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**The Chessboard of Hong Kong and Chinese Politics:
The Downfall of “One Country, Two Systems”**

A thesis
submitted in partial fulfilment
of the requirements for the degree
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Abstract

Since the establishment of the new China in 1949, Hong Kong has been battling to handle the China factor. The “One Country, Two Systems” method has been pursued to balance between China and Hong Kong after 1997. Hong Kong’s Basic Law aims to embody a high degree of autonomy in most local affairs. Although Hong Kong primarily did not explicitly concur the transfer of sovereignty to China, there was no radical confrontation but rather a peaceful and harmonious transition in 1997. Only six years later, the 1 July 2003 protest exposed the fragility of Hong Kong politics with authorities facing the sturdy democratic movement. At the same time, the non-interventionist approach of the Chinese government came to an end, and they started to take a more hard-lined approach.

Twenty years after the transfer, Hong Kong shows intensification in its “anti-China” sentiment, surrounded by strengthening social and economic incorporation with China. After the breakout of the Umbrella Movement and the Mong Kok riot, the frustration of the masses exemplifies the failure of Hong Kong’s governments to deal with numerous social issues and political matters. The deepening of Beijing’s interference in local affairs indicates the collapse of the “One Country, Two Systems” and the Basic Law. The upsurge of the Hong Kong- China social and economic integration has made both places closely interdependent but it has inevitably brought greater confrontation and aggression against the Central government and mainland Chinese. The younger generations in Hong Kong do not yield to the fate of Hong Kong eventually falling into Chinese hands. The new political spectrum and social movements have led to a mechanism of localism and Hong Kong independence in challenging the supreme role of China in Hong Kong. The tightened political control and deteriorating civil rights coerced by China have heightened the anti-China feeling. Besides, the ideological manipulation is widespread in Hong Kong schools by executing Mandarin and simplified Chinese teachings, implementing China-centred national education, and engineering regular Hong Kong – mainland student exchange programmes.

This research aims to show that a polarised Hong Kong is on the edge of giving up its civil rights, distinctive values, and the rights of autonomy to China which is able to justify its aggressive intervention. Hong Kong could enter into a greater number of conflicts between the masses and the ruling class. The ultimate goal of the Chinese government is to continue protecting their vested interest, colossal investments, and the final rights of the three supreme powers of the legislative, executive, and judicial branches of Hong Kong. Further, the population flow from China will become a prevailing group, replacing the disobedient and rebellious peoples in Hong Kong and turning Hong Kong into a patriotic Chinese city in the future.

This research concludes that there are a number of strong internal factors and many external components that can result in several possible scenarios in Hong Kong. However, there are three important perceptions including political, economic, and societal sectors which can analyse the foreseeable outcomes for Hong Kong under the influence of China.

Dedication

*I would like to dedicate my thesis to
my beloved father & mother,
and my partner.*

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I would like to express my sincere gratitude to all those who have supported me during the research of my thesis. First and foremost, I would like to acknowledge and thank my supervisor, Dr. Mark Rolls, for his advice, patience, and immense knowledge, which has helped to push me to finish my research. His efforts, advice, and constructive criticisms have been extremely valuable in assisting me with the research and writing of this thesis. I could not have imagined having a better mentor for my Master's study.

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Chapter 1: Introduction

Since the transfer of sovereignty to China in 1997, the Chinese government has recognised the “One Country, Two Systems” primarily as a strategy of an united front to dominate the political, economic, and social systems with the ultimate aim of unifying Hong Kong into China.¹ In fact, many believed that the framework of “One Country, Two Systems” is the only guarantee from Beijing and Deng Xiaoping to the Hong Kong people. However, there is a lot of evidence to demonstrate the breach of the framework by Beijing in the past two decades. The growing number of violations of the principle by Beijing and the Hong Kong government are regarded as inadmissible interferences of a high degree to the autonomy of Hong Kong. The effectiveness of “One Country, Two Systems” has changed from a high expectation into an unconvincing question.

Hong Kong people have become impatient with the unpopular and unsuccessful Hong Kong governments and the deterioration of democratic development since 1997. As the 50-year period has only half elapsed, the declining condition of Hong Kong has raised a lot of concern as to whether the demonstration of “One Country, Two Systems” is working or not. In expectation of the pledged action to a fair and independent political structure, Hong Kong people comprehend that they are currently at a most crucial moment to fight for democracy and freedom; otherwise they will completely lose it and be replaced by a new system from Beijing. The violation of Hong Kong Basic Law on many occasions indicates that the Chinese dictatorship is at the helm of Hong Kong’s governance.

Purpose of the thesis

The record of oppressing democracy, freedom, human rights, and civil rights in China was deep cause for concern over the status change of Hong Kong from a democratic British Colony governance by an authoritarian single-party China after 1997. More than two decades after Hong Kong became China’s Special Administrative Region (SAR), Hong Kong people have continued to be

¹ Christine Loh, “Reunification and Fashioning a New Political Order: From 1997 to 2009,” in *Underground Front: The Chinese Communist Party in Hong Kong*, ed. Christine Loh (Hong Kong University Press, 2010), 199-236.

pessimistic in regard to the instability of the political future of Hong Kong. Some scholars believed that the “One Country, Two Systems” and the Hong Kong Basic Law is dead or fading gradually. This thesis will analyse and observe the incidents and policies that have allowed the overall jurisdiction of Chinese political, economic, and ideological assimilation in Hong Kong. Further, the erosion of democratic development has intensified since President Xi Jin-ping has taken office in 2012. After two large-scale social movements, the Umbrella Movement and the Mong Kok incident, the Chinese authorities no longer tolerate the chaotic situation in Hong Kong. Ever since then, the hard-line approach and political coercion of the Chinese government towards the Hong Kong locals have been utterly reinforced. The Chinese government has chosen to overpower the Hong Kong juridical decisions in the oath-taking and the co-location joint checkpoint controversies. The struggle of Hong Kong’s autonomy and juridical independence seems to be inevitable.

By providing examples and explanations, this thesis will demonstrate how and why the pro-democrats, localists and other Hong Kongers have devotedly fought for Hong Kong’s self-determination, democracy, and value against increasing Chinese control. Also, it will provide numerous examples and incidents regarding the Chinese political involvement and interference in the previous four Hong Kong governing teams. Further, Beijing has totally dominated the Hong Kong market and business by using effective economic measures and incorporation.

In consideration of Hong Kong’s possible futures, this thesis will look at three possible scenarios: (1) the continuity of “One Country, Two Systems” but the gradual degeneration of the Hong Kong’s political system, (2) the fading of “One Country, Two Systems” and the progress of the “One System”, (3) the emergence of Hong Kong’s independence.

Outline

This thesis will have eight main chapters.

Chapter One is the introductory chapter which will deliver the overall context of Hong Kong’s situation, the purpose and direction of the thesis.

Chapter Two will focus on the background and brief information of Hong Kong's colonial history from 1842 to 1997. It will show the background of the reciprocal relationship of Hong Kong and China during the post-WWII period and how China eventually decided to take back Hong Kong. It will also describe the details of British Hong Kong from a political and societal outlook. The process and negotiation of the Sino-British Joint Declaration will also be reviewed.

Chapter Three will split the first ten years into two parts. The first part will provide a close look at the Tung Chee-hwa administration in Part One. It will demonstrate how the Tung administration delivered controversial and influential policies in Hong Kong by showing the cases of failed housing policy, 1997 Asian financial crisis, the controversy of educational reform, the white elephant infrastructures' development, the controversy of Article 23, and the mismanagement of SARS. It will also show and examine the impact of the 1 July 2003 protest on the political and social structures. Part Two of Chapter Three will focus on the background of Donald Tsang's administration after Tung's resignation. It will emphasise on Beijing's political reform, also known as the "new Hong Kong policy" in the post 1 July 2003 protest. It will provide three different aspects of Beijing's new approach which include democracy, economy, and ideology. From the democratic aspect, it will show the details of the 2005 electoral reform in Hong Kong. Subsequently, it will focus on the development of closer economic cooperation between Hong Kong and China, with examples of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and Individual Visit Scheme (IVS). The last part of the chapter will indicate the upsurge of ideological assimilation from Beijing.

Chapter Four will discuss the five-year administration of Donald Tsang regarding three different parts including political development, economic integration, and the growth of civil enlightenment. The example of the 2010 electoral reform will be categorised in political development, and will display the influence and dominance of the Chinese authorities over democratic progress. Besides, the "Five Constituencies Referendum" will be mentioned and examined in the democratic movement. The economic integration with China will show the details regarding the expansion of Chinese red capitalists. The growth of civil and political enlightenment will show the transition of how the young generation is

starting to play an important role in participating in social movements in the post 1 July 2003 protest.

Chapter Five will focus on the background of a new Leung Chun-ying (CY Leung) administration in regard to the details of how he became the Chief Executive (CE). It will show the disputes over the Leung administration which became a tipping point, and eventually affected the political environment in Hong Kong. The importance of anti-national education, the Umbrella Movement, the Mong Kok riot, and 2017 CE election will be provided to analyse and understand the rapid progress of localism, and also examine the indignation and denial of Beijing's intervention in Hong Kong's affairs particularly in the 31 August decision by the NPCSC regarding the rejection of universal suffrage in Hong Kong.

Chapter Six will provide the information of the Carrie Lam's administration and the interference of Chinese authorities in the 2017 CE election. Also information about the backgrounds of a series of Beijing's political repression against pro-democrats, localists, and Umbrella Movement's protestors will be shown to understand the power and influence of the Chinese government. Besides, it will also discuss the controversy of the national anthem law and the NPCSC's decision on the co-location of joint checkpoint, and the implications caused by these Chinese hard-line approaches. The intervention of jurisdiction and the invasion of Chinese red capitalists will be examined the possible degeneration of the "One Country, Two Systems" analysed.

Chapter Seven will discuss the fading of the "One Country, Two Systems" under the control of the Chinese government. Comprehensive examples will be provided of how Beijing will gradually become the actual governing team of Hong Kong. From this point of view, it will take a closer look at the political, economic, and social influences of Beijing, and will provide examples to study the possible scenarios in the future of Hong Kong.

Chapter Eight will first specifically discuss the emergence of Hong Kong localism and the philosophy of the "Hong Kong City-state" which has played a vital role in the Umbrella Movement and other localist movements. Based on the

example of Taiwan, it will provide a thorough analysis to understand and assume the consequences of a possible Hong Kong independence.

Chapter 2: British Hong Kong and the handover

Hong Kong has three parts which are Hong Kong Island, the Kowloon Peninsula, and the British acquired New Territories through three separate nineteenth-century treaties forced upon China's Qing emperors. While Hong Kong Island and Kowloon were ceded in perpetuity to Britain in 1842 under the Treaty of Nanking, formally ending the First Opium War, and in 1860 under the Convention of Peking respectively, the crumbling Qing Dynasty in 1898 granted Britain a 99-year lease over the New Territories under the Convention for the Extension of Hong Kong Territory. It is this lease that expired in 1997.

The affiliation of Hong Kong and the People's Republic of China after 1950s

In the days of the establishment of the People's Republic of China (PRC), Chairman Mao Ze-dong never admitted the legality and legitimacy of the three acclaimed "unequal treaties". The PRC did not seek to force Britain out of Hong Kong in the 1950s because of the exhaustion of the newly established regime after China's civil war, the exclusiveness of Hong Kong's port to the West, and the priority of conquest over Taiwan and the Kuomintang (KMT). Furthermore, there was a noteworthy factor in Britain's decision to establish diplomatic relations with the PRC in January 1950, and to break diplomatic ties with the Republic of China (Taiwan). More precisely, the PRC saw the different prospect of Hong Kong as an example to Taiwan.

Hong Kong has acted its dual support parts ever since, for instance, thousands of refugees saw Hong Kong as an asylum when fleeing from threats of the communist revolution in the 1950s. Moreover, refugee capitalists helped found an offshore economic base by avoiding the U.N. trade embargo from 1949 to 1969 and establishing trade relations with China in the early 1950s.² Hong Kong had an escalating emigre population which grew from about half a million during World War II to 2.25 million in 1952 after the colossal amount of

² Suzanne Pepper, "Hong Kong, 1997: East vs. West and The Struggle for Democratic Reform within the Chinese State", *Asian Survey* 37, no. 8 (1997): 685, doi:10.1525/as.1997.37.8.01p02683.

migration from China.³ The new arrivals created a ready market for low-cost consumer goods as well as food and water which were mainland exports that could make Hong Kong survive. The relative economic prominence of Hong Kong for China grew as its other markets, and sources of income, shrank under the tension of continuous revolutionary disarray. Therefore, the PRC deeply relied on the sustainability of the free market and a stable economy in Hong Kong and so the PRC and Hong Kong have maintained a reciprocal relationship since the 1950s. By the early 1980s, China's exports to, and transshipment through, Hong Kong probably accounted for between 30% and 40% of China's total foreign exchange earnings.⁴

A very observable resolution on settling the "century of humiliation" with regards to losing Hong Kong and the Portuguese colony, Macau, was eventually reiterated after the communist-led government took its seat as China's representative at the United Nations in 1972. China asserted that Hong Kong and Macau be removed from the U.N.'s list of colonies since China retained legally enacted sovereignty over the two territories which were barred from independence or self-determination.⁵ China never abandoned the century-old goal of national reunification and acknowledged the last two Western outposts on Chinese soil only as "problems left over from history" to be solved "when the time is right."⁶ Hence, a declassified secret document for the newly elected British Prime Minister Margaret Thatcher in June 1979, revealed that the upcoming issue of the lease to Hong Kong's New Territories would soon be cause for serious alarm. The Chief Secretary of Hong Kong from 1985 to 1987, Sir David Akers-Jones, affirmed in his memoirs that, "Hong Kong recognised that the uncertain future would last until it was known what would happen when the lease of most of the colony, the New Territories, expired."⁷ Therefore, it was obvious the return to China would be inevitable after Hong Kong was removed from a U.N. list of

³ Pepper, "Hong Kong, 1997: East vs. West and the Struggle for Democratic Reform within the Chinese State," 685.

⁴ Ibid.

⁵ Ibid., 685-686.

⁶ Ibid., 686

⁷ David Akers-Jones, *Feeling the Stones* (repr., Hong Kong: Hong Kong University Press, 2004).

“non-self-governing” territories and that its future would not include independence.

In its 156-year rule, the British Hong Kong government was the domain of a British-led, business-oriented elite, including both expatriates and local Hong Kong Chinese, who remained adamantly anti-communist. Leading members were appointed to Hong Kong’s leading governing bodies by British governors who were themselves selected at periodic intervals from London.⁸ As in all British colonies, those institutions were the Executive Council (Exco) and Legislative Councils (LegCo), respectively. Exco served as the governor’s cabinet and LegCo as an authority of public legitimation for decisions reached through a process known as consultation and consensus.⁹

Hong Kong’s “indigenous” pro-Chinese, the pro-communist minority, was forcefully blocked from the government, the civil service and, indeed, all the colony’s leading social and intellectual spheres. The pattern of ostracism carried out against the Chinese patriots did not begin to alleviate until the kick-off of Sino-British Joint Declaration negotiations in 1982. Moreover, the pro-Beijing associations and its affiliates were actively approached by the local community, built schools, established newspapers and collaborated with China-oriented and Chinese government state-owned enterprises. Most importantly, the Chinese state-owned corporations in Hong Kong operated bank accounts and maintained economic relations with the mainland. In the meantime, the Federation of Trade Unions with an affiliated membership was the largest pro-China organisation totalling 200,000 in the 1980s. The New China News Agency acted as a two-fold organisation - a news service and China’s de facto embassy or unofficial symbolic authority in Hong Kong. The agency director was also simultaneously head of the local Communist Party of China (CCP) branch. Therefore, the calm and peaceful period throughout the late 1960s to the early 1980s, particularly after the 1967 leftist riots¹⁰, showed that the Chinese government had long prepared its scheme

⁸ Pepper, “Hong Kong, 1997: East vs. West and the Struggle for Democratic Reform within the Chinese State,” 686.

⁹ Ibid.

¹⁰ “The riots, organised by pro-Communists in Hong Kong which led to 52 deaths and 802 injuries, themselves began on May 6th of 1967, bringing the city to a halt, killing fifty-one people and wounding many more. When the workers of the Artificial Flower Factory, who were protesting

for Hong Kong's return to the motherland. The handover would significantly accomplish the vision of an integrated Chinese territory by paramount leader, Mr Deng Xiao-ping. Also politically, the ultimate target of the Central government was the unification of Taiwan and the union of China and Hong Kong would be a perfect illustration for Taiwanese Chinese patriots. Before the declaration of talks in 1982, Hong Kong had miraculously got through into the late 20th century by being a colony that was not like most of the other colonies in the world by not being severely exploited by the sovereign country; an anti-communist city that flourished on its relationship with communist China; and a China Chinese migrated society that had kept back its fascist and radical political experiences in the past to seamlessly blend into a Westernised society where the way of life was obviously free.¹¹ Hong Kongers had never thought that the nightmare of a Chinese takeover could come true until all of a sudden when Mr Deng Xiao-ping took over negotiations with Prime Minister Margaret Thatcher's-led British government regarding the return of the territory of Hong Kong. Hong Kongers were genuinely shocked to hear during the summer of 1982 that China would resume sovereignty over the colony in 1997. Hong Kongers often denoted Hong Kong as a "borrowed place living on borrowed time." There were many assumptions and speculations that nothing was likely to change come 1 July 1997. At that time, the optimistic thought about the future of Hong Kong was clouded over by many Chinese patriots and some of the key Hong Kong pro-democrats who believed that the return of Hong Kong to China would be the end of humiliation by the West and that China would become a great nation under the leadership of Mr. Deng's "reform and opening-up" in the 80s.

labour conditions, clashed with police, twenty-one were arrested. As the unrest spread, thousands of bombs were planted, accounting for fifteen of the deaths, including some children. A prominent anti-communist radio host named Lam Bun was burned alive by Communist supporters. The British Legation in Beijing was burned down. The riots lasted six months altogether."

"The Origins of Effects of the 1967 Hong Kong Riots," 21st Century Harper Campbell, accessed 19 December 2017, <https://blogs.ubc.ca/harpercampbell/2017/01/02/the-origins-and-effects-of-the-1967-hong-kong-riots/>.

¹¹ Pepper, "Hong Kong, 1997: East vs. West and the Struggle for Democratic Reform within the Chinese State," 686.

The introduction of “One Country, Two Systems”

“One Country, Two Systems” was first introduced in 1981 as a formula to persuade Taiwan to integrate with China and the purpose was to hold out the promise of a high degree of autonomy to run its affairs and maintain a stable economic system. Former General Secretary and Chairman Mr Jiang Ze-min reaffirmed that the concept of “One Country, Two Systems” was based on the Seventeen Point Agreement for the Peaceful Liberation of Tibet signed in 1951,¹² and that its structure is very much like how the Qing emperor united the new lands he had subjugated by authorising local elites in these provinces to remain to enjoy power for a time and to exercise autonomy without ostensibly menacing distinctive local customs.¹³ In fact, the concept of “One Country, Two Systems” was simply a “strategic and transitional settlement”, from a different angle which showed that the territory of Hong Kong was going to undergo the same destiny as Tibet had since 1959 through imposed assimilation and stringent direct control by the central government. Steadily, complete integration and annulment of local autonomy would take effect in a norm which is suggested by Professor Hung Ho-fung as being, “illustrative of a similar Chinese imperial expansionist mentality”.^{14 15}

In June 1982, Deng Xiaoping announced that the concept would be introduced as the foundation for the restoration of Chinese sovereignty over Hong Kong and Macau.¹⁶ Deng’s announcement comprised regular promises that Hong Kong’s prosperity and its social system would be maintained. However, Hong Kongers had been excluded and without any representation in the negotiations. Deng expressed his view while visiting British Hong Kong legislators that there was no need to seek the consensus of the Hong Kong people to the transfer of

¹² “A Policy of “One Country, Two Systems” on Taiwan”, Ministry Of Foreign Affairs, The People’s Republic Of China, accessed 23 September 2017, http://www.fmprc.gov.cn/mfa_eng/ziliao_665539/3602_665543/3604_665547/t18027.shtml.

¹³ Ho-fung Hung, “Three Views of Local Consciousness in Hong Kong,” *The Asia-Pacific Journal* 12, no. 1 (2014): 1-10.

¹⁴ Ibid.

¹⁵ “Mao’s Invisible Hand in Hong Kong,” Denise Y. Ho, David Schlesinger and Ho-fung Hung, accessed September 23, 2017, <http://foreignpolicy.com/2015/10/02/hong-kong-beijing-democracy-academic-freedom-china-communist-political/>.

¹⁶ Ian Scott, ““One Country, Two Systems”: The End of A Legitimizing Ideology?,” *Asia Pacific Journal of Public Administration* 39, no. 2 (2017): 84, doi:10.1080/23276665.2017.1325619.

sovereignty because they had confidence in the Chinese government.¹⁷ Behind closed doors, Chinese officials were unhappy about “continually being bothered that Hong Kong people had no confidence in China”.¹⁸ Hence, the notion of fifty years without change was consented to, and the slogan “Hong Kong people ruling Hong Kong”¹⁹ later served to generate public support.²⁰

In September 1982, Margaret Thatcher visited Beijing to discuss Hong Kong’s future with Chinese leader Deng Xiaoping. The same year, after the morale boosting victory over Argentina in the Falklands War, Thatcher embraced a belligerently nationalistic position, emphasising Britain’s sovereign treaty rights to rule Hong Kong rather than the rights of the Hong Kong people of the territory. A declassified secret document from the British government shows that the British government planned to renew indefinite land leases in the New Territories in 1979.

The proposed solution to the land leases problem is that the Hong Kong Government should grant leases without a fixed term and alter existing leases to the same effect. At the same time, any legal obstacle on the British side to the Governor continuing to administer the New Territories after 1997 would be removed by an Order in Council. The Order would not have to be laid before Parliament. These moves would make it possible for British administration to continue beyond 1997 if the Chinese so wish. But they do not contradict the Chinese position in Hong Kong. Nor do they call for any response from the Chinese or action by them.²¹

¹⁷ Scott, ““One Country, Two Systems”: The End of A Legitimizing Ideology?,” 84

¹⁸ Ibid.

¹⁹ “Introducing Hong Kong”, Hong Kong Economic and Trade Office, London, accessed 23 September 2017, <http://www.hketolondon.gov.hk/intro/hksar.htm#hkpeople>.

²⁰ Scott, ““One Country, Two Systems”: The End of A Legitimizing Ideology?,” 84

²¹ James Griffiths, “The Secret Negotiations behind the Hong Kong Handover,” *CNN*, 18 June 2017, <http://edition.cnn.com/2017/06/18/asia/hong-kong-handover-china-uk-thatcher/index.html>.

By that time, Deng Xiao-ping was becoming impatient over the unsettled issue of Hong Kong's future. As the declassified document reveals, "in no more than one or two years' time, the Chinese Government would formally announce their decision to recover Hong Kong."²² Both parties hoped to be able to manage the approaching discussions for one to two years so that major turbulences could be barred and the affluence of Hong Kong would be preserved. During this period, the British government would also take note of specific circles in Hong Kong and hold consultations with them on the policies and principles to be followed during the 15-year period.²³ The utmost concern for Britain in the early negotiations was to avoid a mass influx of Hong Kongers into the United Kingdom. Therefore, conceding sovereignty helped to resolve the question of immigration particularly in the light of the recent Falkland Islands problem in 1982.

Lastly, on 19 December 1984, Britain and China signed the Sino-British Joint Declaration formally known as "the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong". With the Chinese patriots applauding behind, Britain agreed to transfer sovereignty over Hong Kong in 1997 and China made full promises as to how it would implement its policy of "One Country, Two Systems" under the interpretation of the soon-to-be drafted Basic Law and the Chinese central government. According to the Joint Declaration in 1984, "it is expected that the Chinese will assert that the whole of Hong Kong is Chinese territory, that they must 'recover' sovereignty over it all but that subject to this they wish to preserve the prosperity and stability of Hong Kong. They may suggest that this could be achieved by making Hong Kong a 'Special Administrative Region' within China, run largely by Hong Kong under a similar system to the present but without continued British administration."²⁴

Deng Xiao-ping summarised the PRC's declared intentions that the core of Beijing's policy toward Hong Kong would be founded on the principle of "One Country, Two Systems," signifying that "Hong Kong people will rule Hong Kong"

²² Griffiths, "The Secret."

²³ Ibid.

²⁴ Ibid.

with “a high degree of autonomy.” The principle later became the essential common ground between the PRC and Hong Kong. However, the perception of the PRC’s interpretation of this policy seemed to cause a lot of Hong Kongers’ confidence to sway. In the details of the Joint Declaration, Britain guaranteed that it would use the 13-year transition period between the 1984 Joint Declaration and the 1997 transfer of sovereignty to transform its unelected colonial administration into a government democratically elected by the people of Hong Kong.²⁵ On the other hand, China pledged not to change the prevailing capitalist system and lifestyle for 50 years, and that the local government would be administered by the people of Hong Kong and would have a high degree of autonomy. A Basic Law that would serve as a constitution for the SAR was drafted by a committee appointed by China in the 1990s. Hong Kong would have its executive, legislative, and judicial offices, and Beijing promised that the current laws could remain unchanged as long as they did not conflict with Chinese law. China’s National Congress, however, had to approve SAR laws, and its State Council would have the power to nullify them.²⁶ The present judicial and legal systems would be maintained, but all legal proceedings were to be locally contained, with no appeals available through the higher courts of either China or the United Kingdom. The National People’s Congress’s Standing Committee, rather than the Hong Kong courts, would have the power to interpret the Basic Law for the SAR after it was enacted. The Hong Kong and Shanghai Banking Corporation and Chartered Banks would continue to issue the banknotes of the Hong Kong dollar, which would remain a freely convertible international currency. The Hong Kong Police Force would maintain law and order, although Beijing stated that it would dispatch troops to the region to provide security. Hong Kong residents would continue to enjoy the freedom to travel overseas. During the transition from 1984 to 1997, an Anglo-Chinese Joint Liaison Group would monitor the transition period and the transfer of power.²⁷

²⁵ Martin C. M Lee and Tom Boasberg, “Broken Promises: Hong Kong Faces 1997,” *Journal of Democracy* 5, no. 2 (1994): 42-43, doi:10.1353/jod.1994.0034. See also Albert H. Y. Chen, “The Hong Kong Basic Law and the Limits of Democratisation under “One Country, Two Systems,” *The International Lawyer* 50, no. 1 (2017): 70-72.

²⁶ Parris H. Chang, “China’s Relations with Hong Kong and Taiwan,” *The Annals of the American Academy of Political and Social Science* 519, no. 1 (1992): 129.

²⁷ Ibid.

The people of Hong Kong were not a party to the transition, nor were they consulted about the final accord, which would have a deep-seated effect on their futures and freedoms. The declassified document from Britain discloses that Prime Minister Margaret Thatcher suggested that Hong Kong would be represented by its Governor rather than other officials: “the Prime Minister said this was something she would consider. The Governor would of course be fully involved; rather than have people the negotiating team views might have to be expressed through him.”²⁸ The fate of Hong Kong was handled undemocratically by Britain and China and in spite of its agreement being protected by the UN Charter and the International Covenant on Civil and Political Rights, Britain refused Hong Kong the civil rights to govern its destiny. Moreover, Hong Kongers never had an opportunity to vote on, or modify, the arrangement of the Joint Declaration as the British and Chinese governments had already made the decision together on the territory and neither party were willing to make amendments further. Still, an open and public consultation was held which invited the Hong Kong people to express their views on the Joint Declaration, but this ultimately had no effect given that there was very little information and detail of what was going on in the negotiations. Besides, most of the Hong Kongers were utterly politically apathetic, and they were customarily only concerned over the economy and stability of a business-oriented Hong Kong even though China would soon take over it. The soundless voices of local Hong Kongers were completely omitted in the 1980s, and they foresaw that there would be a clash between Hong Kong- China in the imminent future due to the fundamental cultural and ideological differences. Their statements were supported by many political experts and commentators raised their apprehension over how a 156-year old Western colony could be compatible with a Leninist and Communist authoritarian regime. The doubts soon after were entirely shadowed by decolonisation drifts all over the world as well as the Chinese patriots and left-wing supporters in Hong Kong who expressed their strong pro-China sentiments and animosities against imperialist Britain. In fact, the rise of a promising China

²⁸Brian C. H. Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China And Hong Kong, 1997–2016”, *Modern China* 43, no. 5 (2017): 526-530, doi:10.1177/0097700417691470. See also Lee and Boasberg, “Broken Promises: Hong Kong Faces 1997,” 44.

and the downfall of the British Empire meant that the Sino-British Joint Declaration was undertaken as a fait accompli made by determined sovereign powers.²⁹

After signing of the Sino and British joint declaration

Since the agreement was officially signed in 1984, many Hong Kong residents and international stakeholders doubted whether the PRC would commit to its agreements. There was confusion as to whether Beijing would be able to abide by Hong Kong's free economy, free press, and the independent court system for long as China would not allow human rights and freedom to people on the mainland. The Hong Kong people's animosity against the Chinese government escalated a week before the Tiananmen Square Massacre with a procession of 1.5 million people, one-fourth of Hong Kong's population, led by prominent pro-democracy activist leaders Martin Lee and Szeto Wah, who paraded through Hong Kong to support the students in Beijing. The acute anti-China government emotion exploded when the authorities led by Premier Li Peng and commended by Deng Xiao-ping, used tanks and machine guns to brutally suppress the demonstrators in Tiananmen Square on 4 June 1989.³⁰ The 1989 Tiananmen Square massacre was the trigger for the revival of political party activities in the early 1990s and was tremendously significant to the flush of political engagements and democracy movements which were nascent in the 1990s. Besides, the mass migration wave had started in the 1980s to 1990s fuelled by the 1989 Tiananmen Square incident. During the period, there were more than 300,000 Hong Kongers who chose to emigrate to the United Kingdom, Canada, the United States, Australia, New Zealand, Taiwan, and Singapore.³¹ However, a number of them later came home for the reasons of acclimatisation in foreign countries, and also optimism over the prospect of an affluent China.

In contrast, many people especially local people in business believed that Hong Kong would have bright future following progressive economic reforms in

²⁹ Lee and Boasberg, "Broken Promises: Hong Kong Faces 1997," 44.

³⁰ Chang, "China's Relations," 129.

³¹ Ian Young, "From Hong Kong to Canada and Back: The Migrants Who Came Home from Home," *South China Morning Post*, 28 May 2013, <http://www.scmp.com/news/hong-kong/article/1247617/hk-vancouver-and-back-migrants-who-came-home-home>.

China. From that perspective, Hong Kong was very vital to the Chinese economy, which acquired approximately 35 percent of its annual foreign exchange from exports to and through Hong Kong and investments there.³² As a result, Hong Kong's prospects depended primarily on the strength of the Chinese leadership and on its pragmatism and economic transformation. On 21 June 1990, Zhou Nan, director of the Hong Kong branch of Xinhua or the New China News Agency (NCNA), spoke at a luncheon organised by the Hong Kong General Chamber of Commerce: "A stable and prosperous China not only constitutes the key to the stability and prosperity of Hong Kong but also is an essential factor in stabilising the situation in Asia as well as in the world."³³ Zhou Nan's speech showed that the Chinese Communist Party would choose practical but heavy-handed measures to maintain Hong Kong's stability under the frame of "One Country, Two Systems".

Ten years after the Joint Declaration's honeymoon period, it became evident that neither Britain nor China was going to live up to their democracy promises to Hong Kong in the Joint Declaration. The Beijing-drafted Hong Kong Basic Law, which was to be applied to the territory's post-1997 constitution, backpedalled on the Joint Declaration's assurance of democratic elections.³⁴ In consideration of the inducement of economic and trade interests with China, the British government conceded in an exchange to play a passive role in Hong Kong's democratic development before the handover. Moreover, British appeasement allowed that no more than a third of the sixty seats in the LegCo would not be democratically elected before 1997. It provided that the Chinese government's handover plan would not be affected if there was a full democratic LegCo implemented. As well as the executive power staying in the hands of the British Hong Kong government and Governor, it ensured that nothing would change before 1997.³⁵ Even though Hong Kong's last Governor, Chris Patten, tried to persuade China and attempted for the last time to implement democratic reforms for his dearest Hong Kong locals, Beijing was cool to the proposal by

³² Young, "From Hong Kong."

³³ Fong, "One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016," 526.

³⁴ Lee and Boasberg, "Broken Promises: Hong Kong Faces 1997," 43.

