the development of Hong Kong and Macao are at a relatively high level, with the strategy of taking the backing of the country and facing the world, we shall make use of the unique international status to introduce the foreign technologies, bring out the manufacture of China, devote to promoting the development of four modernizations, and make the country become a developed country. On the one hand, Hong Kong and Macao shall not only develop the patriotism, but shall also set up the model of successful practice of the "Two Systems" policy by depending on a high degree of autonomy, promote the cross-strait exchanges of four places, and make great efforts for China's peaceful reunification and national rejuvenation. On the other hand, the Hong Kong SAR and the Macao SAR can make full use of the policy advantages, enhance the development of relations with Taiwan, and turn from the trade cooperation and civil exchanges to political interaction. Especially after the two sides began the "Three Direct Links", the cross-strait political opposition has signs of relief, we shall take the opportunity to promote the cross-strait political dialogue, improve cross-strait relations, create good political atmosphere, and resolve the cross-strait "political" bifurcation.

In simple words, in order to better play the high degree of autonomy, we shall not just think from the level of the SARs, but shall also think from the national level. After all, the Taiwan Question has not been settled, and there is tremendous political value for the high degree of autonomy – China's peaceful reunification with Taiwan.

### **2.2.2 The policies of "Hong Kong people ruling Hong Kong" and "Macao people ruling Macao"**

Both Hong Kong and Macao are the local administrative regions under the jurisdiction of the Central Government with high degree of autonomy. Under the "One Country, Two Systems" policy, the principles of "Hong Kong people ruling Hong Kong", "Macao people ruling Macao", and a high degree of autonomy shall be practised. It is regulated in the Basic Laws that the principal officials of the executive authorities and the legislature of the two SARs shall be Chinese citizens who are permanent residents of the SARs. There goes the prescription of "Hong Kong people ruling Hong Kong" and "Macao people ruling Macao", which reflects that the SARs implements the new management mode of self-management, self-directed and self-development of all residents with the patriots as the main part.

(1) Be patriotic. In 1984, Deng Xiaoping mentioned in the conversation when met with the Hong Kong and Macao compatriot delegates of the National Day ceremony that, "We have a

common premise and a common goal, that is to be patriotic...”<sup>40</sup> “Being patriotic” hereof extendedly refers to a common premise of the practice of “Hong Kong people ruling Hong Kong” and “Macao people ruling Macao”, and a common goal in ideology and action. Seen from the conversation background at that time, the common goal shall refer to the national unification and power. In terms of politics, the goal is to safeguard the national security and defend China’s sovereignty, respect the political ideology and political system of China, and recognize the leadership of the CPC. In terms of economy, the goal is to actively cooperate with the five-year plan of the state, proactively blend with the socialist market economy with Chinese characteristics, and rigorously help “made in China” go out and introduce foreign advanced technologies and management experience. In terms of culture, the goal is to advocate traditional Chinese culture, and develop the harmonious thought. In terms of military, the goal is to support the country to develop high technology and military modernization by action.

(2) Strictly following the Basic Laws. On 1<sup>st</sup> July 2007, the then President of PRC, Hu Jintao delivered an important speech in the Hong Kong SAR, summarized the precious experience in the practice of the “One Country, Two Systems” policy in the ten years since the return of Hong Kong. There are four points: “Firstly, we shall fully and accurately understand and implement the “One Country, Two Systems” principle; secondly, we shall strictly follow the Basic Law; thirdly, we shall uphold the focus on economic development, and improve the people’s livelihood; and fourthly, we shall insist on maintaining the social harmony and stability.”<sup>41</sup> On 20<sup>th</sup> December 2009, Hu Jintao also mentioned that “we shall strictly follow the Basic Laws” in the important speech delivered in the Macao SAR.<sup>42</sup> It shows that it is the highest standard for “Hong Kong people ruling Hong Kong” and “Macao people ruling Macao”. However, if the two SARs want to be the master of their own affairs, we must strictly follow the Basic Laws, and make full use of the powers conferred by the Basic Laws, make their own development, and safeguard the national interests.

(3) Developing economy, ensuring the residents’ peaceful and contented life, and realizing the prosperity of SARs by education. In the provisions of the Basic Laws, there are great power and scope of governance in “Hong Kong people ruling Hong Kong” and “Macao people ruling Macao”. For example, the main fields such as the executive, legislative and judicial field mentioned in Article 2 of the two Basic Laws belong to the scope of high degree of autonomy. The Governments of the Hong Kong SAR and the Macao SAR can promote political reform, economic reform, people’s livelihood reform and education reform according to the actual situations. The most practical and the most favorable for the long-term development of the SARs shall be the economic reform, people’s livelihood reform and education reform, with others followed. Since ancient times, China’s governing ideology has been “the successful governing is by the people not by the government”. What are the most fundamental needs of the people? In simple words, the answer is “to live and work in peace and contentment”. When the people get what they need and live a happy life, they will naturally request compatible institutional environment to meet their spiritual and material needs. If the institutional environment cannot meet their needs, there will be bottom-up reform demands. Therefore, one of the keys for “Hong Kong people ruling Hong Kong” and “Macao people ruling Macao” is to find out the most favorable direction, method and approach of development.

### III. Conclusion

This paper tries to explain the advantages and fulfillment of the “One Country, Two Systems” policy from the perspective of China’s sovereignty, and makes the following judgment: (1) The relationship between the Central Government and the SARs is a relationship between the sovereignty and the governance; (2) As for the advantage comparison between the “One Country”

principle and the "Two Systems" policy, the "One Country" principle shall be emphasized; (3) The role and function of "One Country" and "Two Systems" are pointed out, and the political and economic functions coming from the safeguarding and defending function is stressed; (4) The advantage fulfillment of the "One Country, Two Systems" policy depends on the principle of "One Country goes first" and "the Two Systems go afterwards, and the correct understanding of the Basic Laws." (5) Only when taken from a country, and applied to the country can the advantages be fulfilled continuously.

