

Dealing Properly with the Relation between “Two Systems” on the Basis of “One Country”

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It is stated explicitly in the second paragraph of the preamble of the *Basic Law of the Macao Special Administrative Region of the People's Republic of China* (hereinafter as “the Macao Basic Law”) that under the principle of “One Country, Two Systems”, the socialist system and policies will not be practiced in Macao. After over ten years of successful practice of the Special Administrative Region (SAR) system in Macao, it is still significant to correctly understand the basic theory of the Macao Basic Law, that is, the theory of “One Country, Two Systems” and to properly deal with the relationship between the Two Systems within the theoretical framework of “One Country, Two Systems” in order to properly implement the Macao Basic Law and govern the Macao SAR.

I. Reunification is the basis for the implementation of “Two Systems”

The idea of “One Country, Two Systems” is a scientific conception of China according to the reality and historic background in the world and the reality in China in order to accomplish the great cause of reunifying China. The preamble of the *Constitution of the People's Republic of China* (hereinafter as “the Constitution”) explicitly provides that it is the lofty duty of the entire Chinese people to accomplish the great task of reunifying the motherland. And the “One Country, Two Systems” policy was put forward to accomplish the reunification of our motherland.

Firstly, the reunification is the common wish of Chinese nation. As pointed out by Deng Xiaoping, “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.”¹ “It is the aspiration of all Chinese people to reunify the motherland and it is against the will of Chinese nation to leave the motherland separated.”² Secondly, the reunification of the motherland and the integrity of sovereignty are the most fundamental interests for any country, and they are also the significant conditions for the development of any country. If a country's sovereign territorial is separated in pieces and the territory and sovereignty are severely threatened and violated, the fundamental security of a country cannot be safeguarded, nor can the prosperity and development of the country sustain. Therefore, the reunification involves the core interest of Chinese nation and is the key for the rejuvenation of the Chinese nation. To maintain the integrity of Chinese territory and sovereignty and to gradually

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realize the reunification of China is the common wish and interests of the Chinese nation, and the successive resumption of sovereignty over Hong Kong and Macao is the inevitable development of history.³

Meanwhile, the maintenance of the reunification of motherland and the integrity of sovereignty is one of the purposes for implementing the “One Country, Two Systems” policy after Hong Kong and Macao return to the motherland. A high degree of autonomy is authorized by the Central Government to the SARs with the wish that the SARs could maintain the reunification of the country. It is provided in the second paragraph of the preamble of the Macao Basic Law that the purpose to establish the SAR is to uphold the national unity and territorial integrity and contribute to social stability and economic development of Macao. Therefore, the idea “Two Systems” is based on the principle of “One Country”, and the principle of “One Country” prevails over that of “Two Systems”. Any challenge of the principle of “One Country” is hazardous and harmful for the fundamental interests of the SAR and the cause of “One Country, Two Systems”.

Article 1 of the Macao Basic Law stipulates that the Macao SAR is an inalienable part of the People’s Republic of China (PRC), which illustrates that the idea of “One Country” is not an artificial concept, nor a country in people’s imagination, instead, it is the country which actually exists, that is, the PRC. No matter how the residents in Hong Kong and Macao identify themselves with the idea of “One Country” mentally or morally, “One Country” is definite and affirmative de jure. Article 12 of the Macao Basic Law stipulates that the Macao SAR shall be a local administrative region of the PRC, which shall enjoy a high degree of autonomy and come directly under the Central Government. Even though the SAR enjoys a high degree of autonomy and implements a social system and life style different from that in mainland, it is still a part of China, a local administrative region under the unitary system of state structure instead of an independent political entity.