³⁵ Ibid.

using functional constituencies with limited electorates to halt a full direct vote in LegCo. Patten's measure was roundly criticised by the pro-Beijing political parties of Hong Kong, which would give assent to the electoral changes. Some Chinese media also condemned Patten as the 'whore of the East,' a 'serpent' and a 'wrongdoer who would be condemned for a thousand generations'.³⁶ Eventually, the LegCo which was elected under Patten's governorship was dissolved upon the handover of Hong Kong to the PRC and replaced by a Provisional Legislative Council which did not have any democratic functions until elections were held under the previous rules in 1998.³⁷

In 1997, sovereignty over the six million populace of Hong Kong transferred from Britain to the People's Republic of China (PRC). On the very unforgettable date of 30 June 1997, the sky was gloomy, and it started to drizzle on the lowering of the British Union Jack flag under the instrumental accompaniment to "God Save the Queen" at the Government House. The last Governor of Hong Kong, Chris Patten with his beloved family, walked out of the Government House and accepted the folded-up Union flag as his final mission in this 156-year British colony. The Royal Hong Kong Pipe Band escorted Mr Patten, and Hong Kong officially returned to its motherland- The People's Republic of China. After the midnight of 1 July 1997, the People's Liberation Army took over the full border control and authority of Hong Kong's territory.

The first Hong Kong top-ranked official CE, Mr Tung Chee-hwa and his administration officially took office for a 5-year term and looked forward to exercising a high degree of autonomy over Hong Kong's internal affairs. The high hopes of the Chinese central government saw Beijing-affiliated businessman Mr Tung's victory over three other pro-Beijing contestants in the first CE election when he gained over 80% in the 400-member Selection Committee installed by the PRC in December 1996. The destiny of a post-colonial Hong Kong under a "One Country, Two Systems" framework became clear but uncertain for the future. The path of a democratic self-government remained unfulfilled in 1997. Tung's promise of the 2005 Hong Kong electoral reform, including the selection

³⁶ "Patten: From 'Whore' to 'Cold War Warrior'," BBC News, accessed 30 September 2017, <http://news.bbc.co.uk/2/hi/asia-pacific/194682.stm>.

³⁷ Lee and Boasberg, "Broken Promises: Hong Kong Faces 1997," 43.

method for the CE and LegCo was nothing but hope. It appears that the freedom and hope of democracy that Hong Kong represents for China's 1.3 billion people might well be annihilated.³⁸

In the eyes of the Chinese Politburo Standing Committee, a rising communist country had finally regained its power from a falling British Empire. After a 15-year period of preparation, the PRC's overall jurisdiction was finally fulfilled, but many Hong Kong people had never anticipated the possibility of another 15 or 20 years of Chinese authoritarian control of Hong Kong. By 2047, there will have been an unchanged 50 years of "One Country, Two Systems". However, in 1997 the whole world was not only witnessing a historical moment, but taking sides over Hong Kong which once was a symbol of the West and which had now been transferred to the hands of the influential Chinese communists.

³⁸ Lee and Boasberg, "Broken Promises: Hong Kong Faces 1997," 42.

Chapter 3: The first ten years (1997-2007)

Part 1: The handover and the Hong Kong special administrative region

Hong Kong became a Special Administrative Region (HKSAR) of the People's Republic of China in 1997 following years of negotiation between London and Beijing commencing in 1982. In the early years of the HKSAR, Beijing opted for a stance of non-intervention and allowed Hong Kong to enjoy a high degree of autonomy, in fact, it was no different to a city-state or semi-independent state. In the local population and the international community's views, Hong Kong continued to be a vivacious international financial sector with a great degree of freedom and confident rule of law. Indeed, Beijing's "self-imposed restraint" was perceived as the major reason responsible for the successful exercise of "One Country, Two Systems". This was manifested to the international society and, especially Taiwan in its early stages.³⁹ This strategy of actively passive non-intervention successfully shelved possible centre-periphery clashes between Beijing and Hong Kong, allowing the less legitimate and non-democratic HKSAR government headed by the CE to rule autonomously.⁴⁰

Despite a wave of moderate democratisation in the final push of British Hong Kong governance before its return to China, democratic progress was soon overturned when Beijing took control of the territory in 1997. Beijing's promise of autonomy was presented as "testing-the-waters" when the "One Country, Two Systems" was officially introduced on 1 July 1997. Under the "One Country, Two Systems" arrangement, Hong Kong was promised universal suffrage as the ultimate aim mentioned in Article 45⁴¹ in the Basic Law, but the content and

³⁹ Brian C. H. Fong, "One Country, Two Nationalisms: Center-Periphery Relations Between Mainland China And Hong Kong, 1997–2016," *Modern China* 43, no. 5 (2017): 526, doi:10.1177/0097700417691470.

⁴⁰ *Ibid.*, 526-527.

⁴¹ "The Chief Executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government. The method for selecting the Chief Executive shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures."

"Chapter IV: Political Structure," The Basic Law HKSAR, accessed 1 October 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_4.html.

scheme, to this date, have not been stated, allowing much leeway for manipulation, interpretation and debate. The Basic Law sketched out a progressive development of political reform up to 2007, specifying a process to introduce the obligation of universal suffrage and bring it to completion.⁴²

Initially, democratisation in Hong Kong was apparent in the reforms of two main institutions: the executive and legislative divisions of government. On the one hand, the CE was chosen by a 800-member electoral college who were in turn selected by about 250,000 political, business and professional elites in Hong Kong. The pre-established structure of the electoral college was created to downplay the impact of the pro-democrats. Despite this, the pro-democrats were able to satisfy the CE's nomination threshold to send out a candidate under a collective agreement in the past CE elections.⁴³ However, the conclusion of the elections had predictable results due to the structural under-representation of pan-democrats.

The early days of the composition of LegCo was made up of two sections of equal size with a total of 60 seats, the geographical constituencies which were directly elected, and the functional constituencies which were also directly elected but with voting retained for designated elites. Notably, many of the functional constituencies were uncontested and occupied by the pro-Beijing camp, for example, pro-Beijing based Heung Yee Kuk, Agriculture and Fisheries, Insurance and Transport, etc. Accordingly, democratic development in Hong Kong depends on reform to both the election scheme used to select the CE and the functional constituency arrangements of the legislature. As reforms were deemed to be a constitutional amendment, an enactment needed a two-thirds majority in the legislature, meaning democrats were able to exercise a veto in the process.

After the handover in 1997, the elections of the CE have been dominated by the pro-Beijing Election Committee. This committee of a number of members largely consisted of notable tycoons in Hong Kong. These so-called proxies for Beijing, or "flunkey" as Hong Kongers called them, publicly and strongly denied

⁴² Mathew Y. H. Wong, "A Game-Theory Model of Democratization and Political Reform in Hong Kong," *Taiwan Journal of Democracy* 12, no. 2 (2018): 127-128.

⁴³ *Ibid.*, 131-132.

universal suffrage as they felt alarmed that it would break up their empowered connection to the policy-making consultation.⁴⁴ Direct election for LegCo seats was inadequate, with Beijing cutting down some of the LegCo democratic reforms introduced during the last years of British rule. The accountability of the political system thus fell short of Beijing's original assurance of universal suffrage.⁴⁵

Facing the gradual marginalisation by Beijing, the democratic campaign made use of mass mobilisation after 1997 to acquire rapid democratisation. In the 1990s under the last governor, Chris Patten, the democrats who devotedly took part in the direct elections began the progress forwards by encouraging the local community's engagement and enlightenment.⁴⁶ The conception of the vision and the reality of Hong Kong's political progress after 1997 transformed into the incentive for the unceasing development of the democratic movement.⁴⁷ Beijing's decision to eliminate opposition in Hong Kong was tightened because total subjugation was beyond the bounds of possibility. Given the prevailing civil society, any sweeping suppression would elicit incalculable unrest in the region. This would presumably imperil Beijing's strategy to use Hong Kong as a model for any planned integration of China and Taiwan. Civil unrest would also threaten China's stated plan to restructure Hong Kong as an offshore financial heart for internationalisation of the Renminbi (RMB), demanding a reliable legal framework, freedom of the press, and especially political stability.⁴⁸

The Tung's administration

The first HKSAR government led by Tung Chee-hwa was bedevilled by issues that were partially blamed on the imperfection of the composition of the political system. The shortfall of legitimacy created the conditions in which the first major governing crisis of the HKSAR inevitably happened.⁴⁹ In 1997, the government vowed to focus policies on housing, the elderly, and education. One of the most

⁴⁴ Fong, "One Country, Two Nationalisms: Center-Periphery Relations Between Mainland China And Hong Kong, 1997–2016," 507

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid., 508

⁴⁹ Ibid., 509-510

controversial projects on housing is to provide 85,000 housing flats (85000 policy) each year to resolve the problems of climbing property values.⁵⁰ The Asian financial crisis that hit Hong Kong soon after Tung took office made his ambition practically superfluous. Essentially, it was a catastrophic breakdown of 70 per cent in property prices that turned into an incredibly tenacious complication in the years between 1998 and 2002. Later in 2000, Tung, interviewed by Hong Kong media, stated, the “85000 policy was never mentioned since 1998; therefore it never existed.”⁵¹ Thus public animosity was aimed at the local ruling class in the Hong Kong government who showed they were incapable of improving the fragile economy and housing market after the Asian financial crisis of 1997-1998. A chain of conceptual reform and visionary policy was seen as impracticable which ultimately antagonised the Hong Kong populace at large. Those policies yielded imminent sequelae, for instance the mishandling of the avian influenza epidemic, mother-tongue (Cantonese) education and the right of abode issue which triggered the first interpretation of the Basic Law by the National People's Congress of Standing Committee (NPCSC). Besides, the Tung administration presented several disputed infrastructure projects including Cyberport, a Science Park, a Chinese medicine centre and the Disney theme park. After his first-term, Tung's reputation along with Hong Kong's economy plunged. In August 2002, only 47% of persons were satisfied with him.⁵²

However, Beijing's confidence in Tung led him to be uncontested and re-elected in the 2002 CE election. In order to fawn over Beijing, Tung and Secretary for Security, Regina Ip, determined that it was apt to execute measures to carry out anti-subversion legislation which was established in Article 23⁵³ of the Basic

⁵⁰ South China Morning Post, “Tung Backs Homes Plan,” *South China Morning Post*, 19 September 1997, <http://www.scmp.com/article/211993/tung-backs-homes-plan>; Tin-yau, Ko, “Should we Take Chan's 85,000 Flat Supply Forecast Seriously?,” *Ejinsight*, 17 September 2015, <http://www.ejinsight.com/20150917-should-we-take-chans-85000-flat-supply-forecast-seriously/>.

⁵¹ AM 730, “Are Tung Chee-hwa's 85,000 Policy Indicators Not Estimated?,” *AM 730*, 17 November 2017, <https://www.am730.com.hk/column/share/104174>.

⁵² “Rating of Chief Executive Tung Chee-hwa - Monthly Average (10/3/2005),” HKU Public Opinion Programme, accessed 20 November 2017, <https://www.hkupop.hku.hk/chinese/popexpress/ceall/cerq/month/all.html>.

⁵³ “The Hong Kong Special Administrative Region shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the Central People's 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.”

Law without popular consultation.⁵⁴ For this lame-duck administration and a CE of low historical repute, it was a disastrous move to make a controversial issue into law. The outbreak of the fatal severe acute respiratory syndrome (SARS) epidemic in 2003 which took the lives of 299 people in Hong Kong exposed the mismanagement of Tung's administrations as it failed to provide timely and immediate information related to SARS to the public, made circumstances worse.

The 1 July 2003 protest

The peak of prevalent dissatisfaction finally broke out with a massive demonstration led by pro-democrats on the sixth anniversary of the handover on 1 July 2003. More than half a million protesters peacefully took to the streets to oppose this draconian law. Alongside the pro-democrats were non-activist scholars, journalists, students, Roman Catholics and Christian church leaders and crowds from different elite groups. The public saw Article 23 as an acute warning to the remaining freedoms of speech and freedoms of the press, to which they had been entitled to since the late colonial era.⁵⁵ Protesters voiced major concerns regarding the proposal for CE and LegCo universal suffrage by 2007-2008, anti-developer hegemony, and collusion between the government and magnates from the business sectors. The exuberance of the demonstration led to political awakening of the young generations who would go on to play an important role in the development of democracy in Hong Kong.⁵⁶

After a half a million people expressed their displeasure over Article 23, a pro-Beijing politician and leader of the Liberal Party, James Tien, unexpectedly resigned from the Executive Council, so that he could vote against Article 23 of the Hong Kong Basic Law. Tien claimed that his resignation was because he did not want to vote for Article 23. The lack of Tien's crucial votes towards passing the bill resulted in the abolition of the law enactment and the dismantling of the

"Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region," The Basic Law HKSAR, accessed 1 October 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_2.html.

⁵⁴ Wong, "A Game-Theory," 138.

The Basic Law of HKSAR. "Administrative Region".

⁵⁵ Ho-fung Hung and Lam-chong Ip, "Hong Kong's Democratic Movement and the Making of China's Offshore Civil Society," *Asian Survey* 52, no. 3 (2012): 508, doi:10.1525/as.2012.52.3.504.

⁵⁶ *Ibid.*, 508-509.

pro-Beijing camp's coalition of the CE. As a result, Beijing was furious at the incompetence of the Tung administration, which could not necessarily unite the Hong Kong people. In view of Tung's poor and ineffective governance, the Chinese central government forcefully stepped in. This direct control by two groups – the Hong Kong and Macau Affairs Office (Hong Kong & Macau Office)⁵⁷ and Liaison Office, literally breached the “One Country, Two Systems” norm, and the promise of Hong Kong's autonomy remaining unchanged for 50 years.⁵⁸ Consequently, the Politburo Standing Committee (PSC) decided that Vice President Zeng Qing-hong should become the Hong Kong and Macau Affairs' director in 2003, implying a major reform in China's policy towards Hong Kong that was intended to convey a more hard-line approach. Following the turbulence of the 1 July protest and the withdrawal of Article 23, the Secretary for Security, Regina Ip, and the Financial Secretary, Anthony Leung,⁵⁹ resigned from Tung's

⁵⁷ The Hong Kong and Macao Affairs Office of the State Council is an organ assisting the Premier to deal with affairs related to Hong Kong and Macao. Its main functions are to: conduct research on various aspects of Hong Kong and Macao; plan and coordinate the official contacts between different mainland departments and localities - and also with the HKSAR and MCSAR; maintain contact with the Chief Executive and government of the HKSAR - and of the MCSAR; promote and coordinate cooperation and exchanges in fields such as economics, science, technology, education and culture between the mainland and the two SARs of Hong Kong and Macao; examine applications, approve and issue travel documents for public servants heading to HK and Macao; participate in the management of service export to and mainland companies in HK and Macao; promote the Basic Laws of HKSAR and MCSAR, as well as the principles and policies of the central government concerning HK and Macao.”

“Hong Kong and Macao Affairs Office of the State Council,” The State Council of the People's Republic of China, accessed 6 February 2018, http://english.gov.cn/state_council/2014/10/01/content_281474991090982.htm.

⁵⁸ “The Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region is an organ of the Central People's Government of the People's Republic of China (PRC) in the Hong Kong Special Administrative Region (HKSAR). It replaced the New China News Agency (NCNA) as the representative of the PRC government in Hong Kong in 2000. It is one of the most controversial organisations in Hong Kong as it has been viewed as a “second government” in Hong Kong, or even the real government and where the real power of Hong Kong resides, with the popular term “Sai Wan/Western District (where the headquarters of the Liaison Office is located) ruling Hong Kong” as opposed to Chung Wan, where the Hong Kong SAR government is located, due to its continuing and all-round interference into Hong Kong's domestic affairs and elections.”

“Liaison Office (Hong Kong),” Wikipedia, accessed 20 October 2017, [https://en.wikipedia.org/wiki/Liaison_Office_\(Hong_Kong\)](https://en.wikipedia.org/wiki/Liaison_Office_(Hong_Kong)).

⁵⁹ “On 10 March 2003, Hong Kong media reported the “Car-gate” prominently. The then Financial Secretary, Mr. Antony Leung Kam-chung was found to have bought a new luxury car before the tax increases for the vehicle registration in his Budget. On 15 March 2003, Antony Leung apologized and revealed his intention to resign.”

Kwai-chung Cheung, “Media Performance in the Early Stage of the SARS Outbreak,” *RTHK*, 15 November 2003, <http://app3.rthk.hk/mediadigest/content.php?aid=226>.

administration on the same day respectively in mid-July 2003. As a result of these events, at the end of July, Tung Chee-hwa announced the Article 23 legislation would be withdrawn, that it would be brought back after general consultations in another form, and that there was no official schedule for its re-introduction.

Part 2: Tsang's administration and the new Hong Kong policy

As Jiang Zemin retired in 2003, his successor President Hu Jin-tao was unlike Jiang who personally handpicked Tung as the CE. President Hu had lost his patience with Tung's dissatisfying performance over the past 7 years and publicly criticised the mishandling of the Link REIT⁶⁰ project and the West Kowloon cultural project⁶¹ at the 5th Anniversary of the Macau Handover Ceremony in December 2004.⁶² Eventually in March 2005, Tung resigned in the middle of his second term due to "health reason". His CE position was taken over by Donald Tsang, who was Chief Secretary for Administration in Tung's administration and had been a senior bureaucrat late in the colonial administration. Remarkably, Tsang was appointed Financial Secretary in 1995 and became the first ethnic Chinese to take this spot in 156 years of the colonial period. He also seemed to be a pragmatic bureaucrat in Hong Kong people's eyes. By undertaking actions on CE and the administration, Beijing comprehensively looked for a significant change in Hong Kong's affairs by adopting a "new Hong Kong policy".⁶³

⁶⁰ "Link Real Estate Investment Trust, is managed by Link Asset Management Limited. Link REIT is the first real estate investment trust listed in Hong Kong, and currently Asia's largest REIT and one of the world's largest retail focused REITs in terms of market capitalisation. Spanning Hong Kong, Beijing, Shanghai and Guangzhou, its portfolio consists of properties with about 10 million sq ft of retail space, around 69,000 car park spaces, and a project under development in Hong Kong, as well as properties with about 3 million sq ft of retail and office space in Mainland China..

"About Link REIT," Link Real Estate Investment Trust, accessed 20 October 2017, <http://www.linkreit.com/en/Pages/default.aspx>.

⁶¹ "The West Kowloon Cultural District refers to a development project that seeks to create a hub of arts and cultural venues in a 40-hectare area in Hong Kong. Its location and proximity to Victoria Harbour have sparked hopes it will attract visitors and boost interest in the arts and culture. Some critics, however, argue that its multi-billion-dollar cost is a drain on the community."

"West Kowloon Cultural District," South China Morning Post, accessed 20 October 2017, <http://www.scmp.com/topics/west-kowloon-cultural-district>.

⁶² "Hu Jintao Lessons Tung Chee-hwa: Improve the Level of Governance," Epoch Times, accessed 23 October 2017, <http://www.epochtimes.com/b5/4/12/21/n754909.htm>.

⁶³ "The term used by Cheng Jie a legal scholar at Tsinghua University who served on the Hong Kong and Macau Basic Law Committee of the NPC Standing Committee (NPCSC) in 2006 to 2007."

The historic 1 July protest was the watershed when Beijing decided to step into Hong Kong's affairs and to monitor the Hong Kong government. Some argued that it was obviously the indication of the "One Country, One System". Initially, the Chinese leaders literally misjudged the circumstances in Hong Kong and were totally stunned by the enthusiastic participation of the customarily politically apathetic Hong Kongers. The Chinese government would not tolerate any large-scale social movements which could harm the effective control of the authority. In effect, the 1 July protest was also a grave alert to Chinese leaders who saw how the pro-democracy groups mobilised the populace in confronting the Hong Kong government and also the Central government. In this sense, the Chinese central authority found themselves with the perfect excuse regarding the association of the pro-democratic camp and "foreign forces" instigated by the United States bankrolling the pro-democracy movements and playing a behind-the-curtain role in Hong Kong.⁶⁴ Therefore, the Chinese authorities elicited their scepticism by actively intervening in Hong Kong's affairs and nipped any possible confrontation in the bud between Hong Kong and China. Cheng Jie has stated that, "the shift in Beijing's policy is a reaction to changes in Hong Kong's own political environment since 2004. It is different from the 'old well water does not interfere with river water' policy, in the sense that it emphasises more central government engagement and involvement in Hong Kong's political development".⁶⁵

More importantly, with the wave of support after the 1 July 2003 protest, the pro-democrats worked out to deliver a cross-party result in the District Council election. A historical record of high turnout rate (44%), increased by 8.28 per cent from the last election. The pro-democracy camp won 196 seats out of 529 (45.73% popular vote), benefiting from the 'July 1 effect'⁶⁶; compared to the pro-Beijing camp which won 201 seats (46.59% popular vote). Notably, the '1 July effect' also supported a new breed of political activists for the pro-democracy

Fong, "One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997-2016," 527.

⁶⁴ Fong, "One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997-2016," 527.

⁶⁵ Ibid.

⁶⁶ Wong, "A Game-Theory," 139-140.

camp and the democratic movement. The victory of the pro-democracy camp and the defeat of the pro-Beijing one were not reflected in the predominance of 16 out of 18 District Councils which were still dominated by the pro-Beijing party in a majority ratio. However, the pro-democracy camp once again encouraged the silent majority to step out of their comfort zone at a critical moment.

The development of democracy in Hong Kong and the NPCSC

Following a “new Hong Kong policy” direction and a shaming defeat in the District Council election, the National People’s Congress Standing Committee (NPCSC) confirmed the second interpretation of the Basic Law to require a “Five-Step Process”⁶⁷ of constitutional development in order to amend the selection method for the CE on 6 April 2004.⁶⁸ Therefore, the NPCSC decided to rule out universal suffrage for the 2007 CE poll and the 2008 LegCo election on 26 April

⁶⁷ “In accordance with the Basic Law and the Interpretation of the NPCSC in 2004, the procedures for amending the methods for the selection of the CE and for the formation of the LegCo (also known as “5-Step Process of Constitutional Development”) are as follows:

1. The CE to make a report to the NPCSC as to whether there is a need to amend the two electoral methods,
2. A determination to be made by the NPCSC as to whether the electoral methods need to be amended,
3. The resolutions on the amendments to be introduced by the HKSAR, Government to the LegCo, and be endorsed by a two-thirds majority of all the members of the LegCo,
4. Consent to be given by the CE to the motions endorsed by the LegCo, and
5. The relevant bill to be reported by the CE to the NPCSC for approval or for the record”

“Background on Constitutional Development and Consultation on Constitutional Reform,” Hong Kong SAR Government, accessed 12 October 2017, <http://www.2017.gov.hk/en/liberal/faq.html>.

⁶⁸ “The Mainland adopts the continental legal system of legislative interpretation under the PRC Constitution. The power is vested in the legislature to interpret the law. On the other hand, traditionally Hong Kong adopts the common law system of judicial interpretation under which judges interpret and apply the law. The Basic Law has incorporated both by setting out the NPCSC’s power and the Hong Kong courts’ authorised power of interpretation of the Basic Law. Article 158 provides that the power of interpretation of the Basic Law shall be vested in the NPCSC. It also provides that Hong Kong courts are authorised to interpret the Basic Law in adjudicating cases, and prescribes certain situations in which they must seek an interpretation by the NPCSC before making their final judgments, which are not appealable. Since the establishment of the HKSAR, the NPCSC has on four occasions exercised its constitutional power to interpret provisions in the Basic Law to clarify certain fundamental legal issues, with a view to facilitating the smooth implementation of the Basic Law.”

Banguo Wu, *The Basic Law and Hong Kong - The 15th Anniversary of Reunification with the Motherland*. (Hong Kong: The Working Group on Overseas Community of the Basic Law Promotion Steering Committee, 2012), 84-85.

2004.⁶⁹ Also, functional constituencies will remain to fill up half of LegCo seats.⁷⁰ The verdict of the NPCSC was the first defeat of pro-democrats' demands for universal suffrage in 2007-08 after the 1 July 2003 protest and it was a warning to pro-democrats who made their election promises to the voters.⁷¹ Nevertheless, it was contrary to the first political reform in post-1997 Hong Kong. According to the Basic Law, it stipulated the method of electing the CE and the LegCo by universal suffrage for ten years after the handover, and political reform and universal suffrage were hypothetically promised in 2007 if approved by the NPCSC's amendments and its legislative and juridical interpretations. In spite of intense voices of support for universal suffrage in Hong Kong, Beijing was uncompromising and uninterested in the arguments regarding the size of the Election Committee and the overall number of LegCo members before implementing any significant democratic change in 2007-2008.⁷² Eventually, the fifth report of the NPCSC offered limited Hong Kong electoral reform in 2005.⁷³ First, all district councillors should be included in the Election Committee and the

⁶⁹ Kang-chung Ng, "The Road to Universal Suffrage: A Timeline of Hong Kong's Journey to Votes for All," *South China Morning Post*, 22 April 2017, <http://www.scmp.com/news/hong-kong/politics/article/1773233/road-universal-suffrage-timeline-hong-kongs-journey-votes>.

⁷⁰ Ng, "The Road,"

⁷¹ David Caragliano, "Democracy in Hong Kong: Might 'None-of-These-Candidates' Break the Deadlock?," *Brookings*, 9 February 2015, <https://www.brookings.edu/opinions/democracy-in-hong-kong-might-none-of-these-candidates-break-the-deadlock/>.

⁷² Lorenz Langer, "The Elusive Aim of Universal Suffrage: Constitutional Developments in Hong Kong," *International Journal of Constitutional Law* 5, no. 3 (2007): 446, doi:10.1093/icon/mom018.

⁷³ "In formulating its proposed package, the Task Force has had regard to the following principles:

- (i) The proposed package must be consistent with the relevant provisions of the Basic Law and the Decision of the NPCSC of 26 April 2004;
- (ii) The proposed package can provide more room and opportunities for the public to participate in the elections of the Chief Executive and the Legislative Council, and broaden the representativeness of these two electoral systems;
- (iii) The Proposed package can take into account views received from different sectors of the community during the consultation period, and can respond to the aspirations of the community on constitutional development;
- (iv) The proposed package can move substantively towards the ultimate aim of universal suffrage; and
- (v) The proposed package can be acceptable to the Central Authorities, the Chief Executive, the Legislative Council and different sectors of the community."

"The Fifth Report of the Constitutional Development Task Force: Package of Proposals for the Methods for Selecting the Chief Executive in 2007 and for Forming the Legislative Council in 2008," Hong Kong Constitutional and Mainland Affairs Bureau, accessed 25 November 2017, http://www.cmab.gov.hk/cd/eng/report5/pdf/5th_Report_English.pdf.

number of its members be increased to 1,600. Subsequently, LegCo would have 70 instead of 60 members, still with one half picked by functional constituencies and the other half elected by geographical constituencies starting in 2008.⁷⁴

Although the proposal package did not make any significant progress on reform and development toward democracy, the pro-Beijing camp had an explicit superiority in District Council election due to massive local resources, manpower, political funding, elder voters and hundreds of the members appointed by the CE. After all those failed negotiations over the proposal package, the Tsang administration and the NPCSC failed to win the support of pro-democrats. Public opinion also shifted dramatically from compromise to a radical direction and mass demonstrations began in requesting full democracy after all “low-key” public consultations held by the government. Ultimately, the proposal was voted No(s) collectively on and received 24 from pro-democrats with 1 abstention and did not pass by a two-thirds majority in the LegCo.⁷⁵ Hence, the 2005 Hong Kong electoral reform turned out unsuccessful.

Chinese leaders’ uncompromising position on Hong Kong’s progress to full democracy in 2007-08 led to a rising political awareness amongst the young generation following the 1 July 2003 march.⁷⁶ The outcome of the 2004 LegCo election reflected popular opinion with an unprecedented turnout of 55.6% with 1,784,406 voters casting polls. Overall, a huge success for pro-democratic candidates saw them take 25 seats against the pro-Beijing’s candidates 35 seats in LegCo. Hence, the pro-democrats were able to retain the veto power regarding crucial topics like electoral reform. However, the significant domination of pro-democrats in the geographical constituencies (pro-democrat: 18 seats vs. pro-Beijing: 12 seats) was insufficient to pass their laws in the LegCo. The mechanism of separate voting in geographical constituencies and functional constituencies (pro-democrat: 7 seats vs. pro-Beijing: 23 seats), ensured the pro-Beijing camp could veto any bill which were proposed by pro-democrats. The

⁷⁴ Langer, “The Elusive Aim of Universal Suffrage: Constitutional Developments in Hong Kong,” 446; Ng, “The Road,”

⁷⁵ Jermain T. M. Lam, “Political Decay in Hong Kong after the Occupy Central Movement,” *Asian Affairs: An American Review* 42, no. 2 (2015): 101-102. doi:10.1080/00927678.2015.1035143.

⁷⁶ Ho-fung Hung, and Lam-chong Ip, “Hong Kong's Democratic Movement and the Making of China's Offshore Civil Society,” *Asian Survey* 52, no. 3 (2012): 500-510, doi:10.1525/as.2012.52.3.504.

abolishment of functional constituencies became one of the concerns in the subsequent electoral reform.

Nonetheless, the political atmosphere accelerated the formation of radical democratic/leftist groups which gained a lot of support from the younger generation as they believed in stronger measures to defend Hong Kong's democratic movement and an appeal for universal suffrage could be a more substantial means to protest against Beijing. The measures of "peace, rationality and non-violence" from the pro-democracy group could not be long-lasting and eventually it might not be the best way out for the good of Hong Kong in the future under the gradual control of China.

An upsurge of a conservation movement began in 2007 led by radical and leftist activists, "a spate of community movements organised by diverse groups of students and young intellectuals, arose in an effort to resist efforts by government and big corporations to destroy historic buildings, traditional neighbourhoods, and natural wildlife habitats to make way for profitable redevelopment projects".⁷⁷ The most controversial case was the dismantling and storing of the Queen's Pier which had a historical remembrance.⁷⁸ The momentum of the conservation movement soon after converted into an enlightenment of Hong Kongers' identity and the root of localism, autonomy movement, and independence.⁷⁹

The economic integration with China

Given that the Hong Kong government failed to bounce back from the economic recession after the 1997 financial crisis and 2003 SARS, Beijing pushed an economic agreement which was called the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) with Hong Kong on 29 June 2003. CEPA is a free trade agreement concluded by the Mainland and Hong Kong

⁷⁷ Hung , and Ip, "Hong Kong's Democratic Movement and the Making of China's Offshore Civil Society," 509-510.

⁷⁸ Malte Philipp Kaeding, "The Rise of "Localism" in Hong Kong," *Journal of Democracy* 28, no. 1 (2017): 164, doi:10.1353/jod.2017.0013; Richard Spencer, "Hong Kong to Lose Historic Pier," *The Telegraph*, 1 August 2007, <http://www.telegraph.co.uk/news/worldnews/1559157/Hong-Kong-to-lose-historic-pier.html>.

⁷⁹ Yun-chung and Mirana M. Szeto, "The Forgotten Road of Progressive Localism: New Preservation Movement in Hong Kong," *Inter-Asia Cultural Studies* 16, no. 3 (2015): 437-438. doi:10.1080/14649373.2015.1071694.

which covers four areas: trade in goods and services, investment, economic and technical cooperation. According to the Trade and Industry Department, “CEPA has strengthened the trade relationship in goods and services and fostered trade and investment between the two places, and are conducive to accelerating the economic integration and enhancing the long-term economic and trade development of both places.”⁸⁰ Hong Kong’s economy deeply benefited from China’s open door policy and was economically assimilated with China before the handover in 1997.⁸¹ As China’s hinterland, Hong Kong’s continued success crucially contributed to China’s rapid economic growth and the necessity of imported and exported business associated with the world in the early 2000s.⁸² Simultaneously, Hong Kong’s dwindling economy craved for external economic impetuses like the market in China to boost the local businesses in hard times.⁸³ In 2004, China’s influence in the Hong Kong economy grew significantly: “China was the second largest investor in the territory, with a total accumulated investment of US\$131 billion, or 29% of the total inward investment. Over 2000 Mainland enterprises operated in Hong Kong and accounted for about 25% of the market shares in the banking, insurance, shopping and tourism businesses in the territory.”⁸⁴ The dominance of economic integration with China has resulted in an outflow of investment across the border.

Since Deng Xiao-ping’s “reform and opening-up” in the 1980s, a dramatic northern relocation of Hong Kong factories and medium-scaled companies took advantage of Chinese cheap labour, and the open market. According to a report conducted by the Federation of Hong Kong Industries in 2004, “11 million of Mainland workers are directly or indirectly employed by Hong Kong ventures, of whom 10 million are in Guangdong. This is about 57 times the total labour force

⁸⁰ “Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA),” Hong Kong Trade and Industry Department, accessed 22 November 2017, <https://www.tid.gov.hk/english/cepa/>.

⁸¹ Ray Yep, “Links with the Mainland,” in *Contemporary Hong Kong politics: Governance in the post-1997 era*, ed. Wai-man Lam, Percy Luen-tim Lui, Wilson Wong, and Ian Holliday (Hong Kong: Hong Kong University Press, 2007), 245-246.

⁸² Tai-lok Lui, “A Missing Page in the Grand Plan of “One Country, Two Systems”: Regional Integration and its Challenges to Post-1997 Hong Kong,” *Inter-Asia Cultural Studies* 16, no. 3 (2015): 402. doi:10.1080/14649373.2015.1069053.