## Notes:

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- <sup>1</sup> Xu Chongde (2009). *The Complete Works of Xu Chongde (Volume 4)*. Beijing: China Democracy and Legal Press. 875-876.
- <sup>2</sup> *Ibid.* 876.
- <sup>3</sup> *Ibid.* 877.
- <sup>4</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 59-60.
- <sup>5</sup> Liu Jifa (2008). *New Theory of Politics*. Beijing: Renmin University of China Press. 287.
- <sup>6</sup> See World Health Organization Website: <http://www.who.int/dg/chan/zh/index.html>. 10<sup>th</sup> December 2010.
- <sup>7</sup> See the article "Survey Goes that China Ranks World Top in the Government Credibility of 88%." In the website of Sina News Center: <http://news.chinatimes.com/mainland/50506120/112011012700206.html>. 15<sup>th</sup> January 2011.
- <sup>8</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 72-73.
- <sup>9</sup> *Ibid.*, 75.
- <sup>10</sup> *Ibid.*, 60.
- <sup>11</sup> See the full text of "Suggestions on Formulating the 12<sup>th</sup> Five-Year Plan of the Central Government of the Communist Party of China" in the website of Chinanews: <http://www.chinanews.com.cn/gn/2010/10-27/2617353.shtml>. 19<sup>th</sup> December 2010.
- <sup>12</sup> Hu Jintao (2006). Speech at Yale University. *People's Daily*. 23<sup>rd</sup> April 2006. 1.
- <sup>13</sup> Tian Xinming (2007). On Harmonious Culture and Socialist Core Value System. *China Higher Education Research*. Issue 11. 10.
- <sup>14</sup> Cao Deben (2001). *Chinese Traditional Culture*. Shenyang: Liaoning University Press. 2.
- <sup>15</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 257.
- <sup>16</sup> *Ibid.*, 267.
- <sup>17</sup> Wang Weiguang (2010). *On Interests*. Beijing: China Social Sciences Press. 209.
- <sup>18</sup> Jeong Wan Chong (2004). *The Interpretation of the Macao Basic Law*. Macao: Legal Affairs Bureau. 15.
- <sup>19</sup> Article 2 of the Hong Kong Basic Law. Article 2 of the Macao Basic Law.
- <sup>20</sup> Article 5 of the Hong Kong Basic Law. Article 5 of the Macao Basic Law.
- <sup>21</sup> Article 3 of the Hong Kong Basic Law. Article 3 of the Macao Basic Law.
- <sup>22</sup> Article 7 of the Hong Kong Basic Law. Article 7 of the Macao Basic Law.
- <sup>23</sup> Article 21 of the Hong Kong Basic Law. Article 21 of the Macao Basic Law.
- <sup>24</sup> Article 45 of the Hong Kong Basic Law. Article 47 of the Macao Basic Law.
- <sup>25</sup> Article 62 of the Hong Kong Basic Law. Article 64 of the Macao Basic Law.
- <sup>26</sup> Article 106 of the Hong Kong Basic Law. Article 104 of the Macao Basic Law.
- <sup>27</sup> Jeong Wan Chong (2010). On Sovereignty Maintenance and Authorized Governing. *Academic Journal of One Country Two Systems (Chinese Version)*. Volume 5. 14.
- <sup>28</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House.

215.

<sup>29</sup> *Ibid.*, 217.

<sup>30</sup> *Ibid.*, 361.

<sup>31</sup> Wu Bangguo (2007). In-Depth Implementation of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and Advancement of the Great Practice of "One Country, Two Systems": Speech in Commemoration of 10<sup>th</sup> Anniversary of Entry into Force of the Hong Kong Basic Law. *People's Daily*. 7<sup>th</sup> June 2007.

<sup>32</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 49.

<sup>33</sup> See the article "Hong Kong Government: Wrong Expression on Hong Kong in the Congressional Report of US." in the website of Dwnews: <http://hongkongmacao.dwnews.com/big5/news/2010-11-18/57105723.html>. 24<sup>th</sup> January 2011.

<sup>34</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 217.

<sup>35</sup> *Ibid.* 218.

<sup>36</sup> See Note 31.

<sup>37</sup> *Ibid.*

<sup>38</sup> Xu Chongde (2008). "One Country, Two Systems" is China's Basic Political System. *Law Science*. Issue 12. 5.

<sup>39</sup> Deng Xiaoping (1993). *The Selected Works of Deng Xiaoping (Volume 3)*. Beijing: People's Publishing House. 59.

<sup>40</sup> See the article "Review / Deng Xiaoping: Love China, Love Hong Kong; Maintain Prosperity and Stability of Hong Kong." in the website of China Review News: <http://www.chinareviewnews.com/doc/1003/9/7/9/100397957.html?coluid=81&kindid=2298&docid=100397957>. 15<sup>th</sup> January 2011.

<sup>41</sup> See the article "Wen Hui News: Not to be Neglected 'One Country, Two Systems', Precious Ten Years." in the website of China Review News: <http://www.chinareviewnews.com/doc/1004/0/1/0/100401093.html?coluid=7&kindid=0&docid=100401093>. 15<sup>th</sup> January 2011.

<sup>42</sup> Hu Jintao (2009). Speech at the Ceremony Celebrating 10<sup>th</sup> Anniversary of Macao's Return to the Motherland and the Inauguration of the Third-term Government the Macao SAR. *People's Daily (Overseas Edition)*. 21<sup>st</sup> December 2009.