The state sovereignty is exercised by the Central Government, and the SAR comes directly under the Central Government subject to the leadership, government and supervision of the Central Government. The SAR must be subject to the leadership of the Central Government and subordinated to the overall policies, it shall not oppose the Central Government, nor should the special interests of the SAR prevail over the national interests. The Central Government of the PRC is the only representative of China on the world stage. The high degree of autonomy of the SAR is not inherent, instead, it is authorized by the Central Government. Article 2 of the Macao Basic Law provides that the National People’s Congress (NPC) authorizes the Macao SAR to exercise a high degree of autonomy. The SAR does not enjoy residual power⁴, and the state sovereignty prevails over the autonomy of the SAR. The autonomy of the SAR shall be subject to the sovereignty and shall not challenge the sovereignty, nor restrict sovereignty or prevail over sovereignty.

II. “Two Systems” helps to maintain and reinforce “One Country”

Although the reunification of motherland is the foundation for the “Two Systems”, the existence and the necessity of “Two Systems” should not be denied. The existence of “Two Systems” helps to maintain and reinforce the reunification. Deng Xiaoping pointed out that there are two aspects of the “One Country, Two Systems” principle. On the one hand, capitalism is allowed in some special administrative regions within the socialist country, not for a period time,

but for dozens of years, hundreds of years. On the other hand, the subject of the state is still socialism.⁵ That it to say, "One Country" and "Two Systems" are integrated: "Two Systems" without "One Country" will become "Two Countries, Two Systems", "One Country" without "Two Systems" will be "One Country, One System". Overlooking either aspect of "One Country, Two Systems" will lead to the misunderstanding and malpractice of the great formulation of the "One Country, Two Systems" policy.

The principle of "Two Systems" means that different social systems are adopted in different regions within one unitary state, and the existence of different political, economic, cultural and social systems are allowed. "System" (institution) is a term used often in the history of ancient Chinese philosophy. It was stated in Chapter 8 "the Unification of Words" of the *Book of Lord Shang* in the warring states period that "it is necessary to examine the institutions on founding a state... if the institution is proper, the state traditions can be cultivated and people will follow the governance..." According to the interpretation in the *Encyclopaedia of China*, social system refers to the social regulation system which is universal in every society and stable for a considerably long period of time in history established to meet the basic social needs of human beings. It is the system of norms for social activities of human being, and it is composed of a set of relevant social norms and it is the finalization of the relevant lasting social relationship. According to Douglass C. North, the co-recipient of the 1993 Nobel Memorial Prize in Economic Sciences and the famous economist who established the theory of institutional change, "institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction."⁶ There are three types of institutions: formal rules made intentionally by the government, state or governors such as laws and regulations; informal rules formed unconsciously during years of practice such as values, beliefs, ethnic norms, moral concepts, traditions and customs and ideology. And the relevant enforcement institutions ensure the enforcement of the above rules.

The formation of different social systems is influenced by variable factors such as ideology, values and beliefs. Different national states may implement the same social system based on the same ideology and values. For example, in today's world, a great number of different national states mainly adopt socialist system or capitalist system. And based on the different ideology and values, the same country may adopt in different historical periods different social systems such as slavery system, feudal system, capitalist system and socialist system. It is also not rare case both at home and abroad, both at present and in history, that different philosophy and practice of different social systems exist in the same country during the same historical period. As pointed out by some scholars, in the Yuan Dynasty in China, taxation system of Zu-Yong-Diao (Tax-Labor-Substitution) was adopted in the south while double taxation system was adopted in the north. Before the American Civil War, slavery was prohibited in the north while allowed in the south. From the 16th to 17th century, 7 countries formed confederation in Holland, and in England in the 17th century, equity system and common law system coexisted.⁷ All the above examples are the illustrations of the idea of "One Country, Two Systems". According to some scholars, the retaining of serf system in Tibet and adoption of socialist system in the rest of China after peaceful liberation of Tibet by the PRC is also an example of the "One Country, Two Systems" principle.⁸ With the systematic proposal of the theory of "One Country, Two Systems" by Deng Xiaoping, the successful enactment and implementation 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 Macao Basic Law and the establishment of the Hong Kong SAR and the Macao SAR, such special form of

governance of allowing a social system and life style different from those of the subject of the state within “One Country” become more theorized, systemized, legalized and institutionalized, and is upheld over a long period of time.