⁸³ Yep, “Links with the Mainland,” 245-246.

⁸⁴ Ibid.

of Hong Kong's own manufacturing sector.”⁸⁵ Deng regarded Guangdong province as a start-up and a perfect example of Hong Kong in the transition from communism to capitalism. Most importantly, Chinese bureaucratic politics was completely cast off in Guangdong which was mainly far away from the central power in Beijing, thus Deng decided Guangdong would be a secure region to launch reforms. Consequently, Deng executed the first three special economic zones (SEZs) in Guangdong in 1980 including Shenzhen, Zhuhai and Shantou which are located near Hong Kong.⁸⁶ These trials in capitalism drew attention to foreign investment through liberalised protocols and tax immunities. Concurrently, the investments in China move downward to the Hong Kong stock exchange market and Tsingtao Brewery became the first Chinese enterprise in 1993. The unleashed capitals from China have since become the indivisible component of the business portfolio of Hong Kong businesses. Chinese outbound investments in Hong Kong have mingled with property developments, banking, insurance and stock market because of the key advantage of familiarity with mainland business practices.

Both the Chinese and the Hong Kong governments sought the opportunity of further expanding cooperation arrangements. Following this series of economic measures came the “Individual Visit Scheme” (IVS)⁸⁷ which enhanced the flexibility for Mainland tourists to visit Hong Kong in 2003. The direct effects of the IVS revitalised the depressed economy of Hong Kong after the negative impact caused by SARS. These measures gave Hong Kong a real boost and the political atmosphere temporarily cooled for a short period. However, Chinese

⁸⁵ Austin Ramzy, “The China connection,” *Time*, 7 June 2017, http://content.time.com/time/specials/2007/article/0,28804,1630244_1630240_1630204,00.html; “Made in PRD Study: Challenges and Opportunities for HK Industry,” Federation of Hong Kong Industries, accessed 25 November 2017, <https://www.industryhk.org/upload/media/file/4bcea8136664afe16cf263d2fa81d104.pdf>. See also Ray Yep. “Links with the Mainland.” In *Contemporary Hong Kong politics: Governance in the post-1997 era*, ed. Wai-man Lam, Percy Luen-tim Lui, Wilson Wong, and Ian Holliday (Hong Kong: Hong Kong University Press, 2007), 242-243.

⁸⁶ Ramzy, “The China.”

⁸⁷ “The Individual Visit Scheme (IVS) was first introduced in four Guangdong cities (Dongguan, Zhongshan, Jiangmen, and Foshan) on 28 July 2003 as a liberalisation measure under the Closer Economic Partnership Arrangement. The Scheme allows residents of these cities to visit Hong Kong in their individual capacity. Subsequently IVS increased to cover 49 cities in the mainland.”

“Individual visit scheme,” Hong Kong Tourism Commission, accessed 26 November 2017, http://www.tourism.gov.hk/english/visitors/visitors_ind.html.

Premier Wen Jia-bao singled out Donald Tsang in his reception in December 2005, saying “Hong Kong still has the deep-rooted conflicts and problems yet to be resolved.”⁸⁸ Local politicians and academics politically “consumed” the Premier’s statements to imply political conflicts. It revealed how over-politicised Hong Kong had become. People overlooked the deep-rooted economic concerns which were possibly what the Premier truly meant to express. In an over-politicised society, lurking beneath the surface were deep-rooted conflicts and social cleavage spawned by the 1 July 2003 march. Popular indignation against the laissez-faire/positive non-interventionism collusion broke out under Donald Tsang, and social separation hastened under CEPA.⁸⁹ The assimilation of Hong Kong and China accelerated the relocation of businesses to China, threatening both working class and middle-class jobs in Hong Kong. The colossal inflow of Chinese capital bloated the cost of living and formed asset bubbles. Notably, economic prosperity after 2003, was largely for the business elite and the vested interest groups. Unstoppable inflation lessened the living standards of the lower class and younger middle class. The wealth gap, income inequality, the working poor, high unemployment rates and skyrocketing property values became perfect examples in post-2003 Hong Kong. The low-valued real estates attracted a swarm of red capitalists from China to largely invest. Within a few years, the property values went up dramatically which the locals could no longer afford. Before the 2007-2008 economic crisis, local first home buyers and younger generations were faced with the predicaments of an expensive housing market, the hardship of unemployment, and the dissatisfaction with developer hegemony.⁹⁰ These circumstances formed the long-term antagonism towards the ruling class in Hong Kong.

⁸⁸ Hong Kong Economic Times, “Hong Kong’s Deep-rooted Conflicts and Problems,” *Hong Kong Economic Times*, 29 December 2005, <http://kwscpa2.mysinablog.com/index.php?op=ViewArticle&articleId=1924497>; King-cheung Chan, “A Deep-rooted Contradiction,” *Ming Pao*, 19 April 2017, https://news.mingpao.com/pns/dailynews/web_tc/article/20170419/s00012/1492538391325.

⁸⁹ Hung, and Ip, “Hong Kong’s Democratic Movement and the Making of China’s Offshore Civil Society,” 509-510.

⁹⁰ HK Magazine, “Monopoly city: The companies that own everything in Hong Kong,” *South China Morning Post*, 17 June 2016, <http://www.scmp.com/magazines/hk-magazine/article/2038011/monopoly-city-companies-own-everything-hong-kong>.

The building of nationalism and incorporation strategy

In the first decade under the “One Country, Two Systems”, there were ups and downs in economic status and the territory was overwhelmed by demonstrations and social movements, especially under the Tung administration between 1997 and 2005. The trajectory of Hong Kong in this period seemingly was towards economic decay and political chaos. The memory of forgetful Hong Kongers, was jogged by a Forbes magazine article, “The Death of Hong Kong”⁹¹ in 1995 which expressed its pessimism about Hong Kong’s future. A business-oriented society coupled with the arrangement of “One Country, Two Systems” was a well-designed structure to maintain effective governance, and it was a perfect platform for exercising a high degree of autonomy. The crux of the matter was the promise of “Hong Kong people ruling Hong Kong” and a “high degree of autonomy”. The practice of the “new Hong Kong policy” after the 1 July 2003 protest was a turning point when “Beijing immediately implemented an assimilationist state-building nationalism and adopted an incorporation strategy aimed at subjecting Hong Kong to greater central control on the political, economic, and ideological fronts.”⁹² Brian Fong has declared “the notion of “incorporation” is commonly used to describe the various strategies designed by the centre for the purpose of imposing tighter control on peripheries and fostering homogeneity across the country.”⁹³ For the sake of tighter control, Beijing addressed Hong Kong initially in a soft-handed manner establishing the sense of Chinese national identity and the sense of national pride in the local community and schools for the coming decade. This was apparent in broadcasting the national anthem on daily evening news reports and organising student exchange programmes and tours to mainland China. The invisible hand showed that the worry for most Hong Kong people was the fall of the “One Country, Two Systems”.

⁹¹ Louis Kraar, “The death of Hong Kong,” *Fortune*, 26 June 1995, http://archive.fortune.com/magazines/fortune/fortune_archive/1995/06/26/203948/index.htm.

⁹² Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997-2016,” 528.

⁹³ *Ibid.*, 528-529.

Chapter 4: The stalemate in Hong Kong's democracy (2007-2012)

The hope was that, Tsang, with his bureaucratic experience in the late colonial era, would be a pragmatic “executioner” in policy-making rather than a “puppet” on a string. Yet, he failed to transfer his 30-year policy-making experience into the execution of new policies which he was eventually required to amend substantially or to abandon altogether. An example was the food safety policy related to H5N1 bird flu. Tsang announced that free fresh chicken sales would be replaced by a system of central slaughtering which led to the fresh chickens’ prices to rise steeply. Also, Tsang and his Financial Secretary, Henry Tang, introduced the Goods and Services Tax (GST) to the public in early 2006. However, the plan for the tax was abandoned without prior notice in late 2006 due to a lack of public support and even the loss of pro-Beijing and pan-democracy groups’ backing. The biggest defeat for Tsang would be the vetoing of the 2005 electoral reform in the LegCo. Professor Ian Scott has suggested that, “the explanation for policy failure or paralysis lies not in the financial circumstances in which the government found itself but in systemic failure, the inability to produce coherent answers to policy problems which would generate support in the polity and in the community.”⁹⁴ In the absence of legitimacy and governance, Hong Kong government action can only be based on relationships of power; under such circumstances, its legitimacy will be contested.⁹⁵ With Tsang facing an election in 2007, it was politically prudent to introduce new policies which as the experience in his first term in the Hong Kong government had shown, the potential to create and alienate new groups in the society.⁹⁶

The lack of legitimacy and representation in the Hong Kong government continued in the 2007 CE election. Donald Tsang was re-elected by defeating his only pro-democracy contender, Alan Leong who was first elected in the LegCo’s geographical constituency in the 2004 election and received 56,175 votes; the

⁹⁴ Ian Scott, “Legitimacy, Governance and Public Policy in Post-Handover Hong Kong,” *Asia Pacific Journal of Public Administration* 29, no. 1 (2007): 29, doi:10.1080/23276665.2007.10779327.

⁹⁵ *Ibid.*, 31.

⁹⁶ *Ibid.*, 29-31.

third highest vote in that constituency. In 2004, the pro-democratic camp won 62% which was a total of 1.1 million votes. This compares to Donald Tsang who gained 649 votes in the 796-member Election Committee, which was only 0.00009% of the total population in Hong Kong. Therefore, the CE and LegCo universal suffrage was hindered by the decision of NPCSC which only showed the absurdity of “small-circle” selection.

The failed 2010 political reform

Although Tsang was widely considered as being blessed by Beijing, he still acknowledged that a majority of Hong Kong people wanted universal suffrage although this was only achievable if the all parties came to an agreement. He thought about universal suffrage should not be achieved “at the expense of the city’s prosperity and stability, way of life and personal freedom, or its good relations with the central government.”⁹⁷ In order to gain support from pro-democrats, he restated his commitment to settling the universal suffrage issue rather than leaving it to his successors. Even though the Hong Kong government attempted to confuse the general public from the actual definition of “universal suffrage” and “one person, one vote”, it did not distract the public from the desire of achieving the dual universal suffrage in 2012 based on the second interpretation of the Basic Law by the NPCSC in 2004. As preparation for the 2010 electoral reform, Tsang proposed a “Green Paper on Constitutional Development” on 11 July 2007. The three-month consultation provided options, and a roadmap and timetable with regard to the methods by which the CE and LegCo universal suffrage would be attained in 2012.⁹⁸ According to the statement of the consultation document, “On 12 December 2007, the CE submitted a report to the NPCSC, reflecting faithfully the views of different sectors of the community on the issue of universal suffrage received during the public consultation period, including that more than half of the public supported the implementation of universal suffrage for the CE and the LegCo (“dual universal suffrage”) in 2012,

⁹⁷ Jimmy Cheung, “Tsang targets 60pc backing for suffrage plan,” *South China Morning Post*, 22 March 2017, <http://www.scmp.com/article/586016/tsang-targets-60pc-backing-suffrage-plan>. See also Scott, “Legitimacy, Governance and Public Policy in Post-Handover Hong Kong,” 34.

⁹⁸ “Package of proposals for the methods for selecting the Chief Executive and for forming the Legislative Council in 2012,” Hong Kong Constitutional and Mainland Affairs Bureau, accessed 12 November 2017, <http://www.cmab-cd2012.gov.hk/en/package/index.htm>.

and at the same time, implementing universal suffrage for the CE first by no later than 2017 would stand a better chance of being accepted by the majority in the community.”⁹⁹

After the consultation, Tsang submitted the report to the NPCSC on 29 December 2007. The NPCSC made the decision that, “The election of the fifth CE of the HKSAR in the year 2017 may be implemented by the method of universal suffrage; that after the CE is selected by universal suffrage, the election of the LegCo of the HKSAR may be implemented by the method of electing all the members by universal suffrage.”¹⁰⁰ At the same time, the NPCSC decision provided that “The election of the fourth CE of the HKSAR in the year 2012 shall not be implemented by the method of universal suffrage. The election of the fifth term LegCo of the HKSAR in the year 2012 shall not be implemented by the method of electing all the members by universal suffrage.”¹⁰¹ That is to say, the NPCSC decision made it clear that “the CE may be selected by universal suffrage in 2017, and that after the CE is selected by universal suffrage, all the members of the LegCo (2020) may be elected by universal suffrage.”¹⁰² Nonetheless, some of the Hong Kong people doubted the promise and that the commitment to universal suffrage would eventually be implemented in 2017. Even if there was a universal suffrage, the CE candidate particularly a pro-democratic one, would unquestionably be subject to a stringent screening procedure by the Election Committee. The decision made by the NPCSC had a significant effect in dividing the pro-democracy camp and planting the seed of doubt in the democratic movement, especially, the leading party of pan-democrats. The Democratic Party (DP) keen to see a breakthrough in the reform talks and opted to engage with Beijing to negotiate based on the following belief: “first establish the principle of ultimate universal suffrage and the path of transition, and then decide on the specific arrangements for the 2012 political reform.”¹⁰³

⁹⁹ “Consultation document,” Hong Kong Constitutional and Mainland Affairs Bureau, accessed 12 November 2017, <http://www.cmab-cd2012.gov.hk/en/consultation/index.htm>.

¹⁰⁰ Ibid.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Apple Daily, “Beijing - Democratic Party negotiation,” *Apple Daily*, 25 May 2010, <https://hk.news.appledaily.com/local/daily/article/20100525/14064796>.

The controversy of “Five Constituencies Referendum”

Given that the global financial crisis in 2007 and 2008, and the considerable uncertainties to the global economic outlook affected Hong Kong, Donald Tsang delayed the democratic moves for two years. Finally, in 2009, he resolved the public’s concern and decided that a new round of consultation on the proposals for the methods for selecting the CE and LegCo in 2012 would be undertaken at the end of 2010. However, some of the pro-democrats completely lost their patience with bureaucratic and artificial consultations.¹⁰⁴ Nevertheless, the government’s proposals widened the scope for political participation and increased the democratic fundamentals in the 2012 elections. In December 2009, the discord within the pro-democratic camp was intensified rapidly by the decision on the “Five Constituencies Resignation or Five Constituencies Referendum”. The largest pro-democratic party, the DP, was expected to facilitate this referendum, however, they chose neither to support nor to participate in this movement at all.¹⁰⁵ The movement was advocated by two newly established political parties: a moderate party, the Civic Party, and a radical party, the League of Social Democrats (LSD) which joined together and aimed to trigger the resignation of five LegCo seats in five different constituencies respectively.¹⁰⁶ Due to the high-popularity of these five resignees, the triumph of the by-election would represent genuine democracy and achieve “one people, one vote” in Hong Kong. The election can be seen as a de facto referendum on, and a support for those demanding issues.¹⁰⁷ The hidden incentive was to mobilise and illustrate the determination of the Hong Kongers for ‘true’ democracy, compelling tenacious Beijing to introduce universal suffrage in 2012.¹⁰⁸ A de facto referendum would

¹⁰⁴ Jermain T. M. Lam, “Political Decay in Hong Kong after the Occupy Central Movement,” *Asian Affairs: An American Review* 42, no. 2 (2015): 101-102. doi:10.1080/00927678.2015.1035143.

¹⁰⁵ Ngok Ma, “Hong Kong’s Democrats Divide,” *Journal of Democracy* 22, no. 1 (January 2011): 64.

¹⁰⁶ “Five LegCo members, who resigned on 26 January 2010, were Albert Chan, Alan Leong, Tanya Chan, “Longhair” Leung Kwok-hung and Wong Yuk-man.”

Alan Leong, “Quantifying Hong Kong’s democratic desires,” *The Wall Street Journal*, 8 February 2010, <https://www.wsj.com/articles/SB10001424052748703630404575052710504046960>

¹⁰⁷ Leong, “Quantifying.”

¹⁰⁸ Ho-fung Hung, and Lam-chong Ip, “Hong Kong’s Democratic Movement and the Making of China’s Offshore Civil Society,” *Asian Survey* 52, no. 3 (2012): 513, doi:10.1525/as.2012.52.3.504.

“set a precedent for Hong Kong citizens to express their collective will on significant issues in the future even though the SAR lacks a formal referendum law such as Taiwan’s.”¹⁰⁹ Simultaneously, pro-Beijing lawmakers denounced this “referendum” as pushing for Hong Kong Independence and criticised the waste of taxpayers’ money.

From January to May 2010, a survey of 1,069 people on the government's proposal for political reform organised by the University of Hong Kong’s public opinion programme and Now TV found that, 48 per cent wanted the proposal, while 33 per cent said it should be vetoed.¹¹⁰ In terms of the by-election on May, 26 per cent of respondents surveyed support a de facto referendum on constitutional reform, while 53 per cent said they were against it.¹¹¹ Another survey conducted by the One Country Two Systems Research Institute, showed that nearly 60 per cent of 856 people backed the 2012 electoral proposal.¹¹²

The Central government, pro-Beijing parties and Donald Tsang criticised the legitimacy and legality of the “Five Constituencies Referendum” and that the by-election would cost millions of dollars from the taxpayers. Moreover, the “referendum” lacked unified public support and more than half of the pro-democratic LegCo members opposed the plan. In the May 2010 by-election, five resignees were all successfully elected by an overwhelming 90% of votes but with only a 17.23% turnout which was much lower than the 50% target. Confronting all the setbacks and criticisms, half a million Hong Kong-registered voters cast their votes. The low turnout was mainly because of the boycott by all pro-Beijing parties and even Donald Tsang and his administration for fear of being seen by Beijing as condoning an illegitimate act. Originally with high hopes of mobilisation, the Civic Party and the LSD reluctantly accepted the disappointment of the referendum and the failure to arouse the social movements for civil rights,

¹⁰⁹ Hung, and Ip, “Hong Kong's Democratic Movement and the Making of China's Offshore Civil Society,” 513-514..

¹¹⁰ Ambrose Leung, “48pc of People Back Reform, Survey Shows,” *South China Morning Post*, 4 May 2010, <http://www.scmp.com/article/713313/48pc-people-back-reform-survey-shows>.

¹¹¹ Ibid.

¹¹² Tanna Chong, “Public Backing for Reform Not So Clear Cut,” *South China Morning Post*, 19 April 2010, <http://www.scmp.com/article/711808/public-backing-reform-not-so-clear-cut>; Leung, “48pc of people.”

thus both parties were inevitably criticised and accused of the splitting of the pro-democratic camp.¹¹³ However, the effect of this referendum apparently had an affirmative enlightenment for the young activists. The post-80s¹¹⁴ and post-90s turned out to be unsurprisingly more radical in their challenges to encounter the government political reform campaign “Act Now” through the rising power of the Internet, Facebook, and online discussion forums.¹¹⁵

The secret chamber negotiation

More crucially, a week after the by-election, the DP was invited to a secret meeting with Deputy Director Li Gang at the Liaison Office of the Central People’s Government, known as a “Secret Chamber Negotiation” and “Ice-breaking meeting” by the Liaison Office.¹¹⁶ The Liaison Office was always regarded as a “second governing team” or even the real power and government in Hong Kong. The shocking act by the DP immediately yielded tremendous condemnations and expressions of disappointment from the public, the DP’s own supporters, pro-democratic parties, and political commentators. Also, the meeting brought up the issue of whether the largest pro-democratic party was already compromised in exchange for passing the 2012 political reform proposal in the LegCo, or even the suspicion of an under-table political trade-off.

After a long two months of televised debate, soft lobbying, and the government’s campaign “Act Now”, Donald Tsang announced that an improved scheme for selecting the CE and for forming the LegCo in 2012 would be finalised and officials accepted the proposal of the DP in terms of increasing the proportion of seats for geographical constituencies. The final amendment would increase the Election Committee for the CE election from 800 members to 1,200 in 2012 and increase the number of Legislative Council members from 60 to 70,

¹¹³ Philip Bowring, “Hong Kong’s Discontent,” *The New York Times*, 26 January 2010, <http://www.nytimes.com/2010/01/27/opinion/27iht-edbowring.html>.

¹¹⁴ “In a broad sense, it refers to the generation of Hong Kong born in the 1980s. Narrowly, it refers specifically to the young people who are active in social movements in that generation.” “Post-80s,” Wikipedia, accessed November 29, 2017, <https://en.wikipedia.org/wiki/Post-80s>.

¹¹⁵ Hung, and Ip, “Hong Kong’s Democratic Movement and the Making of China’s Offshore Civil Society,” 513-514.

¹¹⁶ Ngok Ma, “Hong Kong’s Democrats Divide,” *Journal of Democracy* 22, no. 1 (January 2011): 64-66.

with 5 new seats being added in functional constituencies. The final amendment for selecting the CE and for forming the LegCo was later approved by LegCo on 25 June 2010, with 46 votes in favour including Beijing's loyalist and all pro-Beijing parties and, of course, the DP and 12 against.

Under the circumstances in Hong Kong, Beijing was worried about another large-scale popular mobilisation, like the 1 July 2003 demonstration that halted the Article 23 legislation and created a wave of democratisation and social movements. Therefore, the Central government arranged "the second governing team in Hong Kong" Liaison Office to find a solution by approaching the most important pro-democratic party, DP, which was most likely to compromise the 2012 electoral reform proposal. In 2010 and 2011, there was a political rumour that Beijing was propelling the Tsang administration to reintroduce the hampered Article 23 bill before Tsang ended his tenure as CE in June 2012.¹¹⁷ In late 2010, Tsang reassured that the legislation would not appear on the policy agenda during the rest of his term.¹¹⁸ However, former LegCo president and member of the NPCSC, Rita Fan Hsu Lai-tai, stated that: "It's the government's responsibility to enact Article 23...it was not a monster as imagined by many."¹¹⁹ Unquestionably, the general public instantly felt anxious that the Article 23 bill would threaten the freedom of speech and human rights. Soon after, the director of the Hong Kong and Macau Affairs Office, Wang Guan-gya, added that: "Hong Kong should introduce such a law, but only after the city had reached a consensus on the issue. He would leave it up to the next administration to decide whether it wanted to

¹¹⁷ Gary Cheung, "Beijing Eyed new Article 23 Push, Researcher Says," *South China Morning Post*, 15 October 2010, <http://www.scmp.com/article/727537/beijing-eyed-new-article-23-push-researcher-says>. See also Hung, and Ip, "Hong Kong's Democratic Movement and the Making of China's Offshore Civil Society, 514. See also South China Morning Post, "Going Ahead with Article 23 Law Should not be a Difficult Process," *South China Morning Post*, 29 September 2010, <http://www.scmp.com/article/726101/going-ahead-article-23-law-should-not-be-difficult-process>.

¹¹⁸ Ambrose Leung, "No Article 23 Legislation for the Rest of My Tenure, chief says," *South China Morning Post*, 14 October 2010, <http://www.scmp.com/article/727413/no-article-23-legislation-rest-my-tenure-chief-says>.

¹¹⁹ South China Morning Post, "Rita Fan Reignites Article 23 Debate," *South China Morning Post*, 26 May 2010, <http://www.scmp.com/article/968747/rita-fan-reignites-article-23-debate>.

take up this duty.”¹²⁰ It is probable that Beijing created the rumour to test the waters in Hong Kong, to avoid a possible further mass mobilisation.

Though playing an upper hand in this political game, Beijing was recognised as effectively dividing the pro-democracy parties. In fact, the new reform package was only slightly more democratic than the rejected package in 2005. The DP took the high stakes of becoming a “traitor” albeit they alleged it was for the sake of a progressive democratic movement and because they believed that the Hong Kong people did not want to be dragged to the political stagnation for a few years. In its support of the constitutional reform package, the DP unavoidably lost more than 20 reformist members and District Councillors who later formed a ‘Neo Democrats’ in October 2010. Besides, the radical LSD was also heavily affected by the intra-party struggles after the failure of the “Five Constituencies Referendum”. Hundreds of supporters of the founding Chairman and LegCo member, Wong Yuk-man, and LegCo member, Albert Chan, quit the LSD and formed the ‘People Power’ (PP) in January 2011 for the purpose of pursuing and attacking the DP for their support of the constitutional reform in 2010.

The pro-democracy camp was no longer unified as it had been at the time of the 1 July 2003 protest and the pact was split into traditional and moderate democrats including the DP, Civic Party and Hong Kong Association for Democracy and People's Livelihood (ADPL); and radical and progressive democrats including the PP, LSD and Neo Democrats.¹²¹ Although the political spectrum was expanded, the ongoing conflicts between the two factions unavoidably escalated in the election year of 2012. In the 2012 LegCo election, the DP suffered a massive defeat in the newly reformed 70 seat LegCo which they relentlessly supported in 2010. The DP only obtained 6 seats in the election compared to the peak period of the DP when it obtained 19 seats in the 1995 LegCo election. Their leading position in the pro-democracy camp was given to another traditional and moderate democrat, the Civic Party, which participated in

¹²⁰ South China Morning Post, “Wang Guangya Says No Rush on Article 23 Law,” *South China Morning Post*, 16 June 2011, <http://www.scmp.com/article/970714/wang-guangya-says-no-rush-article-23-law>.

¹²¹ Lam, “Political Decay in Hong Kong after the Occupy Central Movement,” 101-102.

the “Five Constituencies Referendum”. The pro-Beijing camp gained an overpowering triumph, and was dominant in the functional constituencies and nearly half of the geographical seats which were viewed to be in the grip of the pro-democracy camp.

2012 CE election and the power struggle in China

The 2012 CE election was won by the former non-official convenor of the Executive Council of Hong Kong Leung Chun-ying (CY Leung), with the assistance of the Liaison Office in March 2012. CY Leung was viewed as the underdog, but he successfully ran a populist campaign against Chief Secretary for Administration, Henry Tang, who was perceived as the blessed candidate by Beijing representatives and business magnates. Even the pro-democrats sent their own candidate, DP Chairman and LegCo member Albert Ho, who could not exert any influence in this two-way election. Notably, the election was the most competitive and controversial as it was the first election with more than one pro-Beijing candidate since the 1996 CE election. The scandals, blackmailing and smears were the main features of the CE election instead of policy-making and the candidates’ manifestos. Remarkably, Henry Tang was revealed as having extra-marital affairs and unauthorised building works.¹²² His opponent, CY Leung was also suspected of being involved with the “black gold politics”¹²³, and allegations of a protocol breach in the Executive Council and that he was a member of the Communist Party.¹²⁴

Behind the power struggle during the CE election, it was crucial to comprehend that the election was not decided by universal suffrage and it had complex links to ascending the “throne” of the PRC and intra-party power struggles. The CE election was controlled by a small-circle of the majority of pro-Beijing politicians, business people, and business tycoons who obeyed the orders

¹²² South China Morning Post, “The Upside to Mud-slinging,” *South China Morning Post*, 20 March 2012, <http://www.scmp.com/article/995973/upside-mud-slinging>.

¹²³ Apple Daily, “Black Gold Politics,” *Apple Daily*, 9 March 2012, <https://hk.news.appledaily.com/local/daily/article/20120309/16140039>.

¹²⁴ BBC News, “Comrade Leung Chun-ying,” *BBC News*, 30 March 2012, http://www.bbc.com/zhongwen/trad/chinese_news/2012/03/120330_hk_comrade_cyleung.shtml; The Economist, “The Worst System, Including All the Others,” *The Economist*, 31 March 2012, <http://www.economist.com/node/21551482>.

of Beijing. Unfortunately, the dismissal of Chongqing Communist Party Secretary Bo Xi-lai and his plot to topple hand-picked Xi Jin-ping before Xi was selected in the 18th National Congress and 18th Politburo in November 2012, had widely shaken the stability of the Central Authority.¹²⁵ Also, the incident was associated with some very powerful political figures and their factions in China which gripped the actual authority of the Liaison Office in Hong Kong, thus they tried to alter the primary option of the CE. This move would particularly trigger the association of the vested interest of the underground Communist Party and its factions in Hong Kong.¹²⁶ This political interference was a crystal-clear example of a breach of the framework of the “One Country, Two System” and the Basic Law. Besides, this underlined a deep-seated fissure within the Communist Party leadership, between the ‘princelings’, the Youth League Faction, and the oil and Shanghai cliques. The CE election was inevitably connected to this Chinese leadership’s power struggle. Therefore, Henry Tang was originally thought to be the only acceptable candidate for the party leaders. At the last minute before the election, the Chinese leadership endorsed CY Leung. Many political commentators and Chinese experts insinuated that this dramatic change in the Hong Kong election possibly had to do with the pressure of the Youth League Faction. The power struggle between President Xi and Bo was the reason why Bo eventually lost his power and was sent into jail.¹²⁷ Intriguingly, the rumour related to Bo’s “coup” also had to do with Former President Jiang Ze-min’s power.¹²⁸

Indeed, the Communist Party's inner struggles jeopardised the Hong Kong CE election and especially the stability of the “One Country, Two Systems”.¹²⁹ In this critical moment, this violation would come to accelerate the completion of “One Country, One System”. The political interference from Beijing became

¹²⁵ The Economist, “A City Apart,” *The Economist*, 5 July 2012, <http://www.economist.com/node/21558267>.

¹²⁶ Brian C. H Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” *Modern China* 43, no. 5 (2017): 529. doi:10.1177/0097700417691470. See also South China Morning Post, “CE Election Linked to the Drama in Beijing,” *South China Morning Post*, 22 March 2012, <http://www.scmp.com/article/996138/ce-election-linked-drama-beijing>.

¹²⁷ South China Morning Post, “CE Election.”

¹²⁸ Ibid.

¹²⁹ Ibid.

normality under Leung's governance.¹³⁰ Public discontent especially among the new generation of post-80s and -90s young people reached a peak since 2003, over the unfulfillment of universal suffrage, the rising housing market, the flood of enormous numbers of Chinese visitors, the normality of parallel trading in Hong Kong, the gap between wealth and poverty, implementation of national education policy, and distrust and anti-China sentiment against mainlanders.¹³¹

The rapid economic incorporation between Hong Kong and China

Seven years under Tsang administration, saw the swift development of economic integration between Hong Kong and the China. China became the largest external investor in Hong Kong, sharing nearly 36% of total direct investment in 2010.¹³² Chinese companies were also the key players in Hong Kong's stock market since 1993 including H-shares, red chips and non-H-share Mainland private enterprises, raised over \$1 trillion Hong Kong Dollars.¹³³ In the history of the Hong Kong stock market, the top initial public offerings (IPOs)¹³⁴ were all from Mainland enterprises.¹³⁵ By late 2010, a total of 592 Chinese enterprises were registered on the Hong Kong Stock Exchange, accounting for 57% of market capitalisation and 65% of turnover.¹³⁶ Besides, China continued to be the largest trading partner for

¹³⁰ Malte Philipp Kaeding, "The Rise of "Localism" in Hong Kong," *Journal of Democracy* 28, no. 1 (2017): 166, doi:10.1353/jod.2017.0013.

¹³¹ James Pomfret and Ee-lyn Tan, "Hong Kong to Vote amid Discontent over China Influence," *Reuters*, 8 September 2012, <https://www.reuters.com/article/hongkong-china-vote/hong-kong-to-vote-amid-discontent-over-china-influence-idINDEE8860CK20120907>.

¹³² Peter T. Y. Cheung, "The Changing Relations between Hong Kong and the Mainland Since 2003," in *Contemporary Hong Kong Government and Politics*, ed. Wai-man Lam, Percy Luen-tim Lui, Wilson Wong (Hong Kong: Hong Kong University Press, 2012), 339.

¹³³ "Hong Kong Exchanges and Clearing 2005 Annual Report," Hong Kong Exchanges and Clearing, accessed 2 December 2017, http://www.hkexgroup.com/-/media/HKEX-Group-Site/ssd/Investor-Relations/Regulatory-Reports/documents/2006/2005AR_e.pdf.

¹³⁴ "An initial public offering (IPO) is the first time that the stock of a private company is offered to the public. IPOs are often issued by smaller, younger companies seeking capital to expand, but they can also be done by large privately owned companies looking to become publicly traded. In an IPO, the issuer obtains the assistance of an underwriting firm, which helps determine what type of security to issue, the best offering price, the amount of shares to be issued and the time to bring it to market."

"Initial public offering – IPO," Investopedia, accessed 2 December 2017, <https://www.investopedia.com/terms/i/ipo.asp>.

¹³⁵ "2005 Annual Report."

¹³⁶ Cheung, "The Changing," 339.

Hong Kong, supplying nearly half of its total trade and over 50% of its re-export trade both as a market or a source in 2010.¹³⁷

Although Hong Kong was still a leading investor and trading partner for China, Hong Kong's relative importance has weakened as the Chinese economy outstretched speedily over the past decade.¹³⁸ In terms of a highly external-oriented structure of the Hong Kong economy, direct investment dealings of Hong Kong were very prosperous. From 2004 to 2013, the net outflow of Hong Kong's direct investment assets increased by 1.3 times from \$285.8 billion in 2004 to \$646.3 billion in 2013.¹³⁹ This dramatic escalation was partially attributable to the exclusive position of Hong Kong as a gateway to the massive Mainland market and as a platform for enabling the Mainland corporations to obtain entry to the global market.¹⁴⁰

Since 2003, Beijing began the "new Hong Kong policy" and performed an essential part in organising cross-boundary development schemes as a consequence of competitions between Hong Kong and its southern cities.¹⁴¹ Apart from the Closer-Border Economic Partnership Arrangements (CEPA) which was initialled in 2003, there were numerous agreements over cross-boundary infrastructural developments which were settled under the support of Beijing, including the Hong Kong–Zhuhai–Macau Bridge (HKZMB) and the Guangzhou–Shenzhen–Hong Kong Express Rail Link (XRL). Also, cross-border economic cooperation pacts were set up with Hong Kong/Shanghai Economic and Trade Cooperation Conference in 2003, Pan-Pearl River Delta Regional Cooperation and Development Forum in 2004, Hong Kong/Shenzhen Cooperation Meeting in

¹³⁷ Cheung, "The Changing," 339.

¹³⁸ Ibid.

¹³⁹ "Hong Kong's External Direct Investment Statistics, 2004-2013," Hong Kong Census and Statistics Department, accessed 3 December 2017, <http://www.statistics.gov.hk/pub/B71412FB2014XXXXB0100.pdf>.

¹⁴⁰ Hong Kong Census and Statistics Department, "Hong Kong's External." See also Tai-lok Lui, "A Missing Page in the Grand Plan of "One Country, Two Systems": Regional Integration and its Challenges to Post-1997 Hong Kong," *Inter-Asia Cultural Studies* 16, no. 3 (2015): 396-409. doi:10.1080/14649373.2015.1069053.

¹⁴¹ Cheung, "The Changing," 340.

2004, Hong Kong/Beijing Economic and Trade Cooperation Conference in 2004, and Hong Kong/Macao Cooperation High Level Meeting in 2008.¹⁴²

With the purpose of gripping China's robust economic growth, the Tsang administration asked Beijing to acknowledge Hong Kong's part in the Eleventh Plan (2006 to 2010) of China's Five-Year Plans.¹⁴³ The eleventh plan stated that "Beijing would support the development of Hong Kong's financial services, logistics, tourism and information services, and the maintenance of Hong Kong's status as an international centre of finance, trade, and shipping."¹⁴⁴ After the 2008 global economic recession, the Hong Kong government had to seek more recognition in the Twelfth Plan (2011–2015) by asking for Beijing to further consolidate and enhance Hong Kong's competitive advantages. For instance, to "consolidate and enhance Hong Kong's status as an international centre for financial services, trade and shipping; and in particular, the support for Hong Kong's development as an offshore Renminbi centre and an international asset management centre."¹⁴⁵ Also, the Central authorities' supported for Hong Kong to "deepen economic co-operation with the Mainland and continue to implement CEPA."¹⁴⁶

Although many political commentators and pro-democracy politicians hesitated over further economic integration, it only resulted in further collusion between the government and tycoons from business sectors. A business-oriented society should not merely favour business and commercial sectors, the advantages of transfer and conflict of interest could be a breaking point of long-standing public resentment against the Hong Kong government. Nonetheless, Hong Kong became aggressively further dependent on economic cooperation, pacts, and

¹⁴² Fong, "One country, two nationalisms: Center-periphery relations between mainland China and Hong Kong, 1997-2016," 533.

¹⁴³ Cheung, "The Changing," 340.

¹⁴⁴ Cheung, "The Changing," 340; "The Eleventh Five-year Plan and Hong Kong Economy," Hong Kong Trade Development Council, accessed December 3, 2017, <http://economists-pick-research.hktdc.com/business-news/article/Economic-Forum/The-Eleventh-Five-Year-Plan-and-Hong-Kong-Economy/ef/en/1/1X000000/1X007RZS.htm>.

¹⁴⁵ "The HKSAR's Work in Complementing the National 12th Five-year Plan," Constitutional and Mainland Affairs Bureau, accessed 3 December 2017, http://www.cmab.gov.hk/en/issues/12th_5yrsplan_outline.htm

¹⁴⁶ Ibid.

agreements with China at regional and national levels. The story behind the close agreements was that the Central Authority utilised the economic integration to heighten its influence in the financial and political sectors of Hong Kong simultaneously. To substitute the unique role of Hong Kong, the best way was to learn its advantages and distinctive features which were the setting of the economic structure and the financial system. Guangdong, Shanghai, Shenzhen, Pan-Pearl River Delta were the prominent experiments of the Chinese government. Also, the economic solidity of Hong Kong which benefited from the rapid economic integration with China, would be able to stabilise Hong Kong's political and social environment after the 1 July 2003 protest and later the call by Premier Wen Jiabao for Hong Kong to concentrate on resolving the 'deep-rooted contradictions and problems'.¹⁴⁷

The decline of democratic movement and the transformation of civil rights movement

The pro-democracy campaign declined dramatically in the period between the 2005 electoral reform and the 2010 electoral reform because of, "the altercation of the "Five Constituencies Referendum" and the intra-parties' power struggles. Literally, the pro-democrats failed to transform 60% votes in the 2008 LegCo election into a political energy to effectively mobilise the populace in the underlying social movement. As a matter of fact, the political environment was an adverse effect for the pro-democrats since 2003. The rejection of the 2005 and 2010 electoral reform package was a disappointing outcome and even the NPCSC suggested there may be a double suffrage in 2017.

Although the 1 July 2003 protest galvanised the civil society with a sense of solidarity and harmony, the transformation of civil society took place at a slow pace afterwards. Although the political impetus grew in 2003, there was an immense plunge in participation in consecutive social movements. As the Hong Kong populace had tended to practice their peaceful and harmonious "1-day protest" routine for the past 15 years, people would go back to their normal life on the next day. According to the University of Hong Kong Public Opinion

¹⁴⁷ South China Morning Post, "No Easy Solution to Deep-rooted Problems," *South China Morning Post*, 30 December 2005, <http://www.scmp.com/node/530930>.

Programme estimations, the average participation in the July 1st protest was only about 34,000¹⁴⁸ from 2005 to 2010, compared to around 438,500¹⁴⁹ and 300,800¹⁵⁰ in 2003 and 2004, respectively.¹⁵¹ The declining numbers could be attributed to the rejection of double universal suffrage and the encounter of popular weariness in the social movement.

Despite the passive participation after 1 July 2003 protest, the remaining momentum of the civil movement was successfully progressed into new fields such as the environment, heritage, and town planning. According to Dr Mathew Wong, “these concerns were all unified under the political banner of suffrage, they also could be interpreted differently depending on one’s ideological persuasion...as they were no longer limited to concerns about democracy and universal suffrage, but instead featured demands ranging from protection of labour, to environmental protection, welfare, and LGBT rights.”¹⁵²

Young people of the post-80s and post-90s generation became more involved in the mobilisation and management of social movements after their political enlightenment on July 1 and especially the candlelight vigil on June 4. According to Dr Mathew Wong, under the “New Social Movement” model, “Young people are thought to be dissatisfied with traditional social organisations and conventional tactics of protest. As a result, they seek to distance themselves from traditional political parties.”¹⁵³ The radicalisation of the democratic movement and the rise of social movements challenging the Hong Kong government culminated in late 2009. The two most remarkable demonstrations led by young people were the anti-high speed rail movement/anti-XRL express rail

¹⁴⁸ “The average numbers are combined with the organiser, government figures and Public Opinion Programme.”

“Combined Charts of the July 1 Rally over the Years (2003-2017),” Hong Kong University Public Opinion Programme, accessed 5 December 2017, https://www.hkpop.hku.hk/english/features/july1/chart/july1count_chart.html.

¹⁴⁹ Ibid.

¹⁵⁰ Ibid.

¹⁵¹ Fong, “One country, two nationalisms: Center-periphery relations between mainland China and Hong Kong, 1997-2016,” 535; “the Years (2003-2017).” See also Mathew Y. H. Wong, “A Game-Theory Model of Democratization and Political Reform in Hong Kong,” *Taiwan Journal of Democracy* 12, no. 2 (2018): 142.

¹⁵² Wong, “A Game-Theory,” 142.

¹⁵³ Ibid., 143.

link movement¹⁵⁴ in 2009-2010 and the anti-national education movement¹⁵⁵ in 2012. These young people also demanded universal suffrage and the release of the jailed Chinese dissident Liu Xiao-bo, and later that of the late Chinese dissident labour rights activist Li Wang-yang.

The influx of mobilisation from the anti-Article 23 protest in 2003 to the anti-high speed rail movement in 2010, further to the “Five Constituencies Referendum” in 2010, demonstrated that Hong Kong’s civil society cannot be subdued. When Hong Kong people came out protecting their civil society under an authoritarian Chinese sovereignty, their resistance also happened to respond with human rights activists and public intellectuals in China. Since the handover, Chinese leaders frequently counselled that Hong Kong people should stay away from troublesome Chinese internal affairs. As Former President Jiang Ze-min notably quoted in his words, “Well water does not mix with river water”. Following the “new Hong Kong policy” which came out in 2003, this statement was hardly applicable to the realpolitik in Hong Kong and China specifically the critical condition which intensified promptly under the CY Leung administration.

¹⁵⁴ “The anti-high speed rail movement was a movement and period of civil discontent in Hong Kong between mid-2009 and early 2010. Select groups of Hong Kong residents protested at the proposed Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, a high-speed railway that would link Hong Kong with mainland China’s growing high-speed rail network.”

“Opposition to the Guangzhou-Hong Kong Express Rail Link,” Revolvvy, accessed 5 December 2017, https://www.revolvvy.com/main/index.php?s=Opposition%20to%20the%20Guangzhou-Hong%20Kong%20Express%20Rail%20Link&item_type=topic.

¹⁵⁵ “The curriculum, which consists of general civics education as well as more controversial lessons on appreciating mainland China, was introduced in primary schools in September and secondary schools in 2013.”

Juliana Liu, “Hong Kong Debates ‘National Education’ Classes,” *BBC News*, 1 September 2012, <http://www.bbc.com/news/world-asia-china-19407425>.

Chapter 5: The political chaos and the overall jurisdiction (2012-2017)

The incursion of “red capitalists” and the post-2012 CE election

The 2012 CE election was the most controversial leadership contest in the history of Hong Kong and displayed the gloom of Chinese politics in Hong Kong. Leung Chun-ying's (CY Leung) victory was a shock to many Hong Kong people. Given the political apparatus of the two different factions of pro-Beijing adherents, both were utterly nasty and corrupt during the CE election campaign. The victory of the populist CY Leung over the wealthy heir, Henry Tsang, raised the discussion over the long-standing partnership between Beijing and Hong Kong's capitalists. The cooperation between Beijing and Hong Kong's capitalists was a noteworthy reason for why Hong Kong could still uphold the model of “One Country, Two Systems” with a high degree of autonomy for more than two decades. Despite Beijing's intervention and deterioration of autonomy in Hong Kong, the countless ties between Beijing and Hong Kong's capitalists were in a check and balance status, and retained the vested interest groups in a crony capitalist system. Indeed, realpolitik indicated that the political interest and political dynamics between Beijing and Hong Kong's capitalists were unlikely to change overnight, but it could definitely reshape the long-term disadvantage of “Red Capitalists” in a Western and locals' dominated Hong Kong market. A group of red capitalist companies have concealed themselves within the Hong Kong stock market, and industrial, financial and service sectors by taking advantage of the robust legal system and effective dispute resolution.

For the past 15 years, the properties of the red capitalist companies simply allowed the outflow of capital and assets from China by engaging in fixed asset transfer, money laundering, tax noncompliance, clandestine dealing, third-party trade and, of course, investments in the Hong Kong market. However, we should not underestimate the “undisclosed” relationship between the Liaison Office, the Hong Kong and Macau Affairs Office, and the red capitalist companies, especially those ties that were gradually uncovered under Leung's administration. At the moment, the red capitalist companies in Hong Kong operate alongside

Hong Kong companies in a state of mutual co-existence in a materialistic and money-focused society. However, the red capitalist companies may develop into more of a threat in the future because of the ambitious dominance of the Hong Kong market. Beijing's overturning of the decision, in favour of the businessmen's favourite, Henry Tsang, definitely gave out an unambiguous signal to all those powerful business tycoons like Li Ka-shing, Lee Shau-kee, the Kwok family, Cheng Yu-tung, and Vincent Lo Hong-shui, who had to switch their support from one candidate to another. Most importantly, they had to show their loyalty after the CE election. According to BBC News, "Li Ka-shing, Asia's richest man and head of Cheung Kong Holdings, supported Mr Tang even after a widely reported meeting with China's presumed next president, Xi Jinping, who was believed to have pressed the tycoon to back Mr Leung."¹⁵⁶ Simultaneously, some of the business tycoons wisely bet on CY Leung as the handpicked candidate to support during the election campaign, knowing they would certainly benefit in their business later.

In view of the forceful influence of Hong Kong's capitalists, the Liaison Office as Beijing's proxy in Hong Kong, used every power to ensure that the Hong Kong business sector would continue to be the prevailing actor in what Brian Fong described as "Beijing's united front" in Hong Kong's relationship with China in the "new Hong Kong policy".¹⁵⁷ For example, within the pro-Beijing camp, the prominent term "grand reconciliation"¹⁵⁸ was repeatedly used by Beijing after the election as Beijing realised that CY Leung began his tenure without the unity and support from the important business sectors in Hong Kong. In line with fostering many common interests between Beijing and the Hong Kong's capitalists, Beijing's priority was the protection of fundamental political-economic order and the consolidation of the Central government's power and

¹⁵⁶ BBC News, "Hong Kong Sizes up next Leader CY Leung's Loyalties," *BBC News*, 4 April 2012, <http://www.bbc.com/news/world-asia-china-17594452>.

¹⁵⁷ Brian C.H. Fong, "The Partnership between the Chinese Government and Hong Kong's Capitalist Class: Implications for HKSAR Governance, 1997–2012," *The China Quarterly*, 217 (2014): 216, doi:10.1017/s0305741014000307; Christine Loh, "Reunification and Fashioning a New Political Order: From 1997 to 2009," in *Underground Front: The Chinese Communist Party in Hong Kong*, ed. Christine Loh (Hong Kong University Press, 2010), 199-236.

¹⁵⁸ *Ibid.*

resistance to the democratic movement in Hong Kong.¹⁵⁹ The balance of power between Beijing and the capitalist groups in Hong Kong could be sustained efficiently, due to the solidity of the relationships between these capitalist groups and the political and economic governance of Leung's administration.

The 2012's 1 July protest

The social harmony and stability in Hong Kong was shaken after CY Leung was elected. Admittedly, CY Leung was more popular, than according to leading public opinion polls, Henry Tsang and pro-democrat candidate, Albert Ho. This was one of the important factors in CY Leung and Beijing supporters' persuasion of the Chinese leadership to back CY Leung. However, CY Leung's popular support was with the working class and elderly; younger generations and pro-democrats did not support him and found his scandals embarrassing (as described previously in Chapter 3) and thought he should be removed from office.¹⁶⁰ Therefore, the next Sunday after the CE election, before CY Leung officially took office, the first large-scale public protest took place in which 15,000 people paraded to Sai Wan/ Western District, where the Liaison Office is located. The uprising of protest demonstrated the public resentment at the Liaison Office meddling in the Hong Kong elections and the anxiety that the office was the actual power in Hong Kong.

The climax of public antagonism erupted on the date that CY Leung officially began his 5-year tenure. The 1 July 2012 protest was the largest demonstration since 2003 and 2004. It was reported that 400,000 protesters showed up against the infringement by the Chinese central government of the "One Country, Two Systems".¹⁶¹ The protest also coincided with the 15th Anniversary of Hong Kong's return to Chinese sovereignty as well as the CE inauguration of CY Leung which were presented by the visiting Chinese President Hu Jin-tao. Protesters were especially concerned about allegations that CY Leung

¹⁵⁹ Loh, "Reunification and Fashioning a New Political Order: From 1997 to 2009," 199-236.

¹⁶⁰ BBC News, "Hong Kong."

¹⁶¹ Vaudine England, "Hundreds of Thousands Protest as Hu Jintao Visits Hong Kong," *The Guardian*, 1 July 2012, <https://www.theguardian.com/world/2012/jul/01/protest-hu-jintao-hong-kong>; Alexis Lai, "Thousands Protest Hong Kong's China-fication," *CNN*, 2 July 2012, <http://edition.cnn.com/2012/07/02/world/asia/hong-kong-handover-protests/index.html>.

was an underground member of the Chinese Communist Party:¹⁶² if he was, by law, he would be forbidden from serving as CE. Although in 1988 CY Leung was appointed at age 34 as the head of a committee replacing Xinhua News Agency Deputy Director, Mao Kwan-nin¹⁶³, and took part in writing the draft of the Basic Law regarding Hong Kong's return to Chinese sovereignty, Leung's denials were persistent though surrounded by doubts and suspicions.¹⁶⁴

In this protest, it could be observed that a large amount of people were waving the Hong Kong flag or the Dragon and Lion flag which represented Hong Kong during the colonial era. To Chinese central government, the act of waving a colonial flag was definitely deemed as a symbol of harassment and mortification as the Chinese, particularly the older generations in Hong Kong, would feel that they had "lost face".¹⁶⁵ It is mainly related to their sentiments and incitements of remembrances of the "Century of Humiliation" of China back in the 19th century. However, the younger generations in Hong Kong learned to value the honesty and uprightness of the British Hong Kong government during the 1980s to 1990s. A survey from the University of Hong Kong Public Opinion Programme (HKUPOP) in late June 2012, showed higher numbers than ever of people identifying themselves as being "Hong Kong citizens", "Members of the Chinese race", or "Asians" instead of being a "Chinese citizen" or "citizens of the PRC".¹⁶⁶ Further

¹⁶² BBC News, "Hong Kong."

¹⁶³ "Mao Kwan-nin was appointed as deputy director of the Xinhua News Agency in 1987, becoming the highest ranking Hong Kong born official at that time. Xinhua News Agency was the de facto representative office of People's Republic China government in the colonial period."

Fong, "The Partnership between the Chinese Government and Hong Kong's Capitalist Class: Implications for HKSAR Governance, 1997–2012," 216.

¹⁶⁴ BBC News, "Hong Kong."

¹⁶⁵ "The concept of face (mianzi) in Chinese culture is a complex one. It can perhaps be most closely defined as "dignity" or "prestige", but no translation can aptly cover all its fine nuances. It's easy for a foreigner to unwittingly cause an embarrassing situation."

"Understanding the Chinese Culture," Internations, accessed 10 December 2017, <https://www.internations.org/china-expats/guide/17519-culture-shopping-recreation/understanding-the-chinese-culture-17526>.

¹⁶⁶ "The latest survey conducted by POP shows that in terms of absolute rating, people's identification with "Hong Kong citizens" has dropped back a bit compared to 6 months ago, but their identification with "Chinese citizens" has dropped to a 13-year low since the end of 1999. In-depth analysis shows that the rating of those under 30 years of age continues to drop since mid-2009, and plunges to just over 5 points in the past 6 months. For the overall sample, the percentages of those identifying themselves as "Hong Kong citizens" both in its narrow and broad senses (including "Hong Kong citizens" or "Chinese Hong Kong citizens") have reached a record high since the 1997 handover."

analysis from HKUPOP stated that, “if we use a dichotomy of ‘Hong Kong citizens’ versus ‘Chinese citizens’ to measure Hong Kong people’s ethnic identity, the proportion of people identifying themselves as ‘Hong Kong citizens’ outnumbers that of ‘Chinese citizens’ both in their narrow and broad senses, by about 28 to 38 percentage points. For those under 30 years of age, the gap widens to 60 to 72 percentage points.”¹⁶⁷

The anti-national education movement

Since 2003, Beijing has speeded up its “re-colonisation” mission to intervene in Hong Kong’s affairs under the “new Hong Kong policy”. The Chinese authorities realised the promotion of civic education in Hong Kong did not contain the most crucial elements of the Chinese national identity and Chinese nationalism, particularly in the lack of “precise” history of the leading role of the Chinese Communist Party in fighting against the Japanese Empire in WW2. From 1 October 2004, in connection to the 55th Anniversary of the National Day of PRC, the Hong Kong government started a promotional series on the Chinese national anthem on every television channel on a daily basis. However, the effect of this promotion was very limited and, later on, the crisis over the national anthem law made the situation worse (see Chapter 6). As a result, Beijing believed that the failure of national education would only aggravate the repudiation of Chinese identity by Hong Kong’s young people. Therefore, the new Hong Kong curriculum had to be synchronised with the Chinese state-run system of national education, undertaken in primary and secondary schools. Early in 2010 under Tsang’s administration, there was a consultation to initiate a compulsory school subject called “Moral and National Education” (MNE), which was planned to be launched in 2012 to 2013. However, under public pressure, the proposed MNE was postponed indefinitely.¹⁶⁸

“HKU POP Releases Latest Survey on Hong Kong People’s Ethnic Identity,” The University of Hong Kong Public Opinion Programme, accessed 10 December 2017, <https://www.hkupop.hku.hk/english/release/release937.html>.

¹⁶⁷ The University of Hong Kong Public Opinion Programme, “HKU POP.”

¹⁶⁸ “The Tsang administration allocated this annual fund to a hitherto unknown ‘patriotic education’ outfit created by the Hong Kong Federation of Education Workers, which represented 26,000 comrade teachers and was an integral part of the Democratic Alliance for the Betterment and Progress of Hong Kong, the political party with the closest ties to the mainland’s communist government.

For the sake of flattering the Chinese central government, as well as the rise of nationalism in Mainland China, CY Leung decided to re-initiate the controversial MNE a week after he took office in 2012. The government clandestinely provided HK\$13 million funding to the Hong Kong Patriotic Education Services Centre to publish a 34-page booklet titled “China Model National Conditions Teaching Manual”.¹⁶⁹ The funding or the publication of this book was never revealed in any public consultation or formal LegCo debate. The controversial purpose of this booklet was to deliver the message of glorifying the virtues of the Chinese government under its one-party state authoritarianism.¹⁷⁰ Further, the “China Model” manual described the Chinese Communist Party as an “advanced, selfless and united ruling group” by comparison with the Democratic and Republican Parties of the United States, as “fierce inter-party rivalry makes the people suffer”.¹⁷¹ Any issues that could disgrace the Chinese central government entirely vanished in the booklet, for example, the encroachment of human rights and political freedoms, the prosecution of Chinese dissidents and political prisoners, the persecution of Falun Gong, and the 1989 Tiananmen massacre.

This brainwashing through national education provoked terror regarding the propaganda of the Chinese Communist Party penetrating into schools in Hong Kong. Over 90,000 protesters, including parents and their children marched along with 30 organisations like Scholarism¹⁷² and the National Education Parents’

These and many other bodies were hydra-headed expressions of ‘united front’ work coordinated and fuelled by the China Liaison Office. While exerting a coercive influence on the Hong Kong government, the Communist Party remains largely invisible in the territory, working through ‘united front’ activity in schools, unions and Taoist religious organisations.”

Asia Sentinel, “Hong Kong Schools Get Mainland Propaganda,” *Asia Sentinel*, 25 July 2012, <https://www.asiasentinel.com/society/hong-kong-schools-get-mainland-propaganda/>.

¹⁶⁹ Clarie Lee, “Hong Kong Frets over “China Model” Patriotic Education,” *Reuters*, 11 July 2012, <https://www.reuters.com/article/us-hongkong-patriotism/hong-kong-frets-over-china-model-patriotic-education-idUSBRE86A09L20120711>.

¹⁷⁰ Asia Sentinel, “Hong Kong schools.”

¹⁷¹ Ka-ho Wong, “An Orwellian Hong Kong,” *Fair Observer*, 18 October 2012, https://www.fairobserver.com/region/central_south_asia/orwellian-hong-kong/.

¹⁷² “Scholarism was formed as a campaign group of school students opposed to the proposed introduction of Moral and National Education (MNE). The campaign initiated by Scholarism and notably its leader, Joshua Wong Chi-fung, culminated in a mass rally in 2012 attended by an estimated 100,000 Hong Kongers, including many parents and teachers.

Concern Group on 29 July 2012.¹⁷³ The attention given to a hunger strike by Scholarism students in August 2012 inspired many non-students to join the protests in more than a week of occupation at the government central offices area, including the remarkable support of 120,000 participants on 7 September. A day after, CY Leung finally announced that he would not withdraw the MNE, but would abandon the curriculum guidelines that concerned many Hongkongers.¹⁷⁴

At the same period, anti-Japanese demonstrations were evoked across major cities in China during August to September 2012 regarding sovereignty over the Diaoyu/Senkaku Islands, coincidentally around the time of the Anniversary of the Second Sino-Japanese War “September 18 Incident”. The incidents of sentimental nationalism in China ideologically clashed with the anti-national education campaign in Hong Kong. As Paul Morris and Edward Vickers explained, “the key role played in recent protest movements by the young, is attributed by them to frustration with the grand narratives of both the colonial and mainland regimes; a nostalgic sense of Chinese identity along with an image of the mainland as Hong Kong’s primary ‘other’.”¹⁷⁵ Meanwhile, Chinese analysts believed that anti-MHE movement was attributed to “local unwillingness to recognise the priority of national loyalties to the ‘brainwashing’ effects of colonial education – even though those most emphatic in opposing MNE belong to the generation schooled after 1997.”¹⁷⁶ The deep-rooted contradiction between two places could not be solved easily. These were not only based upon ideologies and values, but also many conflicts between Chinese and Hong Kongers arose that were attributable to the incursion of excessive tourists and immigrants. These conflicts were not individual cases; but ‘deep-rooted contradictions and problems’

Rachel Brooks, ed., *Student Politics and Protest: International Perspectives* (New York: Taylor & Francis, 2016), 145.

¹⁷³ Kelly Yang, “National Education Fears Reflect Hong Kong's Lack of Faith,” *South China Morning Post*, 11 September 2012, <http://www.scmp.com/comment/insight-opinion/article/1033563/national-education-fears-reflect-hong-kongs-lack-faith>.

¹⁷⁴ Ying-kit Lai and Johnny Tam, “CE Shelves National Education Guidelines after Panel Report,” *South China Morning Post*, 8 October 2012, <http://www.scmp.com/news/hong-kong/article/1056353/panel-advises-against-dropping-national-education-classes>.

¹⁷⁵ Paul Morris and Edward Vickers, “Schooling, Politics and the Construction of Identity in Hong Kong: The 2012 ‘Moral and National Education’ Crisis in Historical Context,” *Comparative Education* 51, no. 3 (2015): 306, doi:10.1080/03050068.2015.1033169.

¹⁷⁶ *Ibid.*

as Premier Wen Jia-bao said in 2003. Representative incidents included the Kong Qing-dong incident¹⁷⁷, birth tourism¹⁷⁸, and parallel trading¹⁷⁹ among Chinese tourists. Unavoidably, the labelling of Chinese or mainland tourists was publicised through Facebook, internet forums, adverts and newspapers, calling people from the mainland “locusts”, meaning Hong Kong was being devastated by China.¹⁸⁰ These incidents deepened the anti-Chinese sentiment among Hong Kong society. From a psycho-social perspective, Chinese people have become wealthy only in the last 15 to 20 years due to the success of Deng’s economic reforms and constant economic growth. However, Hong Kong people used to be better-off in their living standards before 1997. Accordingly, there were some subtle implications behind the two different social structures. In Hong Kong people’s eyes, money can buy everything but not a civilised manner.

The Snowden affair and the concern of “one Country, two systems”

Another recent incident highlighting these Hong Kong - Chinese political and social tensions was the Edward Snowden affair of May 2013. A political asylum seeker and a whistle-blower, after the disclosure of global spying and surveillance programmes mainly operated by the National Security Agency (NSA) and the Five Eyes network, Snowden had to flee the United States to avoid arrest.¹⁸¹ A most eye-catching fact was that the first destination he decided to land was not

¹⁷⁷ “In January 2012, Peking University professor Kong Qingdong made televised remarks suggesting that many Hong Kong people were disloyal to China and still harboured a colonial mentality. Kong Qingdong called Hong Kong people “dogs” in response to an online video posted about a mainland Chinese child eating on the subway, which is prohibited by MTR regulations.”

Revolvy, “Hong Kong-Mainland.”

¹⁷⁸ “Birth Tourism refers to the children born in Hong Kong or “anchor babies” whose parents (usually from Mainland China) are not Hong Kong permanent residents.”

Revolvy, “Hong Kong-Mainland.”

¹⁷⁹ “Parallel trading in Hong Kong refers to the phenomenon of China parallel traders taking advantage of the multiple entry visa policy to import goods from Hong Kong to Mainland China, causing shortage of household goods in various locations starting in the North District. Problems relating to this include increased congestion from the millions of day traders, overloading of infrastructure and disruption of the everyday lives of residents in northern districts of Hong Kong.”

Revolvy, “Hong Kong-Mainland.”

¹⁸⁰ BBC News, “Hong Kong Advert Calls Chinese Mainlanders ‘Locusts’,” *BBC News*, 1 February 2012, <http://www.bbc.com/news/world-asia-china-16828134>.

¹⁸¹ Julian Borger, “Edward Snowden’s Choice of Hong Kong as Haven is a High-stakes Gamble,” *The Guardian*, 9 June 2013, <https://www.theguardian.com/world/2013/jun/09/edward-snowden-hong-kong-gamble>.

just any country in the world, but Hong Kong. As Snowden noted to The Guardian, “the people of Hong Kong have a spirited commitment to free speech and the right of political dissent.”¹⁸² Most importantly, the Hong Kong SAR is entirely responsible for its internal affairs, whilst the PRC is accountable for its foreign affairs and defence. However, in relation to the Snowden affair, the United States signed a new extradition agreement¹⁸³ with Hong Kong in 1996. Under that treaty, “both parties agree to hand over fugitives from each other's criminal justice systems, but either side has the right of refusal in the case of political offences.”¹⁸⁴ The subtlety of the “devil is in the detail” in the treaty was that Beijing gave its approval for Hong Kong to sign the accord, but to also retain a right of veto if Hong Kong considered that the capitulation of an escapee would jeopardise the “defence, foreign affairs or essential public interest of policy” of the PRC.¹⁸⁵ As Joanthan DeHart argued, the extradition agreement would be irrelevant since Chinese authority was allowed to override the decision of the Hong Kong government. The judicial independence of Hong Kong would be a question.¹⁸⁶

Following Snowden’s concerns regarding the U.S. - Hong Kong’s extradition treaty was apparently a litmus test of the framework of “One Country, Two Systems” and its autonomy guaranteed by the Basic Law.¹⁸⁷ The Chinese central government learned a lesson that a United States fugitive could freely arrive in and travel out of Hong Kong within a few months. The unexpected part was that Snowden was actually assisted by a heavyweight former Hong Kong Democratic Party Chairman and lawyer, Albert Ho. Although Chinese authorities noticed that Hong Kong had been one of the important CIA stations in East Asia during the British colonial period regarding surveillance and spying activities, the

¹⁸² Borger, “Edward Snowden's Choice.”

¹⁸³ “United States–Hong Kong Agreement for the Surrender of Fugitive Offenders.”

Borger, “Edward Snowden's Choice.”

¹⁸⁴ Borger, “Edward Snowden's Choice.”

¹⁸⁵ Ibid.

¹⁸⁶ Jonathan DeHart, “Ex-CIA Whistleblower Edward Snowden’s Fate in China’s Hands,” *The Diplomat*, 10 June 2013, <https://thediplomat.com/2013/06/ex-cia-whistleblower-edward-snowdens-fate-in-chinas-hands/>. See also Calvin Fung, “Unraveling “One Country, Two Systems” from the Western Perspective: Reflections on Beijing-Hong Kong Relations from the Snowden Affair,” *Asian Politics & Policy* 6, no. 1 (2014): 173, doi:10.1111/aspp.12082.

¹⁸⁷ Fung, “Unravelling “One Country, Two Systems” from the Western Perspective: Reflections on Beijing-Hong Kong Relations from the Snowden Affair,” 171.

Snowden case was ostensibly out of the control of both the American and Chinese governments. Beijing could not tolerate another “Snowden” entering its territory without losing any precious intelligence.

As Guo Wen-gui, a Chinese real estate mogul who is exiled in the United States, claimed after the Snowden incident that, “in Hong Kong, the MSS dispatched an additional 3,000 intelligence officers to the former British colony after the May 2013 incident involving former NSA contractor Edward Snowden, who fled to Hong Kong after stealing some 1.7 million secret agency documents.”¹⁸⁸ Currently, the Chinese Ministry of State Security (MSS) has 10,000 agents assigned to the Hong Kong Security Department alone.¹⁸⁹ If this is true, the breach of Article 18 of the Basic Law could be considered inevitable as it clearly states that national laws shall not be applied in the Hong Kong SAR. To some extent, the disappearances of five booksellers in Hong Kong in December 2015 could be related to the possible abduction of Hong Kong residents by the MSS, Chinese public security bureau officials and their extraordinary rendition, which constituted the violation of several articles of the Basic Law.