As a breakthrough of theory deep-rooted in the Chinese civilization⁹, the theory of “One Country, Two Systems” has become the integrated contents of socialism with Chinese characteristics and the systematic theory of socialism with Chinese characteristics.¹⁰ As Deng Xiao Ping said, building socialism means building the socialism with Chinese characteristics, one significant characteristic is the resolution of the Questions of Hong Kong, Macao and Taiwan, that is, the principle of “One Country, Two Systems”. It is a novel idea, which was not proposed by America, nor was it proposed by Japan, Europe or the USSR, instead, it is proposed by China, and with Chinese characteristics.¹¹ The successful practice of the theory of “One Country, Two Systems” in the Hong Kong SAR and the Macao SAR has proved that the policy of “One Country, Two Systems”, as an important component of the systematic theory of socialism with Chinese characteristics has robust vitality, and that the road of peaceful reunification, as an important component of the socialist road with Chinese characteristics also has robust vitality.¹²

The existence of two different social systems within “One Country” reflects the broad mind and magnanimous gesture of our motherland. Although “One Country” is the premise and basis of “Two Systems”, the necessity and significance of “Two Systems” should not be denied. So long the principle of “One Country” is complied with “Two Systems” will exist over long period of time within “One Country”. Although there is a primary system and a secondary system in the proposition of “Two Systems”, neither system depends on the other. The theory of dependence will harm “One Country”. “The relation of dependence may take the form of a mentality of helplessness that there is no choice but to be dependent, it may also reflect the mentality of separation that One Country will be separated once there is any opportunity. With such mentalities, it is impossible to dedicate ourselves heart and soul to the same cause of building ‘One Country, Two Systems’”.¹³ Although socialist system is the major subject of the nation, it doesn’t mean that the capitalism can be changed or eliminated arbitrarily. Neither system of the “Two Systems” is dispensable, both systems will co-exist over long period of time. The absence of either system of the “Two Systems” will lead to the failure of the “One Country, Two Systems” policy. Although “One Country” is the basis for “Two Systems”, “One Country, Two Systems” is an integrated whole. It is impossible to talk about “Two Systems” without “One Country” or about “One Country” without “Two Systems”.

III. Peaceful coexistence, mutual respect and rational treatment of the differences of “Two Systems”

Since “Two Systems” are two different social systems, it is the objective reality that differences do exist between the socialist and capitalist systems. If we try to eliminate differences by transformation, that is, transforming the other system by one system with its ideology and values, it will easily cause frictions and conflicts, and the fate of the “Two Systems” will finally depend on the competition of power in non-peaceful way. The theory of “One Country, Two Systems” seeks to resolve the differences between the “Two Systems” by seeking common ground while reserving differences so that the “Two Systems” coexist peacefully and respect each other on the basis of

“One Country”.

One of the purposes for proposing and practicing the theory of “One Country, Two Systems” is to allow the harmonious coexistence and mutual development of the two different social systems on the basis of One Country. The “One Country, Two Systems” policy safeguards the practice of not only capitalism in the SARs but also socialism in the mainland China. Deng Xiaoping pointed out repeatedly in different circumstances that peaceful reunification does not mean the swallow of Taiwan by mainland, or the swallow of mainland by Taiwan.¹⁴ Is it for socialism to swallow up Taiwan, or for the “Three People’s Principles” preached by Taiwan to swallow up the mainland? The answer is neither.¹⁵ We must find a solution which allows neither to swallow up the other. Under the “One Country, Two Systems” policy,¹⁶ neither system will swallow up the other. If any party still hopes to swallow up the other, the problem left over from the history can only be resolved by non-peaceful means, and the theory of “One Country, Two Systems” will not come into existence, nor will it be put in practice.