The Umbrella Movement and the third political reform effort

The 2010 electoral reform had failed to fulfil the wishes of the majority of Hong Kong people. The decision made by the NPCSC in 2007 cited that universal suffrage could be realised in the 2017 CE election. As an alternative to effective control over the CE election, Beijing put forward its preferred suffrage proposal which involved maintaining tight regulation over the nomination process during the 2014-15 electoral reform. On 31 August 2014, commonly known as the 8.31 decision, the NPCSC decided that a 1,200-member Nominating Committee (NC), based on the present Election Committee (EC), shall only select two or three candidates before presenting them for a territory-wide ballot by popular voters. Each candidate would also be required to have the support of members of the

¹⁸⁸ Bill Gertz, “China’s Intelligence Networks in United States Include 25,000 Spies,” *The Washington Free Beacon*, 11 July 2017, <http://freebeacon.com/national-security/chinas-spy-network-united-states-includes-25000-intelligence-officers/>.

¹⁸⁹ Ibid.

EC.¹⁹⁰ The NPCSC also clearly asserted that candidates had to love both China and Hong Kong. This affirmation implied that only Beijing-blessed candidates could participate in the election.

Unlike the conflicts within the pro-democracy camp which appeared during the 2010 failed electoral reform, the pro-democrats stayed together and relentlessly resisted the NPCSC's decision. First, the pro-democrats comprehended that any non-pro-Beijing contestants would be barred from the nomination process due to being outnumbered by those in the pro-establishment camp as had occurred in previous situations in the EC.¹⁹¹ Second, they saw this condition as overturning the previous reform which in past elections had enabled them to successfully nominate a pro-democrat candidate. If this reform were passed, Beijing could declare the triumph of democratic development when, in fact, it was not a genuine democracy.¹⁹² Thus, the NPCSC's decision was widely mistrusted by pro-democracy parties and supporters, and was deemed as an abuse of an open and fair election process.¹⁹³ This led to 79 days of peaceful occupation protests commencing on 28 September 2014, which became known internationally as the "Umbrella Revolution" or the "Umbrella Movement". The revolution was a final breakthrough of the social movement in Hong Kong due to the ineffectiveness and bewilderment of the recent deadlock of democratic progress.¹⁹⁴ The impetus of the anti-MNE movement ignited the confidence of the masses to resist the tyranny of the authorities. Still, it created an unprecedented social fissure between the older and younger generations in Hong Kong which could not be simply mended. The older generations mostly opposed the Umbrella Movement for the reason that it was perceived to be damaging the economy and social stability in the long term. They also considered that the blockade of the

¹⁹⁰ Mathew Y. H. Wong, "A Game-Theory Model of Democratization and Political Reform in Hong Kong," *Taiwan Journal of Democracy* 12, no. 2 (2018): 146-147.

¹⁹¹ Jermain T. M. Lam, "Political Decay in Hong Kong after the Occupy Central Movement," *Asian Affairs: An American Review* 42, no. 2 (2015): 101-102. doi:10.1080/00927678.2015.1035143.

¹⁹² Wong, "A Game-Theory," 146-147.

¹⁹³ Lam, "Political Decay in Hong Kong after the Occupy Central Movement," 103-105.

¹⁹⁴ Stephan Ortmann, "The Umbrella Movement and Hong Kong's Protracted Democratization Process," *Asian Affairs* 46, no. 1 (2015): 46-48, doi:10.1080/03068374.2014.994957.

financial centre in Hong Kong could potentially create catastrophic impacts for working-class businesses, and the risk of loss of foreign investment.

The Occupy Movement caused a shocked response to the rapid student-led protests and the support shown by hundreds of protestors on Facebook and the Internet. Their focus was on the government headquarters. The movement subsequently extended, leading to occupation protests in several main districts in Hong Kong. The original idea of “Occupy Central” was advocated by Associate Professor Benny Tai, along with Associate Professor Chan Kin-man and the Reverend Chu Yiu-ming in January 2013. Although the primary philosophy of this civil disobedience was intended to be with love and peace, it became a political enlightenment movement that inspired thousands of Hong Kong pro-democracy activists in various ways. Within that 79 days of occupations and protests, the masses were confronted with different levels of coercion, insults, and condemnations by polices and triads. Regardless of the later stages of the movement spawning conflicts and frustrations within the pro-democracy activists, the leaders of the younger generation, especially those of Scholarism and the Hong Kong Federation of Students (HKFS)¹⁹⁵ had established the momentum of revolution for and the legitimacy of Hong Kong’s democracy and social movement.¹⁹⁶

Despite the failed negotiations with the head of the Task Force on Constitutional Development, headed by the Chief Secretary for Administration, Carrie Lam, along with the Secretary for Justice, Rimsky Yuen, and Secretary for Constitutional and Mainland Affairs, Raymond Tam, the mobilisation of this social movement, meant there was a coalition of the populace united in facing the suppression by Beijing. However, the pro-democracy parties and politicians not only had little impact on the advancement of the Umbrella Movement, but also avoided being in the spotlight of this movement due to the risk of an extreme

¹⁹⁵ “The Hong Kong Federation of Students (HKFS) is a student organisation comprised of the students' union of four tertiary education institutions. After the Umbrella Movement, four student unions of tertiary education institutions have withdrawn their memberships.

“About Us,” The Hong Kong Federation of Students, accessed 23 November 2017, <https://www.hkfs.org.hk/>.

¹⁹⁶ Steven Chung-fun Hung, “The Occupy Central Campaign in 2014 Hong Kong,” *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* 2, no. 2 (2016): 722-725.

reaction in bipolar public opinion on this historical movement.¹⁹⁷ What pro-democrat lawmakers could do was to vote against the amendment to method for forming Hong Kong's LegCo and the amendment to method of selecting the CE, only eight pro-Beijing lawmakers voted in favour, with Pro-Beijing lawmakers seeking to halt the vote with a belated walkout of the LegCo's chamber. Ultimately, the vote proceeded, short of LegCo members causing the Bill's surprising failure.¹⁹⁸

In the eyes of Beijing, as reflected by its mouthpiece, the 'Global Times', the Umbrella Revolution was defined as a colour revolution connected to the "2011 Jasmine Revolution" or "Chinese pro-democracy protests".¹⁹⁹ Indeed, massive popular mobilisation within Chinese claimed territories was deemed by Beijing as a secession attempt, aimed at exclusively addressing the respective independence of Taiwan, Tibet, and East Turkestan. Under hard-line President Xi Jin-ping's ruling, since 2012, any pro-democracy or alleged independence movements have been brutally oppressed in China; therefore, the phenomenon of the Umbrella Movement and the rise of localism was an affront to Beijing.

Since the Umbrella Movement, supporters evolved into a variety of active and mobilised groups formed by young pro-democracy activists who replaced the leading role of pro-democracy political parties and civil rights organisations. The Umbrella Movement cultivated interrelated associations with student groups in Taiwan's "Sunflower Student Movement" during March and April 2014. These movements were driven by a similar terror over increasing dependence and infiltration of Chinese economic, political and demographic values, motivated by the strategy of a united front.²⁰⁰ According to Paul Morris and Edward Vickers,

¹⁹⁷ Wong, "A Game-theory," 147.

¹⁹⁸ Wilfred Chan, "Hong Kong Legislators Reject China-backed Reform Bill," *CNN*, 18 June 2015, <http://edition.cnn.com/2015/06/18/asia/hong-kong-reform-vote/index.html>.

¹⁹⁹ "The anonymous call for a "jasmine revolution" in China's major cities was made online, first on a website run by overseas dissidents, then on Twitter, which despite being blocked is still widely used by activists in China. But unlike what happened in Tunisia and Egypt, where such efforts prompted massive street protests that eventually toppled both governments, the biggest response in China was from the state. The government rounded up lawyers, activists and dissidents, increased online censorship and deployed massive numbers of police to quash any demonstrations."

Austin Ramzy, "State Stamps Out Small 'Jasmine' Protests in China," *Time*, 11 February 2011, <http://content.time.com/time/world/article/0,8599,2052860,00.html>.

²⁰⁰ Loh, "Reunification and Fashioning a New Political Order: From 1997 to 2009," 199-236.

“the resounding defeat of Taiwan’s ruling Kuomintang in local elections in the autumn of 2014 – [was] an outcome attributable in part to the impact on Taiwan of the spectacle of youth protest against Beijing’s denial of democracy in Hong Kong.”²⁰¹ This large pattern of youth refusal to submit to Beijing’s interpretation and encroachment of the “One country, Two systems” method has had significant and ongoing implications for China’s relations with both Hong Kong and Taiwan.

The rise of localism, Mong Kok civil unrest, the 2016 LegCo election, and the oath-taking controversy

In recent years, the umbrella, anti-high speed rail, and the anti-national education movements were far more significant than any demonstrations in the past. It was a prominent ‘generation revolution’ under the coercion of Hong Kong and Chinese rulers which was happening around the globe since 2010s. In spite of Hong Kong’s circumstances, the self-autonomous city could do nothing but endlessly resist the suppression through such demonstrations by the Chinese state of 1.3 billion people with a large state apparatus and the second largest economy in the world. After many years of intrusion by the legislative, executive, and judicial powers of the Chinese government, Hong Kong’s antagonism towards China increased rapidly. The concept of “new Hong Kong policy” through political and economic synthesis could not be exerted without the profound recognition of Chinese identity. The resentment against China created localism and Hong Kong nationalism and it fostered the Hong Kongers’ sense of identity and spread local consciousness. The pro-Beijing camp and old generations in Hong Kong argued that the localists such as the member of the two rising political parties - Hong Kong indigenous and Youngspiration, their members targeted China and discriminated against mainlanders. Some political commentators argued that localists always made a point of involving themselves with disturbance and disorder. They gradually used violent means, so that the mass media simply connected localism with violence.²⁰² Therefore, localism was being stigmatised

Morris, and Vickers, “Schooling, Politics and the Construction of Identity in Hong Kong: The 2012 ‘Moral and National Education’ Crisis in Historical Context,” 305-306.

²⁰¹ Morris, and Vickers, “Schooling, Politics and the Construction of Identity in Hong Kong: The 2012 ‘Moral and National Education’ Crisis in Historical Context,” 305-306.

²⁰² Ming Pao, “Editorial: Say No to Violence,” *Ming Pao*, February 15, 2016, https://news.mingpao.com/pns/dailynews/web_tc/article/20160215/s00017/1455471809491.

which made it difficult for the movement to exercise its distinctive influence in Hong Kong society. However, it illustrated that the young generations turned to localism after they became aware that “peaceful, rational, non-violent” demonstration and civil disobedience did not manage to achieve their objectives in fighting against the dominant authorities.²⁰³

The original idea of Hong Kong localism first appeared in Dr. Horace Chin Wan-kan’s book called “On the Hong Kong City-State” in 2011. Dr. Chin emphasised the importance of Hong Kong autonomy and raised the ideology of Hong Kong localism from a Hong Kong perspective. The book generated debates which were widespread among the young generations. The ideology later in 2012 inspired the official publication of the University of Hong Kong Students’ Union which published two articles - “The Hong Kong nation deciding its own fate” and “Democracy and Independence for Hong Kong” - the subject of Hong Kong independence.²⁰⁴ Unsurprisingly, CY Leung hammered the two academic articles in his Chinese New Year speech regarding the ideology of Hong Kong independence.²⁰⁵ However, Leung’s condemnation was denounced as intervening in Hong Kong’s freedom of press and academic freedom. CY’s unnecessary accusation essentially stimulated the idea of Hong Kong independence in the mainstream discussion. Therefore, Hong Kong people joked that CY Leung was the “The Father of Hong Kong independence”.

The Mong Kok civil unrest, a.k.a. ‘Fish Revolution’²⁰⁶ in 2016 during Chinese New Year was considered as the most violent civil unrest since the 1967 leftist riots. In this unrest, the leaders of Hong Kong Indigenous, Edward Leung Tin-kei and Ray Wong Toi-yeung declared that the protesters would “rather

²⁰³ Chloe Kwan, Stanley Lam, and Tiffany Tsim, “The Rise and Rise of Localism among Hong Kong Youth,” *Hong Kong Free Press*, 20 November 2016, <https://www.hongkongfp.com/2016/11/20/the-rise-and-rise-of-localism-among-hong-kong-youth/>.

²⁰⁴ John Lim, “HK Following in Taiwan’s Footsteps,” *Taipei Times*, 31 January 2015, <http://www.taipetimes.com/News/editorials/archives/2015/01/31/2003610465>.

²⁰⁵ Ibid.

²⁰⁶ “Mong Kok, one of Hong Kong’s busiest districts, went into virtual lockdown in February 2016 hours after the Lunar New Year began. Unrest escalated as crowds gathered in the district to protest a crackdown on illegal street food hawkers. A night of violence saw police fire two warning shots as protesters launched bricks and set fires.”

“Mong Kok Riot,” *South China Morning Post*, accessed on 1 December 2017, <http://www.scmp.com/topics/mong-kok-riot>.

crumble like broken jade than survive as a piece of pottery” indicating their determination, and that violence would be unavoidable. The night of bloodshed in Mong Kok was marked by a bewildering degree of violence seeing 90 police officers injured along with more than 130 people injured.²⁰⁷ In fact, the emergence of the radicals was accompanied with increasingly violent means of protest. Having no regard for the law, protesters deemed it wholly justifiable to challenge the authorities. It was evident that the demands from the younger generations were omitted, therefore they could basically resort to violence in order to draw the attention of the Hong Kong society.²⁰⁸ Unfortunately, the violent means sometimes brought about a higher degree of oppression by the authorities. The riot infuriated the Chinese Foreign Affairs Ministry, who categorised the localists as “separatists”. The Chinese authorities alleged that it was “a riot plotted mainly by local radical separatist organisations.”²⁰⁹ As a result, 37 young localist protesters were arrested and later all of them were charged with rioting under the public order ordinance.

The harsher Beijing’s criticism was, the more prevalent localism became. One of the arrested localist leaders, Edward Leung in the Mong Kok incident represented Hong Kong Indigenous in the March 2016 New Territories East by-election. Although Edward Leung eventually lost to a pro-democratic candidate, Alvin Yeung, he at least gained 66,524 votes and was ranked third in the aggregate votes just behind the pro-democrat and pro-Beijing camps. This was a boost to the localists who wanted to participate in the September 2016 LegCo election. The localists, including two Youngspiration leaders, Baggio Leung and Yau Wai-ching, successfully grew their support mostly from young generation and pro-democratic supporters. Consequently, they became the third power in the LegCo by gaining 411,893 votes, 19% compared to pro-Beijing (871,016 votes,

²⁰⁷ Chris Lau, Danny Lee, Joyce Ng, Clifford Lo, Nikki Sun, and Stuart Lau, “Shots Fired and Bricks Thrown: Hong Kong Tense after Mong Kok Mob Violence on First Day of Lunar New Year,” *South China Morning Post*, 9 February 2016, <http://www.scmp.com/news/hong-kong/law-crime/article/1910845/shots-fired-and-bricks-thrown-hong-kong-tense-after-mong>.

²⁰⁸ Tai-Wei Lim, “The Future of Hong Kong Governance: The Pro-independence Legislators’ Election Fallout and Beijing’s Political Voice in Hong Kong,” *Asia & the Pacific Policy Studies* 4, no. 2 (2017): 344-345, doi:10.1002/app5.175.

²⁰⁹ “Foreign Ministry Spokesperson Hong Lei’s Remarks on the Riot in Hong Kong,” Ministry of Foreign Affairs of PRC, accessed 7 December 2017, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1339911.shtml.

40.17%) and pro-democrats (781,168 votes, 36%). Together with the six post-Occupy radicals and localists, the anti-establishment forces won 29 out of 70 seats; managed to retain the majority in the geographical constituencies to block the pro-establishment camp's attempt to amend the rule of procedures to curb radicals' filibustering, as well as maintain the opposition's crucial one-thirds minority so it could veto the government's constitutional reform proposals.

From an optimistic view, the LegCo election recorded a historic 2.2 million voters or a 58 % turnout rate, which occurred in the wake of the Umbrella Movement in 2014. Besides, the few progressive democrats were successfully elected including one of the HKFS student leaders, Nathan Law who represented Demosisto²¹⁰ (was the core of disbanded “Scholarism”), along with Lau Siu-Lai, Eddie Chu and Yiu Chung-yim. From a pessimistic view, the Electoral Affairs Commission (EAC) barred several radical localists, including Hong Kong Indigenous' Edward Wong and Hong Kong National Party's Chan Ho-tin, by requiring all candidates to sign an additional “confirmation form” in the nomination to declare their understanding of Hong Kong being an inalienable part of China as stipulated in the Basic Law, in response to many potential localist candidates advocating or promoting Hong Kong independence. Ultimately, they did not sign it in terms of their political beliefs.

The worst was yet to come after the LegCo election as regards the oath-taking controversy. Two newly elected Youngspiration's legislators, Baggio Leung Chung-hang and Yau Wai-ching were both disqualified from LegCo for adding their own words into the official script of the oath during their swearing-in ceremony. There were harsh criticisms and condemnations on Baggio Leung's pronunciation of China as “Chee-na”²¹¹ which was seen as a derogative word for

²¹⁰ “Demosistō aims to achieve democratic self-determination in Hong Kong. Through direct action, popular referenda, and non-violent means, we push for the city's political and economic autonomy from the oppression of the Communist Party of China (CPC) and capitalist hegemony.

Demosistō is a movement-based party. We are developing a new civic engagement platform for political discussion among citizens to encourage grassroots social movements and to strengthen interaction across all sectors of civil society. We trust the community to realise the common good and to build a city of multiplicity, equality, and justice.”

“About Us,” Demosistō, accessed 3 December 2017, <https://www.demosisto.hk/about?lang=en>.

²¹¹ “The Chinese word 支那 [Chee-na] first appeared in the Buddhist scriptures of the Tang dynasty (6th century). It is believed to be the phonetic translation of the ancient Sanskrit word

the Chinese people, as well as referring to the “People's re-fucking of Chee-na” instead of the “People's Republic of China” in the oath.²¹² This reckless behaviour by localist legislators gave an ideal excuse for the NPCSC once again to interfere in the oath-taking incident by interpreting the Article 104 of the Basic Law.²¹³ There will be an Electoral Officer who checks the backgrounds of prospective legislators willing to take part in LegCo and CE elections to ensure that they are not Hong Kong independence supporters.²¹⁴ Accordingly, the Hong Kong law court removed the two lawmakers’ seats and declared judicially that “lawmakers must take their oaths “sincerely”, “accurately” and “completely”. A deliberate failure to do so would mean disqualification with no second chance.”²¹⁵

“cina”. Some see this as the origin of the English word “China”, but there is no conclusive evidence to support that. For most of its history, the term has had no derogatory meaning. Some scholars even argue that it is actually not the name of any particular country, but a loose expression for “land of the east”.

The Chinese themselves almost never use it. In fact, even Zhongguo – the Middle Kingdom – was not often used in ancient times. Before the 1911 revolution, China did not exist as a nation state in the Westphalian sense. It was a civilisation with an unbroken line of imperial dynasties. People referred to themselves as “people of the great Qing” or “people of the great Tang”. Few would call themselves “people of Zhongguo”; even fewer would use “Chinese”. The word “Chee-na” was introduced to Japan – whose writing system borrowed heavily from Chinese – in the Tang dynasty. But it was used only as a geographic term rather than the name of any particular country or people.”

Chung-yan Chow, “The C-word: Why Hong Kong Localists Have Offended all Chinese,” *South China Morning Post*, 30 October 2016, <http://www.scmp.com/week-asia/opinion/article/2040978/c-word-why-hong-kong-localists-have-offended-all-chinese>.

²¹² Mike Ives, “How a Word, ‘Chee-na,’ Renewed a Crisis between Beijing and Hong Kong,” *The New York Times*, 9 November 2016, <https://www.nytimes.com/2016/11/10/world/asia/china-hong-kong-oath.html>.

²¹³ “When assuming office, the Chief Executive, principal officials, members of the Executive Council and of the Legislative Council, judges of the courts at all levels and other members of the judiciary in the Hong Kong Special Administrative Region must, in accordance with law, swear to uphold the Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China and swear allegiance to the Hong Kong Special Administrative Region of the People’s Republic of China.”

“Chapter IV: Political Structure,” The Basic Law of HKSAR, accessed 1 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_4.html.

²¹⁴ Joyce Ng, Chris Lau, Jeffie Lam, and Tony Cheung, “Barred Hong Kong Localists Vow to Keep Fighting after High Court Decision”, *South China Morning Post*, 15 November 2016, <http://www.scmp.com/news/hong-kong/politics/article/2046162/hong-kong-court-rules-localist-lawmakers-must-vacate-legco>.

²¹⁵ Ng, Lau, Lam, and Cheung, “Barred.”

The 2017 CE election and the influence of Liaison Office

The most difficult period since the handover, saw CY Leung's popularity slump to 38.7 out of 100 compared to 51.5 out of 100 when he first took office.²¹⁶ Leung's disastrous governing role caused him the lowest popularity among the past two CEs and the last Governor in Hong Kong.²¹⁷ The embarrassment of his endless animosity towards the young generation and pro-democrats left him with no pro-establishment camps willing to support him again. Under his five-year administration, the housing prices reached the highest level ever and even CY put some effort into harsh restrictions for non-Hong Kong buyers and a "Hong Kong Property for Hong Kong People"(HKPHKP) policy. His accomplishments, including the constraint of anchor babies in Hong Kong, the reform of the government structure, the establishment of an anti-poverty commission and the founding of Financial Services Development Council, were of little help in resolving hardships in Hong Kong. His merit cannot offset his faults which instigated immense social rift, the creation of the Umbrella Movement, and the refusal of electoral reform and universal suffrage, the Mong Kok incident, and the cross-border abduction of five booksellers.²¹⁸ Although CY Leung was expected to run for re-election as CE in 2017, Beijing had to put a stop to him, and subsequently he astonishingly announced that he would not run citing family reasons in December 2016.

The former Chief Secretary for Administration, Carrie Lam Cheng Yuet-ngor, became the first female CE in 2017 since the transfer of sovereignty. The pro-democrats decided not to field their candidate in the election for the first time, but rather most of them chose to support a pro-Beijing candidate, John Tsang,

²¹⁶ "Rating of Chief Executive Leung Chun-ying," The HKU Public Opinion Programme, accessed 2 December 2017, <https://www.hkupop.hku.hk/english/popexpress/ce2012/cy/poll/datatables.html>.

²¹⁷ "Comparison between Ratings of Chris Patten, Tung Chee-hwa, Donald Tsang Yam and Leung Chun-ying (monthly average)," The HKU Public Opinion Programme, accessed 2 December 2017, https://www.hkupop.hku.hk/english/popexpress/ce2012/cy/cecomparison/donald_comparison_chart.html.

²¹⁸ "Five Hong Kong-based book publishers linked to the company Mighty Current went missing in 2015. They eventually turned up in the custody of mainland Chinese authorities. The circumstances surrounding their disappearances have raised questions about the safety of Hongkongers who speak out against Beijing."

"Hong Kong Bookseller Disappearances," South China Morning Post, accessed on 6 February 2018, <http://www.scmp.com/topics/hong-kong-bookseller-disappearances>.

who served 10 years as the Financial Secretary under the Donald Tsang and CY Leung administrations. Also, several pro-democrats picked a neutral candidate, Woo Kwok-hing who was a retired Hong Kong judge and former Vice-President of the Court of Appeal of the High Court.

Regardless of John Tsang's positive public image at the height of his popularity, he could not be the chosen one. He was similar to Former Secretary for Security and LegCo legislator, Regina Ip who could barely canvass enough nominations in order to enter the race due to her infamous Article 23 legislation back in 2003. Even if Carrie Lam was widely labelled as "CY Leung 2.0" and no matter how untrustworthy she was; the undeniable fact was Beijing never wanted John Tsang or anyone to participate in the 2017 CE election despite his leading in the polls.²¹⁹ Without the support from pro-Beijing electors to solicit the 150 nominations threshold, the only way for John Tsang was to seek the pro-democrats' backing, but it was far more than enough votes to win at this time.

The Liaison Office tirelessly used its power to aggressively lobby Election Committee members to vote for Carrie Lam. This guaranteed Carrie would be the only winner even though she was not the most popular one.²²⁰ The fierce violation of "One Country, Two Systems" imperceptibly developed as a norm in the CE election as well as the LegCo election. This was a typical example of how the Chinese-styled "election" was implanted in Hong Kong's politics. The Chinese central government and President Xi were uncompromising on any change to Hong Kong's current overall political structure, presenting a stance that no democratic reform was impending or that the Chinese authority was contemplating loosening its grip on power in Hong Kong.

²¹⁹ Gary Leung, Joyce Ng, and Stuart Lau, "Help from Beijing and Liaison Office Could Be 'Counterproductive' for Campaign, Chief Executive Hopeful Carrie Lam Admits," *South China Morning Post*, 1 March 2017, <http://www.scmp.com/news/hong-kong/politics/article/2075235/hong-kong-chief-executive-hopeful-carrie-lam-pledges-bridge>.

²²⁰ Mark Pinkstone, "The Role of Beijing's 'Invisible Hand' in the Chief Executive Elections," *Hong Kong Free Press*, 2 April 2017, <https://www.hongkongfp.com/2017/04/02/role-beijings-invisible-hand-chief-executive-elections/>.

Chapter 6: The Carrie Lam Cheng Yuet-ngor Administration – Changing the “One Country, Two Systems”

Politics in Hong Kong has never ended. The interference of the Liaison Office in the 2017 CE election could not be a better example of ruining the “One Country, Two Systems” in a flagrant way. Carrie Lam has become a puppet on a string of her Beijing masters, though many political commentators and academics believed that she was surely a better CE than CY Leung who, at least could relieve the growing resentment from the younger generations in regard to the basic necessities of life, mostly, housing. In her maiden policy address, more than ten paragraphs were about policies towards young people and, she allocated HK\$3.6 billion for a new educational proposal.²²¹ Besides, she addressed carefully the housing policy which was set up to help the middle classes to buy a home and provide the “Starter Home” scheme subsidising for young first home buyers.²²² Nonetheless, it is not feasible to mend the fences between the government and young people purely by nourishing their education, job and housing goals. Young people’s irritation is attributable to not only social factors, but also political factors.²²³ The lack of a full-fledged democracy in Hong King is making the young generation keen to have more self-determination. The political divide between the pro-democracy camp and the pro-Beijing camp is a microcosm of the divisions in society. Hong Kong politics is now in stalemate, and obviously the conflicts cannot be resolved because the Hong Kong government has taken part in

²²¹ “The education proposal includes an annual HK\$30,000 subsidy for every student studying for an undergraduate degree in Hong Kong’s self-financed higher education institutions. The subsidy would be provided to all students who meet academic requirements without means testing.”

Kris Cheng, “LegCo Passes HK\$3.6bn Education Funding Proposal amid Filibusters and Protests,” *Hong Kong Free Press*, July 17, 2017, Retrieved from <https://www.hongkongfp.com/2017/07/19/legco-passes-hk3-6bn-education-funding-proposal-amid-filibusters-protests/>.

²²² South China Morning Post, In Maiden Hong Kong Policy Address, Carrie Lam Focuses on Middle Class to Bring Housing Market out of Crisis,” *South China Morning Post*, 11 October 2017, <http://www.scmp.com/news/hong-kong/politics/article/2114826/rolling-coverage-can-hong-kong-leaders-maiden-policy-address>.

²²³ Ming Pao, “Editorial: Young people Should Seize Opportunities to Exert Influence,” *Ming Pao*, October 19, 2017, https://news.mingpao.com/pns/dailynews/web_tc/article/20171019/s00017/1508350156417.

political repression, enacted draconian law and changed rules and regulations of LegCo. Clearly, the Lam administration failed to live up to what they preached to settle the social rifts.

Political prosecutions and the rule change of LegCo

In July 2017, the Hong Kong police apprehended three Occupy Central advocates, student leaders, social activists and legislators who had been guilty of public nuisance offences during the Umbrella Movement. Subsequently, in September 2017, three protesters in the Mong Kok unrest were sentenced to jail for rioting for three years respectively and more than thirty protesters have been scheduled for court hearings in 2018. Further, after disqualifying two localist legislators, the Hong Kong government dropped the other shoe and had four progressive democrat legislators disqualified in July 2017 according to the NPCSC's November 2016 interpretation of Article 104 of the Basic Law²²⁴, including Lau Siu-lai, Nathan Law Kwun-chung, Leung Kwok-hung and Yiu Chung-yim, who were disqualified from their LegCo seats in terms of the invalidity of oaths. A total of six legislators representing more than 180,000 votes were being silenced. Hence, the pro-democracy camp lost its majority in the geographical constituencies, dipping from 17 to 14 seats out 35 seats, and lost the power to halt pro-Beijing lawmakers' motions and bill amendments, including amendments to rule of procedures to block pan-democrats' filibustering which they had used for the last 5 years.

Most importantly, the LegCo has already lost its primary purpose of legislations and policy debate for the past few years. Traditionally, the pro-Beijing lawmakers have been the "Yes man" to all policies which are beneficial and constructive to both the ruling Hong Kong government and the Chinese central government. The pro-Beijing camp has become more overwhelming after the success of 2012 electoral reform. Under the mechanism of separate voting, pro-democrats would not be able to enact any law due to the handicap of functional constituencies. (See Chapter 3) For the past 20 years, the preservation of the

²²⁴ Hong Kong Free Press, "In Full, in English: Beijing's Interpretation of Hong Kong's Mini-constitution, the Basic Law," *Hong Kong Free Press*, 7 November 2016, <https://www.hongkongfp.com/2016/11/07/in-full-in-english-beijings-interpretation-of-hong-kongs-mini-constitution-the-basic-law/>.

“undemocratic” functional constituencies has been the biggest obstacle in the implementation of true democracy in Hong Kong.

In today’s LegCo, the pro-democrat legislators are only able to stop the majority of pro-Beijing lawmakers’ passing bills by the measures of filibustering and chanting slogans in the chamber. However, recently on 24 December 2017, amendments to the LegCo’s rule book were passed after the 11 pro-democrats were kicked out of the chamber for creating a disturbance during the progress of debate. These alterations to LegCo’s procedures were suggested by the pro-Beijing group to restrain filibustering which were steadfastly resisted by the pro-democracy bloc.²²⁵ In terms of the changes, the pro-democrats would definitely fail to be the guardian of the LegCo and stop them from being the checks and balances on the Hong Kong government as they used to be. In the foreseeable future, these changes would allow the government to push contentious enactments through: for example, the notorious Article 23, the juxtaposed border controls or co-location arrangement, and the Copyright (Amendment) Bill 2014 also known as “Internet Article 23. Thus the already rotten legislative system will break down along with the executive and judicial branches.

The controversy of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong (XRL) express rail link

The most recent representative example is the juxtaposed border controls or co-location arrangement about the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL HK Section).²²⁶ High-speed rail (HSR) in China is an essential status symbol to show the greatness of China’s rapid economic achievement. The objective of the railway not only fosters closer society and economic exchanges between all major Chinese cities, but it also serves a military purpose as it can shorten the time for military deployments. The XRL HK Section issue started with the demolition of the Tsoi Yuen Chuen

²²⁵ Kimmy Chung, “Legco Approves Rule Book Changes After Dramatic Debate with 11 Pan-dems Booted out of Chamber,” *South China Morning Post*, 15 December 2017, <http://www.scmp.com/news/hong-kong/politics/article/2124467/two-pan-dems-kicked-out-legco-meeting-after-disrupting>.

²²⁶ Kris Cheng, “Democrats Say Gov’t Used Legislature as a ‘Rubber Stamp’ Body to Pass Express Rail Link Motion,” *Hong Kong Free Press*, 15 November 2017, <https://www.hongkongfp.com/2017/11/15/democrats-say-govt-used-legislature-rubber-stamp-body-pass-express-rail-link-motion/>.

Village²²⁷ in 2009, and later LegCo approved the controversial additional billion dollars in funding for an evaluated HK\$54 billion railway. It eventually led to the eruption of an anti-high speed rail movement in 2010. In 2016, an unexpectedly large cost overrun in the construction was announced by the Hong Kong government. Owing to rising wages and prices of materials, the current actual costs of the XRL HK section project is much higher than the originally estimated costs. The postponed completion of this project has worsened the public's doubt of the practical efficiency of the railway.

The NPCSC's controversial decision on the XRL express rail link's co-location of a joint checkpoint

The legality of the joint checkpoint for the cross-border could be a litmus test on the "One Country, Two Systems" and the Basic Law. This arrangement literally gives permission to the Central authorities to exercise full Chinese jurisdiction in Hong Kong's territory which implied that Articles 7²²⁸, 18²²⁹ and 119²³⁰ of the

²²⁷ "Under the government plan, the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL HK Section) will pass Choi Yuen Tsuen, which will become an emergency station. That will mean the clearance of 150 households - or around 500 villagers. Resisting the plan, more than 400 villagers, relatives, friends and supporters of the activist groups staged a protest at Choi Yuen Tsuen."

Patsy May, "Village to be Sacrificed for Hong Kong High Speed Rail," *The Standard*, 19 October 2009, http://www.thestandard.com.hk/news_detail.asp?pp_cat=30&art_id=89364&sid=25754048&con_type=3.

²²⁸ "Article 7: The land and natural resources within the Hong Kong Special Administrative Region shall be State property. The Government of the Hong Kong Special Administrative Region 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 government of the Region."

"Chapter I: General Principles," The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_1.html.

²²⁹ "Article 18: The laws in force in the Hong Kong Special Administrative Region shall be this Law, the laws previously in force in Hong Kong as provided for in Article 8 of this Law, and the laws enacted by the legislature of the Region. National laws shall not be applied in the Hong Kong Special Administrative Region except for those listed in Annex III to this Law. The laws listed therein shall be applied locally by way of promulgation or legislation by the Region.

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 Hong Kong Special Administrative Region and the government of the Region. Laws listed in Annex III to this Law shall be confined to those relating to defence and foreign affairs as well as other matters outside the limits of the autonomy of the Region as specified by this Law. In the event that the Standing Committee of the National People's Congress decides to declare a state of war or, by reason of turmoil within the Hong Kong Special Administrative Region which endangers national unity or security and is beyond the control of the government of the Region, decides that the Region is in a

Basic Law would be possibly violated.²³¹ Therefore, the XRL railway station in Hong Kong will be a de facto considered part of Chinese territory amid an ongoing debate.²³² For the sake of providing a firm legal basis for the NPCSC, the Secretary for Justice, Rimsky Yuen Kwok-keung, cited Article 20²³³ of the Basic Law, which permits the Hong Kong government, to seek out an exceptional “privilege” from the NPCSC, so that it can allow the Chinese authorities to apply national laws in a designated area in the XRL Hong Kong Section.²³⁴ However, the adoption of Article 20 would give the Central government supreme power over the rule of law in Hong Kong.

Soon after, China’s largely rubberstamp congress, the NPCSC approved a controversial co-location joint checkpoint proposal for the XRL HK Section on 27 December 2017.²³⁵ The NPCSC official explained the decision was in line with Article 18 of the Basic Law in order to dispel concerns about Hong Kong’s

state of emergency, the Central People's Government may issue an order applying the relevant national laws in the Region.”

“Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region,” The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_2.html.

²³⁰ “Article 119: The Government of the Hong Kong Special Administrative Region shall formulate appropriate policies to promote and co-ordinate the development of various trades such as manufacturing, commerce, tourism, real estate, transport, public utilities, services, agriculture and fisheries, and pay regard to the protection of the environment.”

“Chapter V: Economy,” The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_5.html.

²³¹ Phila Siu and Tony Cheung, “Joint Checkpoint for Rail Link ‘in line with Basic Law’, Beijing’s Point Man on Hong Kong Tells China’s Top Legislative Body,” *South China Morning Post*, 22 December 2017, <http://www.scmp.com/news/hong-kong/politics/article/2125439/hong-kong-courts-cannot-challenge-joint-checkpoint-rail-link>.

²³² Cheng, “Democrats.”

²³³ “Article 20: The Hong Kong Special Administrative Region may enjoy other powers granted to it by the National People’s Congress, the Standing Committee of the National People’s Congress or the Central People’s Government.”

“Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region,” The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_2.html.

²³⁴ Jason Y Ng, “Why Hong Kong’s Justice Minister Rimsky Yuen is so Sanguine about Joint Checkpoint for Express Rail Link,” *South China Morning Post*, 28 July 2017, <http://www.scmp.com/comment/insight-opinion/article/2104469/why-hong-kongs-justice-minister-rimsky-yuen-so-sanguine>.

²³⁵ Christian Shepherd and Venus Wu, “China Says Part of Hong Kong Rail Station to be Subject to Mainland Laws,” *Reuters*, 27 December 2017, <https://www.reuters.com/article/us-china-lawmaking-hongkong/china-says-part-of-hong-kong-rail-station-to-be-subject-to-mainland-laws-idUSKBN1EL0GI>.

autonomy being undermined by the decision.²³⁶ However, as stipulated by Article 18, the Chinese national law shall not be applied to Hong Kong and this will need to be added to Annex III of the Basic Law.²³⁷ The initial purpose of Article 18 was to protect Hong Kong from being superseded by the Chinese government after the handover in terms of juridical independence. Nevertheless, in the case of the co-location of the joint checkpoint, the NPCSC did not adopt any principles of the Hong Kong Basic Law as the fundamentals of law elucidated that the Central government exclusively had the supreme power to intervene in the jurisdiction of Hong Kong.

The Deputy Secretary General of the NPCSC, Li Fei, insisted that the final decision of the NPCSC indisputably carries considerable weight with the Hong Kong government.²³⁸ He adds that the Hong Kong Basic Law was initially adopted and empowered by the NPCSC so that the Central government has supreme authority to amend if necessary.²³⁹ As stated by the decision, the Chinese police and customs officials from across the border will be unprecedentedly allowed full jurisdiction in Hong Kong's territory. The exercise of Chinese national law will be used to handle immigration procedures for travellers over part of the Hong Kong section's terminal. However, there are many grey areas such as whether the Chinese police are authorised to arrest any Hong Kong residents at or outside the Hong Kong terminal by using Chinese national law. These unexplained uncertainties have triggered the fear of the incident of five missing

²³⁶ Phila Siu and Kimmy Chung, "Controversial Joint Checkpoint Plan Approved for High-speed Rail Link as Hong Kong Officials Dismiss Concerns over Legality," *South China Morning Post*, 27 December 2017, <http://www.scmp.com/news/hong-kong/politics/article/2125820/chinas-top-body-approves-plan-enforce-mainland-laws-joint>.

²³⁷ Elizabeth Cheung, "Hong Kong Bar Association 'Appalled' by Approval of Joint Checkpoint Plan, Saying It 'Irreparably' Breaches Basic Law," *South China Morning Post*, 29 December 2017, <http://www.scmp.com/news/hong-kong/law-crime/article/2126061/hong-kong-bar-association-appalled-approval-joint>.

²³⁸ Tony Cheung, "Six Things to Know about Hong Kong's Controversial 'Co-location' Joint Checkpoint Scheme," *South China Morning Post*, 27 December 2017, <http://www.scmp.com/news/hong-kong/politics/article/2125805/six-things-know-about-hong-kongs-controversial-co-location>.

²³⁹ Apply Daily, "Li Fei: People's Congress Standing Committee, Denounced the Ruling Hong Kong People Have Kept their Promises on "Zero" Autonomy," *Apple Daily*, 28 December 2017, https://hk.news.appledaily.com/local/daily/article/20171228/20257399?_ga=2.67623441.1698668295.1514330631-1119202918.1509406029.

Hong Kong booksellers being “kidnapped” in Hong Kong and being “sent” back to China in 2015.

The pro-democrats have argued that it will allow Beijing to override the Hong Kong Basic Law and that the decision has clearly lacked public support.²⁴⁰ Also, they condemned the principle of the Chinese authorities moving the goalposts in terms of their interpretation of the Basic Law. Li Fei argued that: “If Hong Kong residents do not feel comfortable, they can use other checkpoints [to enter the mainland].”²⁴¹ He added that, “[You] can choose not to take the high-speed rail. In that case, the co-location arrangement would not apply to you. But you need to know which [mode of transport] is more convenient and which is not.”²⁴² Besides, the University of Hong Kong principal law lecturer, Eric Cheung Tat-ming, points out the decision clearly undermines the norm of the “One Country, Two Systems”, and the consequence of the decision will be much worse than any of the previous NPCSC’s interpretations of the Basic Law.²⁴³ He added that, even the People’s Liberation Army garrison and Beijing’s Liaison Office in Hong Kong are under local jurisdiction, as specified in Article 22²⁴⁴ of the Basic Law.²⁴⁵ A day after the saga of the NPCSC’s endorsement, the Hong Kong Bar

²⁴⁰ Siu and Cheung, “Joint.”

²⁴¹ Siu and Cheung, “Controversial.”

²⁴² Ibid.

²⁴³ Ibid.

²⁴⁴ “Article 22: No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law.

If there is a need for departments of the Central Government, or for provinces, autonomous regions, or municipalities directly under the Central Government to set up offices in the Hong Kong Special Administrative Region, they must obtain the consent of the government of the Region and the approval of the Central People's Government. All offices set up in the Hong Kong Special Administrative Region by departments of the Central Government, or by provinces, autonomous regions, or municipalities directly under the Central Government and the personnel of these offices shall abide by the laws of the Region.

*For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region. The Hong Kong Special Administrative Region may establish an office in Beijing.”

“Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region,” The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_2.html.

²⁴⁵ Siu and Cheung, “Controversial.”

Association released a statement regarding the concerns on the breach of the Basic Law and the “One Country, Two Systems”. It said that, “such an unprecedented move is the most retrograde step to date in the implementation of the Basic Law and severely undermines public confidence in ‘One Country, Two Systems’ and the rule of law in the Hong Kong Special Administrative Region.”²⁴⁶ This decision concerning the joint-checkpoint arrangement was not backed by any clauses in the Basic Law, which means that the NPCSC could overpower the decision and policy made by the Hong Kong government in the foreseeable future. Consequently, the most pessimistic view of this arrangement was stated by the Bar Association, “the mainland laws could be applied to any part of Hong Kong designated by the government, such as the High Court Building, as long as this did not cover the entire city.”²⁴⁷ Whilst Carrie Lam and many pro-Beijing officials broke their silence over the growing denunciation by local lawyers and the Bar Association of the arguable joint-checkpoint proposal and she hit out at what she stated was an “elitist mentality” amongst those denying it²⁴⁸, the New Year’s Day pro-democracy march by 10,000 demonstrators took to the streets to voice their apprehensions over what they perceive as planned moves by Beijing to reduce Hong Kong’s autonomy through a number of disputable acts.²⁴⁹

The Chinese authorities act as if they are above the Basic Law even above the power of the actual leader of Hong Kong, Carrie Lam. In fact, Hong Kong people can easily discern who the real boss of Hong Kong is. The promises of Deng Xiao-ping’s “Hong Kong people ruling Hong Kong” and a “high degree of autonomy” have been replaced entirely with ‘Xi Jinping Thought’ specified on Hong Kong and Macau: “It is necessary to adhere to the ‘One Country, Two

²⁴⁶ Cheung, “Hong Kong.” See also Ellie Ng, “Beijing’s ‘Distortion’ of Hong Kong Basic Law Greatly Undermines Rule of Law, Legal Experts Warn,” *Hong Kong Free Press*, 28 December 2017, <https://www.hongkongfp.com/2017/12/28/beijings-distortion-hong-kong-basic-law-greatly-undermines-rule-law-legal-experts-warn/>.

²⁴⁷ Cheung, “Hong Kong.”

²⁴⁸ Jeffie Lam, “Hong Kong Leader Brushes off Concerns of Lawyers over China Joint Rail Checkpoint Plan, Saying Legal Basis is Clear,” *South China Morning Post*, 31 December 2017, <http://www.scmp.com/news/hong-kong/politics/article/2126290/hong-kong-leader-brushes-concerns-lawyers-over-china-joint>.

²⁴⁹ Shirley Zhao, “Showdown as Police Surround Hong Kong Protesters at ‘Civic Square’ after New Year’s Day March,” *South China Morning Post*, 1 January 2018, <http://www.scmp.com/news/hong-kong/politics/article/2126414/scuffle-police-surround-hong-kong-protesters-civic-square>.

Systems' principle and push forward the reunification of the motherland. Maintaining the long-term prosperity and stability of Hong Kong and Macau, and realising complete national reunification is an inevitable requirement for realising the great rejuvenation of the Chinese nation."²⁵⁰

The “rubberstamp” LegCo will be the final battleground for presenting the relevant local legislation for the co-location joint-checkpoint in February 2018. Due to the recent amendments to the LegCo’s rule book, the pro-democrats will not be allowed to filibuster the debate on the joint checkpoint legislation, given the LegCo President Andrew Leung Kwan-yuen, of the pro-establishment camp, has had his power increased after the amendments allowing him to cut short debates seemingly against the pro-democracy camp. A series of progressive moves from the Hong Kong government and Chinese authorities have showed that the preparation of the Article 23 will soon be re-published in another form of local legislation. The most likely result will be the issuing national security law in Hong Kong. This national law has already been issued on 1 July 2015 in mainland China. The Chinese authorities said the law can protect the national security of the PRC efficiently and the media will be controlled by the authority, which means the authority can control Chinese people and soon confine Hong Kong people’s freedom by this law if the law applies to all the Chinese territories.²⁵¹ The launch of the national security law or Article 23, will confirm the strategy of President Xi Jing-ping to crack down on the germination of a possible Hong Kong independence. Hence, the judicial intervention in Hong Kong is only the beginning of the “One Country, One System”.

The national anthem law in Hong Kong

Chinese draconian laws have been aggressively implemented in Hong Kong in recent years. The practices of these laws are primarily targeted at the young generation and their talk of localism and independence in Hong Kong. The political suppressions and struggles after the Umbrella Movement in 2014 led to

²⁵⁰ BBC Monitoring, “His Own Words: The 14 Principles of ‘Xi Jinping Thought’,” *BBC News*, 18 October 2017, <https://monitoring.bbc.co.uk/product/c1dmwn4r>.

²⁵¹ Xinhua News Agency (2015). “Focus on the Five New Highlights of the National Security Law,” *Xinhua News Agency*, 1 July 2015, http://news.xinhuanet.com/politics/2015-07/01/c_1115787097.htm.

dysphoria in the young generation which created a doubt about past pro-democratic movements led by the pro-democrats. For instance, in the event of the 2018 FIFA World Cup qualification, Hong Kong was drawn in the same group with China in the second round. In the wake of the rise of Hong Kong nationalism and localism, the Hong Kong team supporters especially the young fans found a way to express their dissatisfaction with, and sense of alienation towards, China. The breaking point was the incident of the Chinese Football Association's racist poster against the diverse races in the Hong Kong team.²⁵² As a result, the Hong Kong team supporters booed loudly and jeered China's national anthem in the match with China's football team in November 2015.²⁵³ The supporters also waved the banner of "Hong Kong is not China" at the match. Ever since, the supporters have been protesting the Chinese anthem for more than two years. In November 2017, the Chinese National Anthem Law was extended to Hong Kong as China introduced a National Anthem Law which punishes people who disrespect the song by up to 15 days in jail.²⁵⁴ While it currently only applies on the mainland, it's being adopted into Hong Kong's statutes, and an amendment to the law which would extend the punishment to a maximum of three years is being considered by Beijing. The law has become the latest flashpoint for those fearing growing Chinese encroachment on Hong Kong's affairs.²⁵⁵

²⁵² "The Chinese FA warned its team's fans not to underestimate Hong Kong in upcoming World Cup qualifiers, pointing out that HK's team has "black skin, yellow skin and white skin people", and that "playing a team with such diverse backgrounds, you'd better be prepared".

James Porteous, "Chinese Football Fans Told: 'Don't Underestimate Black Skin, Yellow Skin, White Skin Hong Kong'," *South China Morning Post*, 9 June 2015, <http://www.scmp.com/sport/soccer/article/1819148/chinese-football-association-warns-fans-not-underestimate-hong-kongs>.

²⁵³ Benjamin Haas, "Defiant Hong Kong Football Fans Boo China's National Anthem," *The Guardian*, 9 November 2017, <https://www.theguardian.com/world/2017/nov/09/defiant-hong-kong-football-fans-boo-china-national-anthem>.

²⁵⁴ Stuart Lau, Kimmy Chung, and Catherine Wong, "China Imposes National Anthem Law on Hong Kong, Raising Spectre of Prison Terms for Abuse of Song," *South China Morning Post*, 4 November 2017, <http://www.scmp.com/news/hong-kong/politics/article/2118430/china-imposes-national-anthem-law-hong-kong-raising-spectre>.

²⁵⁵ Euan McKirdy and James Griffiths, "Hong Kong Football Fans Take a Stand as Chinese Anthem Law Looms," *CNN*, 17 November 2017, <http://edition.cnn.com/2017/11/17/football/hong-kong-football-national-anthem-protest/index.html>.

The rapid deterioration of juridical independence in Hong Kong

After 20 years of the transfer of sovereignty of Hong Kong, Hong Kongers have witnessed many ups and downs in the city which has been mercilessly trampled upon by the Chinese authorities. Many people have expressed their point of view on the relationship between Hong Kong and China, citing from the opening lines of the well-known book, “A Tale of Two Cities”, by Charles Dickens: “It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us.”²⁵⁶ Most nerve-wracking for the public is concern over the continuity of the independence of the judiciary and the rule of law in Hong Kong under the “One Country, Two Systems”. Hong Kong people have learned the lessons from the five interpretations²⁵⁷ of the Basic Law by the NPCSC that the Chinese authorities will constantly and gradually modify the rules and norms which Hong Kong has been adopting for 20 years. By adopting the Chinese ruling style, incidents like the five Causeway Bay booksellers disappearances, the imprisonment of pro-democratic activists, and the disqualification of LegCo candidates are already starting to make the “One Country, Two Systems” look meaningless.

The foreseen scenario is the Chinese judicial ruling would eventually overrule the Hong Kong judicial system and its court’s decision. As a result, the legislative branch – LegCo- would become entirely an obedient rubberstamp and voting machine for the Chinese government, and the minority of the LegCo, pro-democrats, would fight back in the chamber but not for long though. Ian Scott states: “If the Standing Committee (NPCSC) disregards decisions that Hong Kong courts take in critical cases, judicial independence will be in serious jeopardy.”²⁵⁸

²⁵⁶ Charles Dickens, *A Tale of Two Cities* (London: Penguin Press, 2003), 1.

²⁵⁷ “NPCSC’s interpretations of Hong Kong’s Basic Law are the right of abode in 1999, the election of the chief executive in 2004, replacing a chief executive in 2005, diplomatic immunity in 2011, and taking the oath for office in 2016.”

Zheping Huang and Echo Huang, “A Brief History: Beijing’s Interpretations of Hong Kong’s Basic Law, from 1999 to the Present Day,” *Quartz*, 7 November 2016, <https://qz.com/828713/a-brief-history-beijings-interpretations-of-hong-kongs-basic-law-from-1999-to-the-present-day/>.

²⁵⁸ Ian, Scott. ““One Country, Two Systems”: The End of a Legitimizing Ideology?.” *Asia Pacific Journal of Public Administration* 39, no. 2 (2017): 92. doi:10.1080/23276665.2017.1325619.

The judges in Hong Kong can no longer maintain their political neutrality over pro-democrats' trial and adjudication as Beijing's white paper on Hong Kong, delivered in June 2014, required judges to be "patriotic" and cited them as "Hong Kong's administrators."²⁵⁹ A similar opinion was spoken by a pro-Beijing legislator Elizabeth Quat, in early 2015, when she challenged the condition of the "police arresting people and judges releasing people". This dissent from the pro-Beijing camp has attempted to defame the misjudgement of a court that has freed the pro-democracy protesters in many 'civil disobedience' demonstrations.²⁶⁰

On the other hand, the pro-democracy bloc has also described the court as becoming a tool for suppressing pro-democrats and localists as many cases such as three pro-democracy activists, Alex Chow, Nathan Law and Joshua Wong, were imprisoned for 6 to 8 months by the Court of Appeal for their roles in a protest at Central Hong Kong government headquarters. This protest happened a day before and provoked the 79-day Umbrella Movement on 28 September 2014, therefore, the Hong Kong government once again hunted down the leaders of the Umbrella Movement since the occupy protest's leaders were indicted on public nuisance offences in July 2017. Also, 13 other activists in the headquarters protest were given prison sentences of 8 to 13 months. The controversy of this incident is that the three activists had initially been convicted and given community service orders and suspended sentence which were lighter punishments. However, the Hong Kong government appealed their sentences and successfully pursued tougher punishments because their illegal actions caused a large and disorderly assembly.²⁶¹ The breakdown of judicial independence and the rule of law will in the long run, severely demolish the confidence that Hong Kong people have valued since the colonial era. As long as the devastation of the entire judicial system occurs, the legislative and executive powers will also be fragmented, or be eroded.

²⁵⁹ Arthur Lo, "Six Challenges to Hong Kong's Judicial Independence," *Hong Kong Free Press*, 17 August 2015, <https://www.hongkongfp.com/2015/08/17/six-challenges-to-hong-kongs-judicial-independence/>.

²⁶⁰ Ibid.

²⁶¹ Jasmine Siu, "Joshua Wong and Other Jailed Hong Kong Student Leaders See Political Careers Halted," *South China Morning Post*, 17 August 2017, <http://www.scmp.com/news/hong-kong/politics/article/2107216/occupy-activists-joshua-wong-and-nathan-law-jailed-hong-kong>.

Views on the rule of law and judicial independence raised the conflicts between the pro-democrats and the pro-Beijing bloc during the Umbrella Movement.²⁶² Pro-Beijing politicians accused the demonstrators of sabotaging the rule of law in terms of their moves. However, the pro-democrats considered their civil disobedience actions were with the good intention of accomplishing justice which was coherent with the rule of law; though the demonstrators broke the law.²⁶³ An independent judiciary and rule of law, has long been the bedrock of success for Hong Kong. However, the threat to this is only one of the many ways in which Beijing is trying to end the “One Country, Two Systems”. The autonomy of Hong Kong, the personal safety of the pro-democratic politicians and activists, the press freedom, and the NPCSC’s interpretations of the Basic Law prior to Hong Kong court ruling have come into question.²⁶⁴

The stalled, or even reversed democratisation, the deteriorating liberty and autonomy, the prosecutions against the pro-democrats and localists, judicial interference by the Chinese authorities, many examples of self-censorship of the media and press which have been impinged by the red capitalist investment from China such as the enforcement of coverage of a favourable China and the omission of tragedies in China are apparent cases of Beijing’s open or tacit interventions into Hong Kong politics.²⁶⁵ In spite of the principle of “One Country, Two Systems”, Hong Kong has been increasingly subordinated to the autocratic China.²⁶⁶ Hung Ho-fung and Ip Lam-chong have affirmed that, ““One country, Two systems” is now devoid of all substance, and Hong Kong society and politics are being homogenised with those in mainland China. This pessimistic portrayal of Hong Kong as a “slowly boiled frog” after 1997 cannot be easily dismissed, as evidence attesting to it abounds.”²⁶⁷ Although Hong Kong used to be the most

²⁶² Scott, ““One Country, Two Systems”: the End of a Legitimizing Ideology?,” 92.

²⁶³ *Ibid.*, 92-93.

²⁶⁴ Hong Kong Watch, “Major EU Parliament Report Condemns Chinese Interference in Hong Kong’s Internal Affairs,” *Hong Kong Watch*, 16 December 2017, <https://www.hongkongwatch.org/all-posts/2017/12/16/major-eu-parliament-report-condemns-chinese-interference-in-hong-kongs-internal-affairs>.

²⁶⁵ Ho-fung Hung and Lam-chong Ip, “Hong Kong’s Democratic Movement and the Making of China’s Offshore Civil Society,” *Asian Survey* 52, no. 3 (2012): 504. doi:10.1525/as.2012.52.3.504.

²⁶⁶ *Ibid.*, 504-506.

²⁶⁷ *Ibid.*, 504-505.

important gateway into and out of China, and became China's offshore financial centre in the colonial period helping to facilitate the emergent internationalisation of the Renminbi (RMB), this unique quality of Hong Kong has gradually been replaced by Shanghai, Shenzhen and Guangzhou which are firmly backed by the Central government. Instead, Chinese tycoons are taking advantage of China's political influence strengthening in Hong Kong, thus moneyed Chinese companies are acquiring more power in the economy as well.²⁶⁸ (See Chapter 5)

The red capitalised Hong Kong market and the 'invisible' control of China

Hong Kong is a business-oriented entity in which financial services have played an essential part in the local economy; its contribution to the Gross Domestic Product (GDP) remained 16% to 17% in the recent 8 years.²⁶⁹ In fact, Chinese firms are supporting Hong Kong's economy heavily and are manipulating Hong Kong's stock market comprehensively. The list of top 10 arrangers of Initial Public Offerings (IPOs)²⁷⁰ in 2017 shows that 9 out of 10 IPO advisers are large-scale Chinese companies. Those on the top of the list like the China Construction Bank, Haitong Securities, and Agricultural Bank of China, are dominating as benefactors in Hong Kong's stock market.²⁷¹ The top 10 Hong Kong IPO advisors were all well-known global corporations such as Morgan Stanley, HSBC, and Merrill Lynch. According to Thomson Reuters data, "Hong Kong was the world's largest IPO market by value in 2016, raising US\$24.53 billion. In 1997, Hong Kong languished in eighth place, when new listings were worth just US\$5.7 billion."²⁷² The shift simultaneously occurs with ubiquitous Chinese firms making

²⁶⁸ Prudence Ho, "Chinese Giants are Taking over Hong Kong," *Bloomberg*, 7 June 2014, <https://www.bloomberg.com/news/features/2017-06-06/chinese-giants-are-taking-over-hong-kong>.

²⁶⁹ "Information and Communications, Financing and Insurance, Professional and Business Services Sectors," HKSAR Census and Statistic Department, accessed 27 December 2017, <http://www.censtatd.gov.hk/hkstat/sub/sp350.jsp?productCode=FA100091>.

²⁷⁰ "An IPO is short for an initial public offering. Like the name says, it's when a company initially offers shares of stocks to the public. It's also called "going public." An IPO is the first time the owners of the company give up part of their ownership to stockholders."

"What is an IPO? Its Pros and Cons," Kimberly Amadeo, accessed 10 January 2018, <https://www.thebalance.com/what-is-an-ipo-process-pros-and-cons-3305857>.

²⁷¹ Ho, "Chinese giants."

²⁷² Enoch Yiu, "HKEX's Key Targets ahead will be Technology Startups, Mainland Firms Looking to Expand Overseas, Belt and Road Initiative-related Companies," *South China Morning*

use of the well-reputed Hong Kong as a keystone for global development.²⁷³ Also, the capital outflows from mostly private Chinese firms have swayed the fluctuation of the stock market and have made considerable profits with the intention of undertaking money laundering, money whitening, and illicit financial flows. In the past year, there has been a significant decline in capital outflows which largely indicated the result of the Chinese government's strict capital control, for instance, constraining the underground money transfers, controlling vast foreign mergers and acquisitions, and mending abnormal loopholes in transactions.²⁷⁴

Besides, Hong Kong's housing market has been caught up in a whirlpool of hyperactivity, and has reached the highest average property price around the globe in the past years. The past two years, the Chinese developers, including the HNA Group and Logan Property Holdings, became prevalent in Hong Kong government land purchases. Mainland developers have started outbidding local property billionaires, who once dominated the buying of government land so as to develop residential housing in 2011. Prudence Ho shows that the insane property market heated up due to the mainland developers' panic purchases, which won all HK\$37 billion worth of government land sold for residential development in 2016-2017 while local developers got nothing.²⁷⁵ In 2018, due to the Chinese strict policy of capital outflows, Chinese developers have retreated dramatically from property markets overseas, especially the Hong Kong one. According to a study from Standard & Poor's, "Chinese developers won 11% of bids by value in Hong Kong government land auctions since April [2017], down from the some 50% seen in the previous two years."²⁷⁶

Post, 24 June 2017, <http://www.scmp.com/business/companies/article/2099755/hong-kong-remains-pole-position-ipos>.

²⁷³ Ho, "Chinese giants."

²⁷⁴ Pan Yue, "China's Capital Outflow Plunges 67% in 2017 as Beijing Squeezes Outbound Deals," *China Money Network*, 10 January 2018, <https://www.chinamoneynetwork.com/2018/01/10/chinas-capital-outflow-drops-67-2017-reflecting-effectiveness-governments-control>.

²⁷⁵ *Ibid.*

²⁷⁶ *Asia Times*, "Beijing's Capital Controls Hit Usual Suspects and Surprising Victims," *Asia Times*, 8 February 2018, <http://www.atimes.com/article/beijings-capital-controls-hit-usual-suspects-surprising-victims/>.

There are other industries and businesses being increasingly “invaded” by the money-rich Chinese enterprises, for example, mobile phone service and media industry. The most famous acquisition by a Chinese investor was the foremost Hong Kong English-language newspaper, South China Morning Post, which was purchased in 2015 by the renowned Chinese billionaire, Jack Ma and his Alibaba Group, with an exposed plan of reporting a different perspective of China.²⁷⁷ The Executive Vice-Chairman of Alibaba Group, Joseph Tsai, stated that, “the world needs a plurality of views when it comes to China coverage. China's rise as an economic power and its importance to world stability is too important for there to be a singular thesis.”²⁷⁸ Hong Kong Baptist University Political Science Professor, Ting Wai, argues that “what the Chinese Communist Party is interested in is the fundamental change of Hong Kong people’s mind-set and mentality, which are basically not receptive to such an ideology and practice. The local tycoons, long occupying a dominant position in HK’s economy, will gradually lose their primary position in the local economy unless they collaborate with mainland enterprises.”²⁷⁹ This circumstance has already happened with the richest man in Hong Kong, Li Ka-shing, and his US\$ hundred billion enterprise, CK Hutchison Holdings, quietly withdrawing most of its businesses and trade from Hong Kong and China and moving to the United Kingdom, Europe, and Canada in recent years.

After all these incidents happened in Hong Kong in 2017, most Hong Kong people thought that the principle of the “One Country, Two Systems” had basically disappeared. In effect, it is only a matter of time before the vulnerable “One Country, Two Systems” turns into “One Country, One System”. As Article 5 stipulates, “The socialist system and policies shall not be practised in the Hong Kong Special Administrative Region, and the previous capitalist system and way

²⁷⁷ Vivienne Zeng, “Jack Ma’s Alibaba Buys South China Morning Post, Paywall to be Scrapped,” *Hong Kong Free Press*, 15 December 2015, <https://www.hongkongfp.com/2015/12/11/breaking-jack-mas-alibaba-buys-south-china-morning-post-paywall-to-be-scrapped/>.

²⁷⁸ South China Morning Post, “Letter to readers of the South China Morning Post, from Alibaba's Executive Vice Chairman,” *South China Morning Post*, 11 December 2015, <http://www.scmp.com/news/hong-kong/article/1890058/letter-readers-south-china-morning-post-alibabas-executive-vice>.

²⁷⁹ Ho, “Chinese giants.”

of life shall remain unchanged for 50 years.”²⁸⁰ However, before the deadline of 50 years (2047), will Hong Kong actually become one of many ordinary cities in China?

²⁸⁰ “Chapter I: General Principles,” The Basic Law HKSAR, accessed 29 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_1.html.

Chapter 7: The end of “One Country, Two Systems”

Only twenty years have passed since the transfer of sovereignty from Britain to China and already, the privilege of separation of powers (*trias politica*), the rule of law, and the Basic Law in Hong Kong have been taken down by the Chinese government. In 2016, the former President of LegCo and the current NPCSC member, Rita Fan Hsu Lai-tai, said that, “The idea of separation of powers is only something brought up by some members of Hong Kong’s legal sector.” She concluded that, “I think it may not be completely correct to say that separation of powers is part of the framework of the Basic Law.”²⁸¹ If the separation of powers has not existed in Hong Kong as Rita Fan said, who is actually governing Hong Kong? The answer seems to imply that the ruling of Hong Kong has appeared to be fully dominated by an authoritarian state since the first day of handover.

The Chinese control of power and the disappointment of Hong Kong locals

From the preceding chapters, it can be seen that the Chinese Liaison Office in Hong Kong has become the actual governing team replacing the Hong Kong government gradually. In 2008, the Director of the Research Section of Beijing’s Central Liaison Office in Hong Kong, Cao Er-bao, had written an article in which he said that Hong Kong has, in fact, two governing teams. One is the establishment team of Hong Kong SAR government and the second consists of Chinese government authorities, which refer to the Liaison Office and the Hong Kong and Macau Office, responsible for Hong Kong issues on mainland China.²⁸² For Hong Kong citizens, Cao’s article indicated that the application of the new Beijing policy has influenced the policy making of the Hong Kong government throughout the last twenty years. It might suggest that the failures of all of the

²⁸¹ Ellie Ng, “Hong Kong Does Not Have Separation of Powers, Only Judicial Independence, Says Pro-Beijing Heavyweight,” *Hong Kong Free Press*, 20 October 2016, <https://www.hongkongfp.com/2016/10/20/hong-kong-not-separation-powers-judicial-independence-says-pro-beijing-heavyweight/>.

²⁸² “Governing Hong Kong under the Conditions of ‘One Country, Two Systems,’” Erbao Cao, accessed 22 December 2017, http://www.civicparty.hk/cp/media/pdf/090506_cao_eng.pdf. See also Alvin Y. So, “‘One Country, Two Systems’ and Hong Kong-China National Integration: A Crisis-Transformation Perspective,” *Journal of Contemporary Asia* 41, no. 1 (2011): 100-101, doi:10.1080/00472336.2011.530039.

previous Hong Kong governing teams, to some extent, can be considered to be the fault of the Chinese authorities and its leaders who have never taken into account the Hong Kong people's opinions. By applying the norms and values of Chinese politics onto a 156-year old colony, clashes would inevitably be expected in the long term. The tightened grip and interference of China in Hong Kong's affairs will be simply strengthened as long as the ideologies of localism and Hong Kong independence are still prevailing among the younger generations. In this sense, Beijing has made no bones about the violation of the promise embodied in the "One Country, Two Systems" policy.²⁸³ Hong Kong people have increasingly questioned whether the framework of "One Country, Two Systems" has ever been implemented. In fact, very few political commentators and scholars doubted the exercise of the "One Country, Two systems" when it was first introduced by Deng Xiao-ping in the 1980s.