3.1 Socialist system shall not attempt to transform capitalism, and the Central Government shall safeguard the high degree of autonomy of the SARs

Since our country has chosen to adopt the “One Country, Two Systems” policy, it has also chosen to respect the history and reality in the SARs, to respect the feelings of the people in the SARs and the special social system and life style developed in the SARs due to historical reasons. It is against the theory of “One Country, Two Systems” and the original intent to resolve the issue of reunification peacefully and safeguard the stability, prosperity and development of the SARs. Deng Xiaoping pointed out that the idea of “One Country, Two Systems” is our only solution, only in this way could we be responsible to our people, keep the stability and long-term stability of the country without harming any parties.¹⁷ “What is the solution acceptable for every parties? As for Hong Kong, it is not acceptable by every parties to allow the transformation of Hong Kong by socialism. So, we have to propose ‘One Country, Two Systems’.”¹⁸ To resolve the Question of Hong Kong peacefully, the actual reality in Hong Kong, the reality in China and the reality in Britain should all be taken into account. That is to say, the solution must be acceptable by these three parties. It is not acceptable for the three parties if the reunification is achieved with socialism. Chaos will arise if socialism is accepted reluctantly. Even though military conflicts might not occur, Hong Kong will become depressed. It is not our expectation to see a Hong Kong with lots of “after effects”.¹⁹

It is stipulated in the Macao Basic Law that the Macao SAR enjoys a high degree of autonomy extensively, including executive, legislative, independent judicial power, power of final adjudication, financial independence and relatively independent external affairs power. At the same time, there are also a series of safeguard provisions in the Macao Basic Law to protect such a high degree of autonomy from being violated and interfered with. The Central Government will not interfere with the affairs within the scope of autonomy of the SAR, instead, it will provides assistance in this regard. According to the Macao Basic Law, the Standing Committee of the NPC or the Central Government should first consult the Committee for the Basic Law of Macao SAR (composed of 10 members, 5 from Macao and 5 from mainland) or the administration of the SAR. To illustrate, Article 17 of the Macao Basic Law provides: “If the Standing committee of the National People’s Congress, after consulting the Committee for the Basic Law of the Macao Special Administrative Region under it, considers that any law enacted by the legislature of the

Region is not in conformity with the provisions of this Law regarding affairs within the responsibility of the Central Authorities or regarding the relationship between the Central Authorities and the Region, the Standing Committee may return the law in question but shall not amend it.” Article 18 provides: “The Standing Committee of the National People’s Congress may add to or delete from the list of laws in Annex III after consulting its Committee for the Basic Law of the Macao Special Administrative Region and the government of the Region.” Article 138 provides: “The application to the Macao Special Administrative Region of international agreements to which the People’s Republic of China is a member or becomes a party shall be decided by the Central People’s Government, in accordance with the circumstances and needs of the Region, and after seeking the views of the government of the Region.” And Article 143 provides: “The Standing Committee of the National People’s Congress shall consult its Committee for the Basic Law of the Macao Special Administrative Region before giving an interpretation of this Law.”

Further, we can infer from the expression of Article 17 of the Macao Basic Law that if the Standing committee of the NPC, after consulting the Committee for the Basic Law of the Macao SAR under it, considers that any law enacted by the legislature of the SAR is not in conformity with the provisions of the Basic Law regarding affairs within the responsibility of the Central Authorities or regarding the relationship between the Central Authorities and the Region, the Standing Committee may return the law in question. In another word, regarding the laws enacted by the legislature of the SAR within the scope of autonomy of the SAR, even if they are found not in conformity with the provisions of the Basic Law, in principle, the Standing committee of the NPC will not return them, instead they will be kept valid.

Furthermore, the high degree of autonomy of the SAR is authorized by the NPC, and according to Article 62 of the Constitution, the NPC is entitled to “alter or revoke the improper decisions made by the Standing Committee of the National People’s Congress”, so, if the SAR considers that its high degree of autonomy is interfered with by the Central Government improperly, theoretically, it may still petition to the NPC which may alter or revoke the improper decisions made by the Standing Committee of the NPC or the Central Government.