However, there are many discouraged youngsters in Hong Kong who have had the intention of moving out of their hometown due to the complicated political conditions, the prospect of unemployment, and the pessimism over the future of Hong Kong's relationship with China. The thought of migration has started to revive among the middle class and surprisingly younger generations in Hong Kong are the most discontented crowd who have showed great yearning to leave. The Assistant Director of the Hong Kong Institute of Asia-Pacific Studies, Dr. Victor Zheng stated that, "dissatisfaction with the SAR government's performance and recent socio-political developments are some of their reasons. Widening social cleavages and an overcrowded living environment require us to pay more attention [to their concerns]."²⁸⁴ The disappointment in the government has risen quickly since the Umbrella Movement in 2014 and Beijing's rejection to concede to the NPCSC's decision that ignited a wave of localist movements. As many youngsters have felt helpless in their city, there is nothing that they could change with their tiny power to affect the complex Chinese politics. Unlike during the 1980s and 1990s, Dr. Zheng explained that, "[Hong Kong's] younger

²⁸³ So, "'One Country, Two Systems' and Hong Kong-China National Integration: A Crisis-Transformation Perspective," 100-102.

²⁸⁴ Time Out Hong Kong, "Emigration Generation: Will Hong Kong Experience Another Brain Drain?," *Time Out*, 8 November 2016, <https://www.timeout.com/hong-kong/blog/emigration-generation-will-hong-kong-experience-another-a-brain-drain-110816>.

generations can't afford to leave, so their discontent may turn to radical localism or protectionism."²⁸⁵ Hence, many political commentators have alleged that, if the current Hong Kong locals move out, they are very likely to be replaced by new immigrants from China. According to the Hong Kong Census and Statistics Department report, there were in total 906,801 persons who left from mainland China to permanently settle in Hong Kong.²⁸⁶ Yet, this figure does not include the number of non-Hong Kong permanent resident pregnant women giving birth in Hong Kong and the scheme for Mainland Talents and Professionals, which have contributed to a total of approximately 10,000 persons to Hong Kong a year.²⁸⁷ Some have argued that the new immigrants might help sustain a social equilibrium and contribute economically to Hong Kong. Nevertheless, these Chinese migrants who arrive under the "One-way Permit"²⁸⁸, are more likely to support the pro-establishment and have a stronger Chinese national pride than Hong Kong locals due to the inefficient progress of socialisation.²⁸⁹ Apparently, Wong, Ma & Lam stated that, "migrants usually find it easier to accept the political status quo of the host country and have less urge for progressive change, hence are less likely to support the opposition. The case of Hong Kong shows that the immigrants from China are in general more politically conservative and more

²⁸⁵ Time Out Hong Kong, "Emigration."

²⁸⁶ Yun-chung Chen and Mirana M. Szeto, "The Forgotten Road of Progressive Localism: New Preservation Movement in Hong Kong," *Inter-Asia Cultural Studies* 16, no. 3 (2015): 438-439. doi:10.1080/14649373.2015.1071694. See also Kai-chi Leung, "Increase or Decrease? First Sort Out the Categories and the Number of People," *Hong Kong 01*, 19 May 2017, <https://www.hk01.com/article/91990>.

²⁸⁷ Yun-chung Chen and Mirana M. Szeto, "The Forgotten Road of Progressive Localism: New Preservation Movement in Hong Kong," 438. See also Leung, "Increase."

²⁸⁸ "Mainland residents who wish to settle in Hong Kong must apply for Permits for Proceeding to Hong Kong and Macao (commonly known as One-way Permits ("OWPs")) from the Exit and Entry Administration Offices of the Public Security Bureau of the Mainland at the places of their household registration. At present, the daily quota for OWPs is 150, and the application, vetting, approval and issuance of OWPs fall within the remit of the Mainland authorities. Since July 1, 1997, a total of 830 000 Mainland residents have come to settle in Hong Kong on OWPs. It is estimated that 1.93 million new immigrants will settle in Hong Kong in the next five decades, with most of them coming from the Mainland."

"One-way Permit Scheme," The Government of the Hong Kong Special Administrative Region, accessed 7 February 2018, <http://www.info.gov.hk/gia/general/201611/30/P2016113000657.htm>.

²⁸⁹ Stan Ho-wui Wong, Ngok Ma, and Wai-man Lam, "Migrants and Democratisation: The Political Economy of Chinese Immigrants in Hong Kong," *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* 2, no.2 (September 2016): 933-935.

supportive of the pro-Beijing ruling coalition in elections.”²⁹⁰ Therefore, they have always been the foremost target of pro-Beijing political parties during the elections of the District Council and LegCo.

The rise of localism and Hong Kong’s independence are the top tasks for the Central government. The independence talk in Hong Kong was inspired by Taiwan’s independence in some way. The younger generations in both places have been eager to debate the possibility of independence since the Sunflower Student Movement in Taiwan and the Umbrella Movement in Hong Kong. The mainland Chinese have also been strongly influenced by the democratic and social movements in Hong Kong and Taiwan in the past 10 years. Mainlanders in China get around the stricter internet censorship circumvention to read and discuss Hong Kong’s and Taiwan’s uncensored news regarding the “true story” of China. This is part of the reason for the 2011 Chinese pro-democracy protests which were larger-scale than the democratic movement of the 1989 Tiananmen protest. Given the enormous impact on the solidarity of the Chinese regime, the Central government has oppressed the democratic movement in Hong Kong. Their ultimate goal is to withdraw the rights of the high autonomy of Hong Kong, and to permanently abolish the Basic Law. Hong Kong’s juridical system will eventually be combined into the structure of the Chinese national law, and as a result, the Chinese authorities and officials will be able to exercise full jurisdiction and direct legislation in the territory of Hong Kong. These speculations about Hong Kong’s future scenario have once again involved many public debates in recent years due to the increasing fear of the Central government’s intervention. In fact, Hong Kong people’s distress is a real concern for Assistant Professor Dr. Brian Fong who stated that, “since 2003, mainland officials have developed a new political narrative that highlights the supreme powers of the Central Authorities under the Basic Law. This political narrative stresses that all the autonomous powers enjoyed by the HKSAR are devolved from the CPG [Central People’s Government] through the Basic Law; therefore, the locality retains no residual power and Beijing has the final say over the scope of autonomy of the HKSAR. In particular, Beijing insists that it has the supreme power to decide on Hong Kong’s

²⁹⁰ Wong, Ma, and Lam, “Migrants and Democratization: The Political Economy of Chinese Immigrants in Hong Kong,” 933.

democratic development through the NPCSC's power to approve democratic reforms under Annex I and II of the Basic Law and to interpret the relevant provisions of the Basic Law.”²⁹¹ Hence, Chinese leaders have believed that the powers of the Central authorities are necessary to be positioned as a hegemonic part under the “One Country, Two Systems” framework.

The propaganda that Beijing has been using over the years, constructs a very strong political narrative which is similar to Cao Er-bao's article and the White Paper published by the Chinese State Council regarding the “One Country, Two Systems” policy in 2014.²⁹² The White Paper reasserts that, ““One country, two systems” is a holistic concept. The “One Country” means that within the PRC, HKSAR is an inseparable part and a local administrative region directly under China's Central People's Government. As a unitary state, China's central government has comprehensive jurisdiction over all local administrative regions, including the HKSAR. The high degree of autonomy of HKSAR is not an inherent power, but one that comes solely from the authorisation of the central leadership. The high degree of autonomy of the HKSAR is not full autonomy or, a decentralized power. It is the power to run local affairs as authorised by the central leadership. The high degree of autonomy of HKSAR is subject to the central leadership's authorisation. There is no such thing as “residual power”.”²⁹³ Besides, the White Paper clarifies that, “the “two systems” means that, within the “One Country” the main body of the country practices socialism, while Hong Kong and some other regions practice capitalism. The “One Country” is the premise and basis of the “Two Systems,” and the “two systems” is subordinate to and derived from “One Country.” But the “Two Systems” under the “One Country” are not on a par with each other.”²⁹⁴ The unprecedented 14,500-word document exclusively restated the concept of the “One Country, Two Systems”

²⁹¹ Brian C. H. Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” *Modern China* 43, no. 5 (2017): 528-529. doi:10.1177/0097700417691470.

²⁹² The Information Office of the State Council, “Full Text: Chinese State Council White Paper on ‘One Country, Two Systems’ Policy in Hong Kong,” *South China Morning Post*, 14 June 2014, <http://www.scmp.com/news/hong-kong/article/1529167/full-text-practice-one-country-two-systems-policy-hong-kong-special>.

²⁹³ Ibid.

²⁹⁴ The Information Office of the State Council, “Full.”

and clearly emphasised that Hong Kong does not enjoy full autonomy. It suggested that there were many wrong views which were popular in Hong Kong nowadays regarding the “One Country, Two Systems”. Hong Kong people are fed up with the Chinese authorities’ re-interpretation of the nature of the “One Country, Two Systems”.²⁹⁵ The White Paper shows that full democratisation in Hong Kong, such as universal suffrage in CE and LegCo, will certainly not be happening unless there is a breakdown of the Chinese regime.

In fact, the democratic development in Hong Kong and Taiwan has been a significant factor that contributes to Chinese democratisation, therefore any act or intention of the separation of Chinese territory will be regarded as what the Chinese government has claimed to be the crime of endangering public security including subversion and secession of state power. The accusation has become the measures of arresting the human rights defenders in mainland China. Most recently in December 2017, a Chinese human activist and blogger, Wu Gan, was sentenced to eight years in prison which is the one of the most severe sentences given to Chinese dissentients in history.²⁹⁶ The campaign led by President Xi against the human rights defenders and lawyers has intensified rapidly since he took office in 2012. The death of Nobel Peace Prize winner, Liu Xiao-bo, in July 2017 has been amplified by the mouthpiece of the Central authorities, ‘Global Times’, which blamed Western democracy for leading Liu Xiao-bo astray.²⁹⁷ It also made an issue of Liu’s last days which were highly politicised by the external forces in the West which was seen as the demonization of China.²⁹⁸ Nowadays in China, using social media and peculiar performance art such as that of Ai Wei-wei, to express opinions in regards to the unfairness and injustice of China, would be critically considered by the Chinese government to be instigating the masses to topple the ruling class and the regime. Likewise, four pro-democracy activists in

²⁹⁵ Tim Hume, “Alarm in Hong Kong at Chinese White Paper Affirming Beijing Control,” *CNN*, 13 June 2014, <http://edition.cnn.com/2014/06/11/world/asia/hong-kong-beijing-two-systems-paper/index.html>.

²⁹⁶ The Washington Post, A Chinese Dissident Takes on the Dictatorship - and Pays the Price,” *The Washington Post*, 28 December 2017, https://www.washingtonpost.com/opinions/a-chinese-dissident-takes-on-the-dictatorship--and-pays-the-price/2017/12/28/03ae7438-eb27-11e7-b698-91d4e35920a3_story.html?utm_term=.52be39f09838.

²⁹⁷ Global Times, “Liu Xiaobo a Victim Led Astray by West,” *Global Times*, 14 July 2017, <http://www.globaltimes.cn/content/1056318.shtml>.

²⁹⁸ *Ibid.*

China have been sentenced from one to four years in 2014 for supporting the Umbrella Movement in Hong Kong via the Chinese Intranet.

By learning the lessons of political suppression since the establishment of the PRC, Hong Kong people can simply perceive the possible scenario if the Chinese political system is applied to Hong Kong later. Once the safeguard of the “One Country, Two Systems” is gone, and the status of the Special Administrative Region is retracted, the Chinese government will exercise overall jurisdiction over the city, with the fusion of powers directly applied by the Central authorities.²⁹⁹ Following the overall jurisdiction of Hong Kong, the appointments of the CE, the principle officials, and possibly the LegCo members will be similar to the electoral method of the National People’s Congress (NPC) which is available to the Beijing-blessed delegates. Therefore, the pro-democracy camp and the localist group will be completely barred from the “election”.

The assumption of the central leadership’s overall jurisdiction over Hong Kong and its high degree of autonomy has been profoundly stated by Chinese President Xi in his opening speech at the 19th Communist Party National Congress in October 2017. In addition, the Director of the State Council’s Hong Kong and Macao Affairs Office, Zhang Xiao-ming, showed his conformity with President Xi and the Central government after the 19th National Congress, citing what he said was that, “...the handover of Hong Kong’s political power did not only include a hollow sovereignty, and was not limited to matters such as defence and foreign affairs – but included the jurisdiction of the whole of Hong Kong. Sovereignty and jurisdiction cannot be separated.”³⁰⁰ Zhang also urged Hong Kong people to read President Xi’s work report in the 19th Congress thoroughly in which Xi stated that he will remain upholding Hong Kong in taking “well-ordered steps” to promote democracy.³⁰¹ This was despite the Democracy Index 2016 which showed that China was ranked 136 out of 167 states, and was categorised

²⁹⁹ Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” 528-529.

³⁰⁰ Kris Cheng, “Beijing’s ‘Overall Jurisdiction’ Does Not Contradict Hong Kong’s ‘High Degree of Autonomy,’ Says Top Official,” *Hong Kong Free Press*, 20 October 2017, <https://www.hongkongfp.com/2017/10/20/beijings-overall-jurisdiction-not-contradict-hong-kongs-high-degree-autonomy-says-top-official/>.

³⁰¹ Cheng, “Beijing’s Overall.”

as an authoritarian regime compared to Hong Kong which was ranked 68 and was grouped as a full democracy.³⁰² From a rational perspective, a full democratic state does not necessitate any democratic endorsement from an authoritarian state with one party ruling.

The frustration of the democratic movement in Hong Kong is caused by the Central government which has been coercing and jeopardising the values and norms in Hong Kong. From the Chinese leaders' perspective, the request for democracy has been sheer folly by the Hong Kong people, who are fully committed to their ideal and filled with sincere fervour, but Hong Kong young generation has expressed the determination to challenge the authorities and shatter some old-fashioned restrictions with the advance of social movements. However, this trend of radical and progressive movements will totally disadvantage the long-term profit of the red capitalists and their investments if social stability cannot be sustained.

The perception of a high-ranking Chinese official, like Zhang, has plainly baffled the Hong Kong people regarding the promise of the "One Country, Two Systems" when everyone knows that the Chinese authorities reinterpret the term occasionally. Based on a traditional Chinese idiom, "three feet of ice is not frozen in one day", President Xi's hard-lined policy towards Hong Kong could merely result in the backlash of anti-China sentiment among the younger generations. The animosity against China could become a very difficult situation for both sides. The dynamic of the negative sentiment will transform into a wave of unstoppable Hong Kong "nationalism" and this is the up-to-date picture in Hong Kong.

Political infiltration and the role of the Liaison Office

Meanwhile, the Chinese government has already penetrated into the political, economic, and societal sectors of Hong Kong in order to neutralise the prevalent anti-China sentiment, and is prepared to govern over Hong Kong directly. From the political tactic of China, the active engagement of the Liaison Office means it has directly exercised its power over the Hong Kong government and domestic affairs. After the election, the CE Carrie Lam has regularly met with the Director

³⁰² "The Economist Intelligence Unit's Democracy Index," The Economist, accessed 29 December 2017, <https://infographics.economist.com/2017/DemocracyIndex/>.

of the Liaison Office, Wang Zhi-min. Wang said that the Liaison Office would be “working more and closer” on youth development and a range of other issues with Lam’s administration.³⁰³ Although the meddling of the Liaison Office into Hong Kong’s affairs is not something new, perhaps the high-profile collaboration exposes the key role of the Liaison Office in the Hong Kong government. Since the initiation of the “new Hong Kong policy”, the liaison office’s role has frequently been seen with apprehension, with the pro-democrats condemning it as interfering in local matters outside its governing power, by accusing the meddling as “Western district ruling Hong Kong”³⁰⁴. Under Article 22³⁰⁵ of the Basic Law, no mainland department or other authorities may interfere in the affairs which Hong Kong administers on its own in accordance with this Law.³⁰⁶

The Liaison Office’s impact over the mechanisms of the elections of the CE and the LegCo has been reinforced particularly in the Leung and Lam administrations’ eras. During the elections, the office aggressively bridged between the different factions of the pro-Beijing bloc, to maximise the winning odds of the designated candidates in the CE and the LegCo elections. The tactic was remarkably successful in the LegCo election due to the voting system adopted

³⁰³ Kang-chung Ng, “Director Wang Zhimin Says ‘Many Friends’ were Pleased to See Cooperation between the Hong Kong Government and his Office in Recent Months,” *South China Morning Post*, 14 January 2018, <http://www.scmp.com/news/hong-kong/politics/article/2128211/liaison-office-will-be-working-more-and-closer-youth>.

³⁰⁴ The headquarters of the Liaison Office (Hong Kong) is located in Sai Wan/Western District.

³⁰⁵ “Article 22: No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law.

If there is a need for departments of the Central Government, or for provinces, autonomous regions, or municipalities directly under the Central Government to set up offices in the Hong Kong Special Administrative Region, they must obtain the consent of the government of the Region and the approval of the Central People's Government. All offices set up in the Hong Kong Special Administrative Region by departments of the Central Government, or by provinces, autonomous regions, or municipalities directly under the Central Government, and the personnel of these offices shall abide by the laws of the Region.

*For entry into the Hong Kong Special Administrative Region, people from other parts of China must apply for approval. Among them, the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region. The Hong Kong Special Administrative Region may establish an office in Beijing.”

“Chapter II: Relationship between the Central Authorities and the Hong Kong Special Administrative Region,” *The Basic Law HKSAR*, accessed 1 October 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_2.html.

³⁰⁶ Ng, “Director.”

by the party-list proportional representation with seats allocated by the largest remainder method for geographical constituencies of the election. Therefore, pro-Beijing parties are able to compromise and send two to three candidates in each geographical constituency to get a precise number of votes to pass the proportional threshold in order to allow the other pro-Beijing camp candidates to be elected. Dr. Brian Fong pointed out that, “now the Liaison Office, through its united front apparatus, closely coordinates with pro-Beijing parties throughout the whole process of the District Council and Legislative Council elections, ranging from nurturing candidates, planning campaign strategies, lining-up pro-Beijing businesspeople for donations to support the day-to-day constituency services of pro-Beijing candidates (e.g., voter registration, distributing spoils like food and gifts, organizing recreational activities), and mobilising voters on election days.”³⁰⁷ Other than that, the enormous mechanism of coordination by the Liaison Office offers stability by means of hiring professional ‘paid protestors’ to organise the pro-Beijing and the pro-Hong Kong governments’ demonstrations regularly, since the Umbrella Movement in 2014. The endless clashes between the pro-Beijing protests and the pro-democracy protests have aroused vehemence and physical confrontation in the various assemblies and occasions.

The administrative role of the Liaison Office in Hong Kong’s elections has been an open secret, and even pro-Beijing politicians have tacitly admitted the financial support and election campaign’s supervision from the Liaison Office.³⁰⁸ For example, the intervention of the Liaison Office led to the favourite of the business sector, Henry Tang, being replaced by the dark horse, CY Leung in the last minute 2012 CE election. Associate Professor Ma Ngok stated that, “Leung has always been in favour of more mainland-Hong Kong integration. The strong involvement of the Liaison Office and the central government in his election made Hong Kong people fear that he would be very dependent on Beijing and the

³⁰⁷ Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” 531-533; Tai-lok Lui, “A Missing Page in the Grand Plan of ‘One Country, Two Systems’: Regional Integration and its Challenges to Post-1997 Hong Kong,” *Inter-Asia Cultural Studies* 16, no. 3 (2015): 399. doi:10.1080/14649373.2015.1069053.

³⁰⁸ Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” 531-533.

Liaison Office than his predecessors, bringing more intervention from Beijing.”³⁰⁹ Clearly, the influential regent role of the Liaison Office over the entire pro-Beijing group in Hong Kong, including the CE and the LegCo legislators, shows the overall jurisdiction of Beijing’s rigid political control over Hong Kong.³¹⁰

In fact, the public have been worried over the past five years that CY Leung has advocated rapid economic cooperation with mainland China such as the “One Belt, One Road”, and actively tied in with the conformity of the Central government on the blockage of localism and Hong Kong’s independence. For example CY Leung proactively requested the interpretation of the Basic Law from the NPCSC, resulting in six elected pro-democrats and localists being disqualified from the LegCo. Now, CY Leung’s vision has been inherited by Carrie Lam who is ferociously pushing the proposal of the co-location checkpoint, the legislation of the national anthem law, and the forthcoming legislation of the national security law in Hong Kong. The Umbrella Movement’s activists including three student leaders, three advocates of the Occupy Movement, ten of the Mong Kok riot’s localists, and numerous social activists, are all coming up for trial. As the judges in Hong Kong have to be Chinese patriots, the masses have their doubts on the judges’ impartiality as they will be under political pressure from the Central government. Moreover, the purpose of these political prosecutions is to confine the progress of any large-scale social movement from the pro-democracy camp and localist groups. Furthermore, if prosecution is successful, the young activists will be barred from participating in the future LegCo elections and by-election for at least five years. In January 2018, the newly appointed Secretary of Justice, Teresa Cheng Yeuk-wah, succeeded Rimsky Yuen Kwok-keung, who will soon be addressing the political prosecutions, the controversy of the co-location checkpoint, and the legislation of the national anthem law in her first half year.

³⁰⁹ Ngok Ma, “The Rise of “Anti-China” Sentiment in Hong Kong and the 2012 Legislative Council Elections,” *China Review* 15, no.1 (2015): 39-66.

³¹⁰ Hang-chi Lam, “Did the Director of Liaison Office Act in Excess of Authority? Did he Act Aply?,” *Ming Pao*, 26 February 2013, <http://www1.hkej.com/dailynews/commentary/article/660457/>.

However, Teresa Cheng has been revealed by media, to have illegal additional structures in both her and her husband's house on her first day in office.³¹¹

Economic assimilation and Beijing's economic dominance

The economy of Hong Kong has been the main target of Chinese assimilation strategies by absorbing the market and business since the handover. Professor Alvin Y. So stated that the economic integration with mainland China started in the 1970s when rapid industrialisation led to labour shortages, rising labour costs, and a wave of social movements.³¹² As a result, the Hong Kong capitalists moved north to China in order to secure the ample supply of cheap labour force and to lessen the strict government's regulation. The rapid economic integration occurred after the Joint Declaration and Deng's economic reforms. Although the brutal incident in Tiananmen Square destroyed confidence against Beijing which led to a long-term wary relationship between the Hong Kong people and Chinese authorities, and also started a series of democratic movements in Hong Kong, trade and business have continued the close cooperation ever since Hong Kong signed the Closer Economic Partnership Arrangement (CEPA) with mainland China in 2003. (See Chapter 3)

However, the Central government has adopted Greater China's integration, and has developed an inseparable cross-border economic integration. The approach to Hong Kong is clearly similar to the one applied to Taiwan. By speeding up the indivisible economic dependence on China, the wariness and malevolence towards China will be lessened steadily especially as Hong Kong's main aim is to make a livelihood. Also, Dr. Brian Fong and Professor Ma Ngok explained that the increase of Hong Kong's economic dependence on China is "to

³¹¹ Tony Cheung and Elizabeth Cheung, "Hong Kong Justice Secretary Teresa Cheng Apologises on First Day in Office for Controversy over 'Illegal Structures' in her Home," *South China Morning Post*, 6 January 2018, <http://www.scmp.com/news/hong-kong/politics/article/2127105/hong-kong-justice-secretary-teresa-cheng-apologises-first>.

³¹² So, "One Country, Two Systems" and Hong Kong-China National Integration: A Crisis-Transformation Perspective," 105.

provide Beijing with leverage to influence local business and professional sectors.”³¹³

Following the inseparable economic integration with mainland China, the Hong Kong market will be assimilated into the massive Chinese market. Besides, the well-reputed Hong Kong economic system is a safeguard for the capitals of plutocracy in China in case the Chinese economic bubble bursts. This is also one of the reasons why Chinese buyers have been rushing to Hong Kong’s property, thus rocketing up housing prices in Hong Kong. Over the years through the CEPA, Five-Year Plan, and other regional cooperation platforms with Chinese cities (See chapter 4), the outcome of the flow of workers, goods, services, and infrastructures have been irreplaceably tied up with mainland China. Therefore, the cumulative effect of the closer cross-border economic integration has become the core of Hong Kong’s economy which has deeply relied on China. The long-term stability and growth of the Chinese economy would be a colossal dynamic to Hong Kong’s prosperity and harmony. The enormous Chinese market has profoundly reshaped the norm and structure of Hong Kong’s financial, trade, and tourism industries which all have been seized by the largest shares of the red capitalists, and the mysterious Chinese stakeholders who are the “white gloves” of handling the money-laundering, asset transfer, and tax evasion for the unnamed Chinese privileged class and business tycoons. Dr. Brian Fong, Professor Chan Kin-ming and Dr. Peter T. Y. Cheung stated that, “while in the short run the cross-border economic integration has boosted Hong Kong’s economic growth, in the longer run it is significantly expanding the mainland’s economic influence, “bonding the HKSAR more tightly to the Mainland economic orbit” and “eroding the HKSAR’s bargaining power and autonomy.”³¹⁴ Despite a high degree of autonomy of Hong Kong in progressing and promoting new industries and trade

³¹³ Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” 535-537; Ma, “The Rise of “Anti-China” Sentiment in Hong Kong and the 2012 Legislative Council Elections,” 53.

³¹⁴ Fong, “One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016,” 533-537. See also King-ming Chan, “Transforming China’s Hong Kong: Toward 2047 Merger-convergence?,” in *China’s Hong Kong Transformed: Retrospect and Prospects beyond the First Decade*, ed. King-ming Chan (Hong Kong: City University of Hong Kong Press, 2008), 1-40. See also Peter T. Y. Cheung, “The Changing Relations between Hong Kong and the Mainland Since 2003,” in *Contemporary Hong Kong Government and Politics*, ed. Wai-man Lam, Percy Luen-tim Lui, Wilson Wong, 325-348. Hong Kong: Hong Kong University Press, 2012.

under Articles 118³¹⁵ and 119³¹⁶ of the Basic Law, the cross-border economic incorporation since 2003 has been efficaciously subjected to Beijing's economic mastery.³¹⁷

The social affiliation of Chinese national identity and Chinese patriotism

Chinese national identity as an ideological tool of brainwashing has been at the centre of Beijing's overall assimilation of Hong Kong after the handover, especially the post-1 July 2003 protest. The people's ethnic identity has been eroding slowly through the amendment of school curriculum into the introduction of Moral and National Education (MNE). The content of new school curriculum and national education had been mainly conducted by the Education Bureau and some organisations which are funded by the Hong Kong government.³¹⁸ Therefore, the political neutrality of those outsourcing organisations was very much unknown to the public which eventually led to the outbreak of the anti-national education campaign in 2012. (See chapter 5) In spite of the triumph of the anti-national education protest in 2012, the CE Carrie Lam has indicated at reconsidering the introduction of national education with billions of funding for schools and universities, as President Xi had planned national education as a main concern for Hong Kong in July 2017.³¹⁹

³¹⁵ "Article 118: The Government of the Hong Kong Special Administrative Region shall provide an economic and legal environment for encouraging investments, technological progress and the development of new industries."

"Chapter V: Economy," The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_5.html.

³¹⁶ "Article 119: The Government of the Hong Kong Special Administrative Region shall formulate appropriate policies to promote and co-ordinate the development of various trades such as manufacturing, commerce, tourism, real estate, transport, public utilities, services, agriculture and fisheries, and pay regard to the protection of the environment."

"Chapter V: Economy," The Basic Law of HKSAR, accessed 13 December 2017, http://www.basiclaw.gov.hk/en/basiclawtext/chapter_5.html.

³¹⁷ Fong, "One Country, Two Nationalisms: Center-Periphery Relations between Mainland China and Hong Kong, 1997–2016," 533-537.

³¹⁸ Paul Morris, "Education, Politics and the State in Hong Kong," in *Education as a Political Tool in Asia*, ed. Marie Lall and Edward Vickers (London, Routledge, 2009), 83-101.

³¹⁹ Joyce Ng, Shirley Zhao, and Naomi Ng, "Hong Kong Leader Carrie Lam Suggests National Education Back on the Table, As She Unveils HK\$5 Billion-per-year Cash Boost," *South China Morning Post*, 5 July 2017, <http://www.scmp.com/news/hong-kong/politics/article/2101358/hong-kong-leader-carrie-lam-suggests-national-education-back>.

The significance of the construction of a Chinese national identity and a Chinese sense of belonging has been introduced into the regular curriculum regarding Chinese modern history, Chinese culture and values, and Chinese economic development. Furthermore, the extra-curriculum activities in many schools' summer break have set up exchange programmes with mainland students, Chinese rural area journeys, and summer camp training with the People's Liberation Army in Hong Kong. Many of the "knowing China" courses are organised by the money-rich pro-Beijing associations and pro-Beijing schools. Associate Professor Peter T. Y. Cheung stated that, "a number of pro-Beijing youth organisations such as the Future Star Federation of Students, the Hong Kong Volunteers Association, and the Hong Kong Youth Exchange Promotion United Association have been established in recent years to strengthen the united front work among youth by organising mainland study tours and internships."³²⁰ Most significantly, these youth organisations have had an unordinary connection with the Liaison Office's officials who act as the committee members and sponsors at their activities.³²¹ Therefore, the public opinion in Hong Kong thinks that the so-called exchange programmes are in fact designed to be brainwashing the young generation. Paul Morris stated that, "under the curriculum, "soft content" such as Chinese cultural and ethnic heritage has been emphasised so as to "provide pupils with a soft portrayal of Chineseness"."³²²

The aim of the construction of a Chinese national identity from President Xi and the Central government is to omit and modify the content of the controversial modern history regarding China and the Communist Party of China such as the Chinese Civil War from 1927 to 1937 and 1945 to 1979, the Second Sino-Japanese War from 1937 to 1945, the Great Leap Forward from 1958-1962, the Cultural Revolution from the 1960s until early the 1970s, and the Tiananmen square massacre in 1989. Yet, the censorship and modification of Chinese history textbooks by state-run publishers have already been undertaken in primary and secondary schools' curriculum in mainland China.³²³ One of the textbooks has

³²⁰ Cheung, "The Changing," 325-348.

³²¹ Ibid.

³²² Morris, "Education," 83-101.

³²³ Mandy Zuo, "Controversy over Chinese Textbook's Cultural Revolution Chapter as State Publisher Denies Censorship," *South China Morning Post*, 11 January 2018,

altered the setting of the political movements in China during the 1960s and 1970s, and has erased the key responsibility of the Communist Party and Chairman Mao Ze-dong that caused a decade of social violence, turmoil and disorder. The most shocking is that some Chinese students think that it is a good idea to erase the history of the Cultural Revolution in the textbooks.³²⁴

The noiseless education reform in Hong Kong has corresponded to the state's education policy in China step by step. The ideological thought of nationalism in Hong Kong and China has to act in accordance with Xi Jin-ping's thought.³²⁵ One of the 14 points basic policy from President Xi is the underpinning of the "upholding the principle of "One Country, Two Systems" and promoting national reunification."³²⁶ President Xi also emphasised in his report of the 19th National Congress in October 2017 in regard to the patriotism in Hong Kong and Macao that, "we will remain committed to the policy for the Hong Kong people to govern Hong Kong and the Macao people to govern Macao, with patriots playing the principal role. We will develop and strengthen the ranks of patriots who love both our country and their regions, and foster greater patriotism and a stronger sense of national identity among the people in Hong Kong and Macao. With this, our compatriots in Hong Kong and Macao will share both the historic responsibility of national rejuvenation and the pride of a strong and prosperous China."³²⁷ However, the ideological integration that Beijing adopted has not been smoothly progressing so far in Hong Kong. In general, the denial of being ethnic Chinese among the young generation has been increasing in the past years which have alerted the Chinese government. In addition, it has already

<http://www.scmp.com/news/china/society/article/2127817/controversy-over-chinese-textbooks-cultural-revolution-chapter>.

³²⁴ I-Cable TV China Team, "Scholars Criticise that it is Not Appropriate to Modify the New History of Textbook," *Cable TV*, 11 January 2018, <http://cablenews.i-cable.com/ci/videopage/news/519520>.

³²⁵ BBC Monitoring, "His Own Words: The 14 Principles of 'Xi Jinping Thought'," *BBC News*, October 18, 2017, <https://monitoring.bbc.co.uk/product/c1dmwn4r>.