Of course, a high degree of autonomy is still not absolute autonomy. “autonomy should not be unlimited. Since there are limitations, such autonomy is not absolute.” “Absolute autonomy” is “two Chinas” instead of “one China”.²⁰ The high degree of autonomy enjoyed by the SARs is subject to the limitation of the “One Country” principle and to the state sovereignty. “Do not take it for granted that affairs of Hong Kong are administered absolutely by Hong Kong people and the Central Government does not administrate them at all. Such view is wrong and impractical.”²¹ Deng Xiaoping pointed out that the Central Government has to get involved if anything hazardous to the state fundamental interests or anything impairing the fundamental interests of Hong Kong occurs. If the Central Government gave up all powers, there would be chaos and the interests of Hong Kong would be impaired. So, the reservation of certain powers by the Central Government will only benefit Hong Kong instead of harming it.²² The Central Government has every power to get involved in the administration of any matters falling out of the scope of autonomy such as national defence and diplomatic affairs, other affairs administered by the Central Government and affairs relating to the relation between the Central Government and the SAR. Further, as the authorizer of the high degree of autonomy of the SAR, the Central Government certainly has power to get involved in administering the affairs within the scope of autonomy of the SAR if the state declares war or the SAR is in emergency situation when any circumstance out of the control of the

SAR administration occurs, or the SAR voluntarily requests the interference by the Central Government.

3.2 Capitalist system shall not attempt to transform socialism, and the SARs are obligated to maintain the reunification and security of our motherland

The main part of the "Two Systems" is the practice of socialism in the mainland. Besides capitalism, the concept of "One Country, Two Systems" also includes socialism, which is the main part of the social system of China maintained firmly in an area with a population of 1.4 billion. The main part is the major part, a big part; and socialism is the socialism in an area with a population of 1.4 billion. Socialism is the necessary premise which can not be neglected. Only under such premise is capitalism allowed in a small area, just near the vast area of mainland.²³

The SAR is returned to motherland, it is the return of an area which was separated to the motherland, the existing PRC, and it is not forming a new country by integrating the SAR with the mainland. The 1st paragraph of the Preamble of the Macao Basic Law provides that: "affirming that the Government of the People's Republic of China will resume the exercise of sovereignty over Macao with effect from 20th December 1999." The Central Government resumed the exercises of sovereignty over Macao instead of acquiring sovereignty, and the status of socialism in the mainland as the main part of the social system will not change with the return of the SAR. The SAR shall not attempt to "peacefully transform" China. The idea of "One Country, Two Systems" is no "One Country with a good system", it is not the competition between the ideologies and social systems with one good system swallowing up the other. It is not the problem that which system of the two is better, which is certainly difficult to be agreed on. Such judgment should be left to be made by the history and the actual practice. The SAR shall not become the base for the peaceful transformation and overthrow of socialism. To the contrary, it is stipulated in Article 23 of the Macao Basic Law that the Macao SAR shall enact laws, on its 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 Region, and to prohibit political organizations or bodies of the Region from establishing ties with foreign political organizations or bodies so that the reunification and security of the state will be maintained.

In fact, it is a great challenge for any government to allow the existence of two different social systems within on country under the unitary state structure. It is difficult for any party at power to decide on the policy of "One Country, Two Systems" and to maintain such system for a long time without the support and great courage and insight of the people. Without the PRC or without practice of socialism in the mainland, the policy of "One Country, Two Systems" and the stability, prosperity and development of the SAR will be impaired. As pointed out by Deng Xiaoping, it was decided very early and written in the Constitution that China should keep the socialist system and the Four Basic Principles. Our policy towards Hong Kong and Macao is also prepared on the basis of keeping the Four Basic Principles. Who could prepare such policy without the Communist Party of China (CPC) or Chinese socialism? Nobody, no party has such courage and insight. Since we are building the socialism with Chinese characteristics, we can prepare the policy of "One Country, Two Systems" and we allow the co-existence of such two systems. To maintain the prosperity and stability of Hong Kong for 50 years, and even after 50 years, we must keep socialism under the leadership of the CPC. Our socialism is the socialism with Chinese characteristics, and one of the Chinese characteristics is the solution of the Questions of Hong Kong, Macao and Taiwan, that is,

“One Country, Two Systems”. Please imagine what would happen to Hong Kong if China changed the system of socialism – the socialism with Chinese characteristics under the leadership of CPC? The prosperity and stability of Hong Kong would disappear.²⁴

IV. Mutual benefit and win-win, mutual development and reinforcing the exchange and cooperation between “Two Systems”

Since “Two Systems” exist on the basis of “One Country”, two different social systems could develop within the framework of “One Country”. The “Two Systems” are not isolated from each other; instead, they are constantly related to each other. The relation of the “Two Systems” is not isolation and permanent separation from each other. We should not reject to communicate with each other because there are distinctions between the “Two Systems” and conflicts and contradictions might occur during the communication. The “Two Systems” should not appear to be friendly and polite towards each other, we must note that active cooperation and communication between the two system based on the mutual respect bring more benefits than passive isolation and guarding against each other without trust. Further, the mutual isolation of the “Two Systems” does not only harm the development of both mainland and the SARs, it may also impair “One Country” resulting in the lack of sense of belonging and sense of identify of the “Two Systems” under “One Country”

It is also impossible to put undue emphasis on the partial interests of either party without paying attention to the other party and the overall interest of the state. China is not expecting to get some benefit from Hong Kong and Macao by practicing the “One Country, Two Systems” policy. Deng Xiaoping pointed out that the policy itself is wrong if China relies on the prosperity of Hong Kong to realize the development of four modernizations.²⁵ Article 104 of the Macao Basic Law provides: “the Macao Special Administrative Region shall have independent finances. All the financial revenues of the Macao Special Administrative Region shall be managed and controlled by the Region itself and shall not be handed over to the Central People’s Government. The Central People’s Government shall not levy taxes in the Macao Special Administrative Region.” On the other hand, the SAR shall not use the “One Country, Two Systems” policy to seek benefits for its own by always expecting preferential policies from the Central Government without concerning its responsibility and reward towards the state. Improper understanding of the “One Country, Two Systems” policy by only emphasizing “One Country” in economics or only expecting benefits from the “One Country, Two Systems” policy will finally lead to loss of benefits.

The “Two Systems” should not undermine each other or have cut-throat competition between each other. The only consequence of the “fight” between the “Two Systems” is the overall collapse and failure of the “One Country, Two Systems” policy.

The “Two Systems” co-exist within “One Country”. Although there are differences between them, either system could still develop its own advantages based on the platform of “One Country” to have complementary advantages and develop mutually. “We believe that allowing the existence of capitalism within a small area will benefit the development of socialism more.”²⁶ “One Country, Two Systems” can better take the advantages of various active factors of the “Two Systems”, expand the direct exchange and cooperation between mainland and the international society, make sufficient use of the extensive international network of Hong Kong and Macao, their good reputation in the world, their flexible open market and introduce capitals, technology, talents and

advanced management experience to promote the building of modernization in mainland. At the same time, the SAR could also rely on the vast market of the mainland, the rich natural resources and labors, and enjoy the various preferential arrangements offered by the state to improve the international competitiveness and expand new space for development. With the increasing deepening of the reform and opening of the mainland, the economic and trade tie between the mainland and the SAR is also enhanced, and the mainland has become the biggest trade partner and the major source of tourists for the Macao SAR. With the signature of the Closer Economic Partnership Arrangement (CEPA) between mainland and the Macao SAR, the Framework Agreement on Guangdong and Macao Cooperation, the building of Hengqin Campus of Macao University and the continuing deepening of the development of Hengqin Island, the economic cooperation between mainland and the Macao SAR will be further developed.

From over ten years of successful experience, our motherland has always been the powerful and secure backing for the SAR to overcome difficulties and challenges, to keep stability, prosperity and development; and the SAR has also played an important role with its own advantages in the process of national reform and modernization. The "One Country, Two Systems" policy is the integration and optimization of the "Two Systems" instead of the restrictions to the development of the SAR. So long as both parties strengthen their exchange and cooperation, make the sufficient use of the platform of "One Country", it is beneficial for promoting the mutual benefits and development of both mainland and the SAR, and the long-term stable practice of the policy of "One Country, Two Systems".

"One Country" and "Two Systems" are an integrated whole which are related to each other and which can not be separated. "One Country" means the long-term co-existence of two different social systems within one reunified country while "Two Systems" means the mutual development of two different social systems within the framework of One Country. Therefore, we cannot talk about "Two Systems" without "One Country", nor can we talk about "One Country" without "Two Systems". The platform of "One Country" provides opportunity and conditions for exchange and cooperation between "Two Systems", which will benefit the stability, prosperity and development of both mainland and the SAR. The peaceful coexistence and mutual benefit of the idea of "Two Systems" in turn maintain and strengthen the reunification of the motherland making our country as a whole more prosperous. The absence of either aspect will harm the integrity of the "One Country, Two Systems" policy. The standard to test whether the "One Country, Two Systems" policy is successful is whether it could safeguard the reunification of the state and the stability, prosperity and development of both mainland and the SAR. If the reunification is not achieved, there is no basis for the existence of the "One Country, Two Systems" policy; if the stability, prosperity and development of both mainland the SAR cannot be safeguarded, the "One Country, Two Systems" policy is a failure. Only when both mainland and the SAR are developed, will our country as a whole be developed, could the policy of "One Country, Two Systems" be regarded as successful, and is it worthy of long-term upholding.

Notes:

¹ Deng Xiaoping (2004). *Deng Xiaoping on "One Country, Two Systems"*. Hong Kong: Joint Publishing. 12.

- ² *Ibid.*, 44.
- ³ Jeong Wan Chong (2011). *My Outlook on "One Country, Two Systems"*. Macao: One Country Two Systems Research Center of Macao Polytechnic Institute. 9.
- ⁴ In the federal state, member states empower the federation through federal constitution. All powers not included in the federal constitution are called "residual powers" which should be defined as to their ownership. For the *United States Constitution*, it is defined in an amendment that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."
- ⁵ Deng Xiaoping (2004). *Deng Xiaoping on "One Country, Two Systems"*. Hong Kong: Joint Publishing. 55.
- ⁶ North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press. 3.
- ⁷ Huang, R. (1998). *Broadening the Horizons of Chinese History: Discourses, Syntheses, and Comparisons*. Beijing: China Social Sciences Press. 419-437.
- ⁸ Huang Jiashu (1997). *Observations of Changes on both Sides of Taiwan Strait*. Beijing: China Yanshi Press. 3.
- ⁹ Jeong Wan Chong (2011). *My Outlook on "One Country, Two Systems"*. Macao: One Country Two Systems Research Center of Macao Polytechnic Institute. 18.
- ¹⁰ *Ibid.*, 10.
- ¹¹ Deng Xiaoping (2004). *Deng Xiaoping on "One Country, Two Systems"*. Hong Kong: Joint Publishing. 54.
- ¹² Wu Bangguo (2009). Speech in Commemoration of 10th Anniversary of Entry into Force of the Macao Basic Law. *People's Daily (Overseas Edition)*. 5th December 2009.
- ¹³ Lok Wai Kin (2009). *"One Country, Two Systems" and the Implementation of the Basic Law of the Macao Special Administrative Region*. Guangzhou: Guangdong People's Publishing House. 24.
- ¹⁴ Deng Xiaoping (2004). *Deng Xiaoping on "One Country, Two Systems"*. Hong Kong: Joint Publishing. 6.
- ¹⁵ *Ibid.*, 11.
- ¹⁶ *Ibid.*, 36.
- ¹⁷ *Ibid.*, 9.
- ¹⁸ *Ibid.*, 24-25.
- ¹⁹ *Ibid.*, 37-38.
- ²⁰ *Ibid.*, 5.
- ²¹ *Ibid.*, 57.
- ²² *Ibid.*, 57-58.
- ²³ *Ibid.*, 39.
- ²⁴ *Ibid.*, 53-54.
- ²⁵ *Ibid.*, 39.
- ²⁶ *Ibid.*, 39-40.