³²⁶ Sui-noi Goh, "19th Party Congress: Xi Jinping Outlines New Thought on Socialism with Chinese Traits," *The Strait Times*, 18 October 2017, <http://www.straitstimes.com/asia/east-asia/19th-party-congress-xi-jinping-outlines-new-thought-on-socialism-with-chinese-traits>.

³²⁷ Jinping Xi, "Xi Jinping's Report at 19th CPC National Congress," *Xinhua Net*, October 18, 2017, http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf.

labelled the action or thought of Hong Kong independence as separatism and national secession on many occasions. Given history and the logic of the Chinese government, if the situation is not resolved completely, the alternative measures sought will be unconventionally hard-lined, uncompromising, and stringent so that Hong Kongers will eventually suffer from merciless punishment.

In order to implement a strong patriotism and Chinese national identity in Hong Kong, a number of primary and secondary schools have been adopting Mandarin and simplified written Chinese as the medium replacing Cantonese and English. This new implementation is very much satisfying to the new Chinese migrants. The younger generations in schools are currently absorbing how to be a proud Chinese citizen and to promote a homogeneous Chinese national identity. From this perspective, soon before the fifty years' deadline of the "One Country, Two Systems" in 2047, the philosophy of robust Chinese nationalism will be irreplaceable and a key notion in Hong Kong. At that time, Hong Kong, which once was the brightest city in the world, will be merely one of the commonplace coastal cities of China, having been swallowed by China politically, economically, and societally.

Chapter 8: Hong Kong's localism and independence

The upsurge of localism and independence in Hong Kong was firmly established after the Umbrella Movement. The ideology of contemporary localism was first cultivated in the heritage conservation movement between 2006 to 2010, starting with the preservation of the British historical Edinburgh Place Ferry Pier, Queen's Pier, the petition on the preservation of the buildings on famed "Wedding Card Street, the safeguarding of the Tsoi Yuen Chuen village in 2009 to 2010, and the subsequent anti-XRL rail link movement and the 10,000 protesters' siege of LegCo in 2010. (See Chapter 3 & 6) The first wave of heritage conservation movements was a peaceful and rational protest. The aim of these movements targeted the monopoly of developers and the protection of urbanism in the city. Although these movements were unsuccessful at the end, the seed of impending localism was sowed in a new generation of youth. The young generation realised that the Hong Kong government was solely concerned with economic development and the building of billions of dollars of infrastructures in order to get moving on track with the robust economic growth in mainland China. In fact, the profits of the property developers are affluent, grossing hundreds of billions of dollars from the hands of taxpayers. However, the consequences of these monopolies on developments have involved the sacrifices of livelihoods of the majority, and have abandoned the precious cultural and historical values of Hong Kong society.

The philosophy of Hong Kong city-state and localism

The development of social movements lead by the pro-democracy camp was being widely criticised after the failure of the anti-XRL rail link protest. Therefore, there was a new voice advocated by Dr. Horace Chin Wan-kan, who published a book "On the Hong Kong City-State" regarding the Hong Kong city-state autonomous movement in 2011. The tide of the "Hong Kong first" and later the "Hong Kong localism" have ever since been prevalent in the public sector. Dr. Chin, and his theory 'Hong Kong City-State Theory', emphasised that Hong Kong has a geopolitical advantage to sustain itself on economy and trade, and is able to maintain its significance as an international financial centre because of the

fair and open business environment and intact judicial system.³²⁸ In the book, he believed that in order to protect Hong Kong from cultural cleansing, Hong Kong has to transform itself from a Special Administrative Region into an autonomous city-state which defends the British culture and the revival of Chinese culture. Dr. Chin also proposed that Hong Kong's democratic movement should have abandoned the vision for a democratic China in order to counteract Beijing's neo-imperialist strategies towards Hong Kong. His view on the danger of a democratic China is similar to well-known local political commentator, Chip Tsao: both understand that an escalating nationalist and populist China with democracy could dissolve the "One Country, Two Systems" commitment and withdraw the autonomy of Hong Kong. Chin's thought came from the latent menace of the invasion of Chinese tourists and migrants who could utterly alter the socio-economic structure and core values of Hong Kong. Dr. Chin raised the examples of increasing red capitalists in the Hong Kong market and the promotion of Mandarin and Simplified Chinese in schools. He called for actions from the radical activists against the tourists and advocated violent actions as the means for defending Hong Kong's autonomy. Dr. Chin's ideas sparked massive arguments within the pro-democracy supporters and he was denounced as xenophobic and nativist by the mainstream media and the Hong Kong government.

Gordon Mathews sharply perceived that when "Hong Kong people identify themselves as Hong Konger or Hong Kongese, they are emphasising Hong Kong as "apart from China" instead of as "a part of China."³²⁹ Further, Associate Professor Ma Ngok explained, "This Hong Kong identity was based on a superiority complex with respect to the mainlanders, with Hong Kong people seeing themselves as more civilised and Westernised, a smarter and more modern brand of Chinese compared to their mainland compatriots. Popular culture products in the 1970s and 1980s often depicted mainlanders as lazy, dirty, less civilised, and less educated, who were much affected by political indoctrination in

³²⁸ Suzanne Sataline, "Meet the Man Who Wants to Make Hong Kong a City-state," *Foreign Policy*, May 18, 2015, <http://foreignpolicy.com/2015/05/18/hong-kong-china-protests-democracy-nativism/>.

³²⁹ Ngok Ma, "The Rise of "Anti-China" Sentiment in Hong Kong and the 2012 Legislative Council Elections," *China Review* 15, no.1 (2015): 41.

Communist China.”³³⁰ The sense of identity of Hong Kong has successfully transformed into the radical right-wing political discourse of anti-Chinese sentiment.³³¹ The discourse has also implied the necessity of using violent conduct as the ultimate method for protecting Hong Kong’s autonomy.³³² To some extent, the support of violent means contributed to the event of the Mong Kok riot in 2015 which is the most radical incident since 1967.

Due to the profound influence of Chin’s philosophy on the youth, it became an impetus of the anti-Chinese sentiment that later prompted the upsurge of two notable localist movements - the Umbrella Movement and the Mong Kok riot. In addition, there were controversies like non-Hong Kong permanent resident pregnant women giving birth in Hong Kong, the Dolce & Gabbana racist incident³³³ and the Kong Qing-dong incident which sparked fury among the public. (See Chapter 6) The young generation has condemned the influx of mainland tourists and new Chinese migrants which have become a massive social issue with insufficient land, housing units, and hospital beds for local pregnant mothers.³³⁴ The thought of “Hong Kong first” has become the foundation of localism taking aim at the protection of Hong Kong’s resources, culture, custom, values, and autonomy. The element of localism was soon adopted as the manifesto of some pro-democrats in the 2012 LegCo election which gained extraordinary success and widespread support from the public.

³³⁰ Ma, “The Rise,” 41. See also Sebastian Veg, “The Rise of “Localism” and Civic Identity in Post-handover Hong Kong: Questioning the Chinese Nation-state,” *The China Quarterly* 230 (2017): 323-325, doi:10.1017/s0305741017000571.

³³¹ Ho-fung Hung, “Three Views of Local Consciousness in Hong Kong,” *The Asia-Pacific Journal* 12, no. 1 (2014): 1-10.

³³² Stuart Lau, “Independent Thinker Horace Chin Treads Bold Path,” *South China Morning Post*, June 10, 2013, <http://www.scmp.com/news/hong-kong/article/1257295/independent-thinker-horace-chin-treads-bold-path>.

³³³ “On 5 January 2012, Apple Daily reported that only Hong Kong citizens had been prevented from taking pictures of Dolce & Gabbana window displays in both their Hong Kong fashion outlets, stirring anti-Mainlander sentiment.”

“Hong Kong-Mainland Conflict,” Revolvly, accessed 6 December 2017, <https://www.revolvly.com/main/index.php?s=Hong%20Kong%E2%80%93Mainland%20conflict>.

³³⁴ Yun-chung Chen and Mirana M. Szeto, “The Forgotten Road of Progressive Localism: New Preservation Movement in Hong Kong,” *Inter-Asia Cultural Studies* 16, no. 3 (2015): 438-439. doi:10.1080/14649373.2015.1071694.

The post-Umbrella Movement and the rise of localism

The independence movement arose after the failed 2014-15 Hong Kong electoral reform which was related to the 8.31 decision and the Umbrella Movement. After the 79-days occupation, the young generation sought to find an alternative way to sustain the dynamic of the social movement and its values. The localism and the pro-independence movement could satisfy the sense of emptiness and the sense of alienation among the young generation facing the Chinese political coercion. In the post-Umbrella Movement, the young generation has devoted itself to the establishment of political parties which adopt a different path to the pro-democracy camp. The localist parties like Hong Kong Indigenous and Youngspiration, along with the self-determination party, Demosistō (preceded by Scholarism), have been starting to replace the leading role of the pro-democratic parties. The new localist and pro-democrat political parties favour the young generation under the situation in Hong Kong as they firmly propose Hong Kong autonomy, self-determination, Hong Kong nationalism, right-wing populism, and radicalism. The Hong Kong National Party is the first political party in Hong Kong publicly supporting Hong Kong independence. The construction of Hong Kong nationalism has effectively been implanted into the youth, although the new national education will be pushed determinedly in schools to brainwash the younger generations who were born after 1997. The latest survey from the Hong Kong University Public Opinion Programme in December 2017 showed that the people identifying themselves as “Hong Konger” outnumbered the narrow and broad concept of “Chinese” by 25 to 37%. Among those aged 18-29 has reached 69.7% identified themselves as “Hong Kongers” which is the highest percentage since 1997. However, only 0.3% aged 18-29 identified themselves as “Chinese”.

The uprising of localism and the urge for Hong Kong independence are changing the political and societal environment. Hong Kongers consider the city is under threat and on the edge of losing governing power with a high degree of autonomy. In 2018, the Free House announced that, the freedom of Hong Kong has hit a seven-year low of 59 out of 100.³³⁵ It explained that, “Hong Kong

³³⁵ Kang-chung Ng, “Freedom Score for Hong Kong Hits Seven-year Low as Beijing’s ‘Ever Greater Influence’ Cited,” *South China Morning Post*, January 17, 2018, <http://www.scmp.com/news/hong-kong/politics/article/2128547/freedom-score-hong-kong-hits-seven-year-low-beijings-ever>.

received a downward trend due to the expulsion of four prodemocracy lawmakers from the legislature, jail sentences against protest leaders, and other apparent efforts by pro-Beijing authorities to stamp out a movement calling for local self-determination.”³³⁶ For the younger generations, the rapid deterioration of the current circumstances in Hong Kong has pushed the youngsters to pursue the intention of Hong Kong independence. However, the current situation of Taiwan may be the best example to look at. Justin Kwan pointed out that, “in the context of Hong Kong and Taiwan, the emergence of civic nations has occurred through the rejection of a Beijing-centred ethno- Chinese nationalism and the valuing of democracy and freedom under the norms of a largely democratic international system.”³³⁷ However, the root of Chinese ethnicity does not convert into the national identity of Chinese from these two places.³³⁸ The hindsight of the cross-strait relations enables Hong Kong localists and nationalists to contemplate the outcome of Hong Kong independence in a possible scenario.

China’s political, economic and international influence in Taiwan

The stalemate of the cross-strait relations has been intensified since Taiwan’s first female President Tsai Ing-wen took office in 2016, and she has not formally endorsed the “One China principle”³³⁹ and the “1992 Consensus”³⁴⁰. After the election, President Tsai has said that she wants to reduce Taiwan’s economic reliance on China.³⁴¹ Initially, the escalating spark between the two countries

³³⁶ “Freedom in the World 2018,” Freedom House, accessed January 2, 2017, <https://freedomhouse.org/report/freedom-world/2018/hong-kong>.

³³⁷ Justin P. Kwan, “The Rise of Civic Nationalism: Shifting Identities in Hong Kong and Taiwan,” *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* 2, no.2 (September 2016): 944.

³³⁸ *Ibid.*

³³⁹ BBC News, “What is the ‘One China’ Policy?,” *BBC News*, February 10, 2017, <http://www.bbc.com/news/world-asia-china-38285354>. See also J.M., “What is the One-China Policy?,” *The Economist*, March 14, 2017, <https://www.economist.com/blogs/economist-explains/2017/03/economist-explains-8>.

³⁴⁰ Shining Tan, “Time to Shelve the 1992 Consensus,” *The Diplomat*, December 12, 2017, <https://thediplomat.com/2017/12/time-to-shelve-the-1992-consensus/>.

³⁴¹ Ralph Jennings, “Taiwan Steps up Asia Business to Reduce Dependence on China,” *Voa News*, October 23, 2017, <https://www.voanews.com/a/taiwan-increases-business-to-rebalance-economy/4082042.html>. See also Tom Phillips, “Taiwan’s New President Tsai Ing-wen Vows to Reduce Dependence on Beijing,” *The Guardian*, May 20, 2016, <https://www.theguardian.com/world/2016/may/20/taiwans-new-president-tsai-ing-wen-vows-to-reduce-dependence-on-beijing>.

started from President Tsai's affiliated party, the Democratic Progressive Party (DPP), which traditionally supports the Republic of China (ROC), also known as Taiwan, is an independent party governing the island of Taiwan and its territories. Although Taiwan has yet to declare independence during the time of DPP's governing, the People's Republic of China (PRC), also known as China, has firmly refused the legitimacy and legality of the independent status of Taiwan. Therefore, the birth of "1992 Consensus" emerged in a meeting between the semi-official representatives of PRC and ROC in 1992. The consensus has been under dispute in Taiwan but at the time, the opposition party, the Kuomintang (KMT) asserted the existence of the consensus although the DPP and the President of ROC in 1992, Lee Teng-hui, denied the presence of this consensus due to the different interpretation of the details. The 1992 consensus is basically modified from the concept of the "One China principle" which upholds that both China and Taiwan are inalienable parts of a unified China. In the international society, countries in Africa and the Middle East which have diplomatic relations with PRC recognise the "One China principle" while with the political status of Taiwan, only ten Caribbean and Pacific Island countries maintain formal diplomatic relations. Although most Western countries remain informal diplomatic relations with ROC, the political isolation is gradually being reinforced because of the economic lure of China. China has funded and provided billions in economic aid to the countries with formal diplomatic relations with ROC. For instance, São Tomé and Príncipe and Panama cut ties with ROC and switched to recognise only one China respectively in 2016 and 2017.³⁴² In this event, it has left Taiwan with only 21 diplomatic partners up-to-date in early 2018.

President Tsai and the DPP have yet to affirm the significance of the "One China principle" and the "1992 Consensus"; as an alternative, she has suggested a new beginning for relations with the PRC. However, the Chinese government has recurrently restated that meetings with Taiwan will not recommence short of the "1992 Consensus" as mutual political groundwork. However, the Chinese

³⁴² BBC News, "Panama Cuts Ties with Taiwan in Favour of China," *BBC News*, 13 June 2017, <http://www.bbc.com/news/world-latin-america-40256499>. See also Zheping Huang and Isabella Stegar, "And Then There were 21: Taiwan Says Goodbye to Tiny São Tomé and Príncipe," *Quartz*, 21 December 2016, <https://qz.com/868794/taiwan-loses-another-diplomatic-ally-as-tiny-sao-tome-and-principe-switches-allegiance-to-beijing/>.

government remains to connect with the Kuomintang. Besides, China continues to conduct lower-level Cross-Strait interactions with pro-unification politicians as well as business elites in Taiwan such as “the municipal Shanghai-Taipei Twin City Forum” and the “Cross-straits business and political alliances”³⁴³ in order to stimulate the economic attraction to an isolated Taiwan.³⁴⁴ Tan Shining pointed out, “the mainland regards the 1992 Consensus as a strategic asset. The Consensus provides the One China framework that allows the mainland to promote reunification and oppose Taiwanese independence, and it had worked well as a foundation for communication and cooperation between the mainland and Taiwan until Tsai’s election. Abandoning the 1992 Consensus is risky for the mainland because any new framework could potentially move cross-strait relations further away from the One China principle.”³⁴⁵ In order to use carrots and sticks to repress Taiwan to obey the realpolitik of the dominance of China, the Chinese government thwarted some of Taiwan’s appearances at the UN Convention on Climate Change (UNFCCC), the World Health Assembly, and other international conventions.³⁴⁶ The suspension of consultations between China’s Taiwan Affairs Office and Taiwan’s Mainland Affairs Council began in 2014.

The Chinese government has increasingly constrained the tour groups that travel to Taiwan each year. Currently, the number of Chinese tourists arriving in Taiwan has dropped approximately 20% from 3.5 million in 2015 to 600,000 in 2017. It showed that the decline of Chinese tourism has severely damaged the economy of Taiwan even with the upsurge of new visitors from Southeast Asia.³⁴⁷

³⁴³ Samson Yuen, “Under the Shadow of China: Beijing’s Policy towards Hong Kong and Taiwan in Comparative Perspective,” *China Perspective* 2, no. 2014 (2014): 69-76.

³⁴⁴ “Military and Security Developments Involving the People’s Republic of China 2017,” The U.S. Department of Defence, accessed 5 January 2017, https://www.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF.

³⁴⁵ Shining, Tan, “Time to Shelve the 1992 Consensus,” *The Diplomat*, 12 December 2017, <https://thediplomat.com/2017/12/time-to-shelve-the-1992-consensus/>.

³⁴⁶ Chris Horton, “Blocked by China, Taiwan Presses to Join U.N. Agency’s Meeting,” *The New York Times*, 8 May 2017, <https://www.nytimes.com/2017/05/08/world/asia/taiwan-world-health-china.html>. See also Today Online, “Taiwan Says it was Shut out of UN Climate Talks Due to China Pressure,” *Today Online*, 14 November 2017, <http://www.todayonline.com/taiwan-says-it-was-shut-out-un-climate-talks-due-china-pressure>. See also Sophia Yang, “China Threatens to Block Taiwan’s International Space after Legislators Visit India,” *Taiwan News*, 18 February 2017, <https://www.taiwannews.com.tw/en/news/3098241>.

³⁴⁷ Chris Horton, “With Chinese Tourism down, Taiwan Looks to Lure Visitors from Southeast Asia,” *The New York Times*, 17 May 2017, <https://www.nytimes.com/2017/05/17/world/asia/taiwan-china-tourism.html>.

However, Taiwan's tourism is heavily hinged on the consumption and expenditure of well-off Chinese tourists. The Tsai administration has been rebuked by the opposition party, Kuomintang, which had built a good relationship in economic and social connections with China during President Ma Ying-jeou's rule from 2008 to 2016. The thriving in tourism from China over the last two decades presented that the economic advantage can be utilised as a political deterrent when China wants to dispatch a warning.³⁴⁸ To strengthen the goal of unification with China, the more than 420,000 Taiwanese, who are currently employed in China, are the targets of the Chinese united front.³⁴⁹ However, this type of economic war has only aggravated resentment and wariness and prompted the existing impasse between China and Taiwan. A similar occurrence happened in Hong Kong after the Umbrella Movement in 2014. The Chinese tourist arrivals in Hong Kong through the "individual visit scheme" and "multiple-entry scheme" dramatically dropped. As a result, the Chinese tourists' favourite spots such as pharmacies, jewellery stores, and luxury fashion stores, had a very hard time and some were forced to shut down.

The Chinese central government has constantly pressured Taiwan in numerous diverse circumstances. Recently, several incidents came under fire because of the political status of Taiwan and Hong Kong. In mid-January 2018, the Chinese customs demolished some consignments of imported Taiwanese food products after corporations missed labelling them as made in the 'Taiwan Area' as demanded by Chinese officials.³⁵⁰ Furthermore, one of the world's largest American multinational hospitality company, Marriott International, had to apologise to the Chinese government in order to avoid blacklisting by the Chinese government because of listing Hong Kong, Taiwan, Tibet, and Macau as

³⁴⁸ Horton, "With Chinese."

³⁴⁹ Christine Loh, "Reunification and Fashioning a New Political Order: From 1997 to 2009," in *Underground Front: The Chinese Communist Party in Hong Kong*, ed. Christine Loh (Hong Kong University Press, 2010), 199-236. See also Ralph Jennings, "China-Taiwan Relations Head into Another Year of Stalemate," *Voa News*, 3 January 2018, <https://www.voanews.com/a/china-taiwan-enter-year-without-unification/4190156.html>.

³⁵⁰ Hung-chun Yan, Chun-hui Yang, and Jonathan Chin, "China Destroys Taiwanese Foods over Origin Label," *Taipei Times*, 16 January 2018, <http://www.taipeitimes.com/News/taiwan/archives/2018/01/16/2003685860>.

individual countries on an email survey to their members.³⁵¹ The company has been competitively extending their hotel business in China in recent years. The Chinese government has also admonished a strand of foreign companies including Delta Airlines, Qantas Airlines, Zara, and the Emirates Airlines for labelling Tibet and Taiwan as independent countries on their online shops' websites.³⁵² The signs and messages have been clearly given out to those international businesses which are aggressively expanding their Chinese market. Following the nationalistic incident, two U.S. departments have made decisions to remove the flag of the Republic of China from Taiwan's page on their website and have left it empty.³⁵³ Seemingly, the tensions created by Chinese nationalism is too overwhelming and the international society dare not go against China, otherwise companies or countries are no longer welcome in the powerful Chinese consumer market.³⁵⁴

China's "soft" method in Taiwan

Regarding the ideological battle in Taiwan, the Chinese government has relentlessly adopted a "soft" method to contain the survival of Taiwan and nip the thought of Taiwanese independence in the bud. Recently, the China Central Television (CCTV), which is the predominant state television broadcaster in China, aired a show called "Trust China". The show used Chinese famous artists to read aloud the letters and stories from a chain of members of the Communist Party of China since 1921, the year of the establishment of the Communist Party of China. The show's advertisement appeared on a large-size electronic billboard in the busiest central part of Taipei. The public opinion and the ruling party were shocked and furious about the gradual "ideological invasion" of China. Contrarily, the notorious Global Times' chief editor fought back on a signed article, arguing

³⁵¹ Abha Bhattarai, "China Asked Marriott to Shut Down its Website. The Company Complied," *The Washington Post*, 18 January 2018, https://www.washingtonpost.com/news/business/wp/2018/01/18/china-demanded-marriott-change-its-website-the-company-complied/?utm_term=.2b53262d1aa0.

³⁵² Brenda Goh, and John Ruwitch, "China Crack down on Foreign Countries Calling Taiwan, Other Regions Countries," *Reuters*, 12 January 2018, <https://www.reuters.com/article/us-china-delta/china-cracks-down-on-foreign-companies-calling-taiwan-other-regions-countries-idUSKBN1F10RC>.

³⁵³ Cheung, "Taiwan."

³⁵⁴ Feng and White, "China."

that the billboard incident was being spun into a dragnet by the DPP.³⁵⁵ Also, there will be inevitably more and more Chinese iconic elements such as TV drama, pop songs, entertainment shows, and Chinese movies which will appear to Taiwanese society through various channels. The article pointed out that, there has been a rise in the proportion of those recognising their ethnic identity as Chinese or Taiwanese Chinese in Taiwan due to the denial of Taiwanese independence and the dissatisfaction with President Tsai.³⁵⁶ The article also suggests that the “One China principle” is a fundamental premise which a peaceful cross-strait relationship is grounded on, so President Tsai and the DPP should not repel the powerful influence of China. If the Taiwanese and the DPP insist on taking risks to assert the gradual progress of Taiwanese independence and do not endorse the “1992 Consensus”, then Chinese government will hard-heartedly adopt uncompromising military action to unite Taiwan.³⁵⁷

China’s military’s pressure on Taiwan

Other than the political, economic, and international compulsion on Taiwan, the Chinese government is also implementing new measures to confine and lessen the authority of Taiwan which is the air control over the Taiwan Strait where there is 180km separating the island of Taiwan from China. The Chinese government announced that it has opened a new air route that will permit its commercial airliners to fly up the controversial strait isolating Taiwan. This disputable action has immediately threatened the security of air space frequently used by Taiwanese planes and military aircraft. It is seen as the possibility of the fourth Taiwan Strait Crisis which might trigger the aggressive intention of the Chinese government to accelerate the progress of unifying Taiwan by force. The annual report from the U.S. Department of Defence regarding the “Military and Security Developments Involving the People’s Republic of China 2017”, stated that, “The PLA (People’s Liberation Army) continues to prepare for contingencies in the Taiwan Strait to deter and, if necessary, compel Taiwan to abandon moves towards independence or to unify Taiwan with the mainland by force, while simultaneously deterring,

³⁵⁵ Renping Shan, “CCTV, is Also Taiwan's CCTV,” *Huan Qiu*, 5 January 2018, <http://opinion.huanqiu.com/shanrenping/2018-01/11498912.html>.

³⁵⁶ Shan, “CCTV.”

³⁵⁷ Ibid.

delaying, or denying any third-party intervention on Taiwan's behalf."³⁵⁸ Notably, the third Taiwan Strait Crisis in 1995 to 1996 could eventually avoid the brinkmanship of war because of the intervention of the U.S. by deploying the Seventh Fleet to the Taiwan Strait. Since the Kuomintang's retreating to Taiwan, the Chinese government has deployed thousands of missiles aimed at the Strait of Taiwan. However, the Trump administration ostensibly supports the legitimacy of the Tsai administration, but also firmly respects China, and upholds the "One China principle" in order to avoid unnecessary conflict with this key player in Asia.

A series of provocative action by China is to challenge and put pressure on the continuously low popularity of the Tsai administration to accept the "1992 Consensus". Recently, President Tsai publicly said that she does not dismiss the likelihood of China invading Taiwan under a deepened strain.³⁵⁹ She added that, a reasonable leader will consider the cross-strait relationship from a regional perspective, and will carefully deliberate as to take war into consideration.³⁶⁰ In fact, the military power between the two countries has a massive disparity, no matter the size, the number, or the weapon. Prominently, the Chinese People's Liberation Army (PLA) continues to rapidly develop its own sophisticated aircrafts along with the first Chinese aircraft carrier. There are two more aircraft carriers under development, so China remains the leading power in Asia. By showing the ascendancy of its military power, the PLA has actively conducted multiple test flights and unofficial military exercises near the Taiwan Strait. The main purpose is to examine the response of the Taiwanese air force if the PLA attempts to break-in the first-line defence of Taiwan based on the situation of a lightening war. The annual report from the U.S. Department of Defence also highlighted that, "these [PLA's] improvements pose major challenges to Taiwan's security, which has historically been rooted in the PLA's inability to project power across the 100 nm Taiwan Strait, the natural geographic advantages of island defence, Taiwan's armed forces' technological superiority, and the

³⁵⁸ The U.S. Department of Defence, "China 2017."

³⁵⁹ Reuters, "Taiwan President Says Does Not Exclude Possibility of China Attack," *Channel News Asia*, 22 January 2018, <https://www.channelnewsasia.com/news/asiapacific/taiwan-president-says-does-not-exclude-possibility-of-china-attack-9887256>.

³⁶⁰ *Ibid.*

possibility of U.S. intervention.”³⁶¹ Therefore, the PLA will be ready once the Taiwan conflict erupts with the possibility of U.S. intervention. Although the Chinese government seems to be playing an uncompromisingly harder hand against Taiwan, the ultimate resolution is to still hope for peaceful measures which are to stress on the strategies of economy and ideology.

The indication of Taiwan experience to Hong Kong

The circumstance in Taiwan might give the clear indication as to those who tirelessly uphold Hong Kong independence. The predicament of Hong Kong is more or less similar with Taiwan based on the political, economic, and ideological perspectives. However, there are three vital essentials that Hong Kong is absent from Taiwan. First, lack of international support and British assistance. Hong Kong independence is not able to gain extensive international support due to the powerful influence of China in the world especially since China has publicly reiterated that Hong Kong’s affair is China’s internal affairs on the 20th anniversary of Hong Kong’s handover in 2017.³⁶² Further, the U.K. is reluctant to restate the interpretation of the Sino-British Joint Declaration on Hong Kong’s autonomy. Former British Governor of Hong Kong, Chris Patten, has visited Hong Kong in officially and unofficially frequently after the handover. He has publicly requested the Chinese government to respect the validity of the Joint Declaration on many occasions. However, due to his remaining influence in Hong Kong, CE Carrie Lam stated that she would not rule out the possibility of Chris Patten or any unwelcomed politicians being banned from Hong Kong in the future.³⁶³ The argument started from a British human rights campaigner who was rejected from entering Hong Kong without a formal explanation in October 2017.

Second is the vulnerability in the defence of Hong Kong. Hong Kong has no self-defence capability or regular army once it announces independence from China.

³⁶¹ The U.S. Department of Defence, “China 2017.”

³⁶² DD Wu, “China Says Sino-British Joint Declaration on Hong Kong is Void,” *The Diplomat*, 1 July 2017, <https://thediplomat.com/2017/07/%EF%BB%BFchina-says-sino-british-joint-declaration-on-hong-kong-is-void/>.

³⁶³ Naomi Ng, “Anyone – Including Last Governor Chris Patten – Could Be Barred from Hong Kong, Carrie Lam Says,” *South China Morning Post*, 13 October 2017, <http://www.scmp.com/news/hong-kong/politics/article/2115193/carrie-lam-careful-question-barring-former-hong-kong>.

The only armed force in Hong Kong is the police which have been the political tool of the authorities to suppress the pro-democracy or localist movements. Most importantly, the PLA Hong Kong Garrison is located between the border of China and Hong Kong and is responsible for defence duties in HKSAR. Although PLA Hong Kong has not been assigned any task by the Chinese authorities, there are rumours if Hong Kong has a severe riot and local police cannot handle the uncontrollable situation, the PLA Hong Kong will take over the security and defence until the chaos is settled.

Third is the dependency on China's abundant market. Hong Kong has been economically reliant on China since the 1990s. The Hong Kong independence would result in a traumatic economic loss immediately. The destruction and fluctuation of the local markets and businesses would be incalculable once the Chinese red capitalists decided to retreat their investments from Hong Kong. Thousands of people would lose their jobs and companies would shut down, and as a result, the renowned international financial market could never recover from such a setback. Nonetheless, there is another argument that many Chinese officials and their affiliates have invested gigantic amount of capital in Hong Kong's various businesses, so China could not bear the loss of Hong Kong due to the economic interdependence. This is one of the reasons that the Chinese government has determinedly maintained its domination and overall jurisdiction over Hong Kong to prevent volatility and instability such as the probability of Hong Kong independence. Additionally, the sustainability of Hong Kong is a question if it is wise to choose to separate from China which is full of natural resources. Significantly, without water supply purchases from China, Hong Kong has to sustain itself by constructing more than two seawater desalination plants to support the sufficient storage of clean drinking water for its population of 7 million. However, the project of building a seawater desalination plant is still a mile away from execution. Without major support from the above fundamental components, the proposition of Hong Kong independence is absolutely void.

Conclusion

Hong Kong is a city with freedom and civil liberties, but democracy has not been fully granted since the transfer of sovereignty. Hong Kong people have never obtained the voting rights to select their leader through universal suffrage, neither as part of China since 1997 nor as a Far East colony of the British Empire for 156 years. The handover to China has created a series of occurrences which have developed into omnipresent frustration and entrenched resistance against the ruling class in Hong Kong and China. The occurrences of the 1 July 2003 protest, anti-Article 23 movement, anti-high speed railway movement, anti-MNE protest, Umbrella Movement, Mong Kok unrest, and a series of anti-China events in the past twenty years, have presented an explicit indication of de-Sinicisation in the post-colonial era. The tension between Hong Kong and China was ignited dramatically after the NPCSC's 31 August decision on CE election in 2014. The Hong Kong's yearning for autonomy and self-determination is indirect contrast to the norm of an authoritarian China and Xi's principle.

In the post-1 July protest in 2003, the economic integration between Hong Kong and China has been closely connected due to the implementation of the CEPA and the IVS. These far-reaching and effective policies on Hong Kong's economy have determined the increasing dependence on China inescapably. The one after the other trade agreements with China have created thousands of job opportunities, the stimulation of tourism and hospitality, and the profitable investments. However, every coin has two sides. The frequent economic exchange between Hong Kong and China has resulted in devastating cultural conflicts and tensions which provoked a series of anti-China movement targets against Chinese tourists in 2011-2012.

The Hong Kong government attempted to re-implement a Moral and National Education (MNE) curriculum in 2012 to cultivate the Chinese national identity, enhance the sense of national pride, and increase the cohesiveness of the Chinese patriotism. Meanwhile, the student group, Scholarism, resisted the brainwashing and prejudiced national education into schools' curriculum and pressured the Hong Kong government to concede eventually. The failed national

education, however, incurred the pinnacle of dissatisfaction by the Hong Kongers towards the authorities. The 79-day peaceful demonstration was spurred by the NPCSC's decision on the proposal of an unfair and restrained 2014 CE election which would vet candidates to be pre-selected by Beijing in the process of election. The decision by the Chinese government was seen as the encroachment of the Basic Law and the principle of "One Country, Two Systems".

The post-Umbrella Movement has brought up the formation of new political power fighting for universal suffrage in the selection of CE, with attempting to renounce the traditional pro-democrat's notion of "peace, rationality, non-violence, and non-profanity". The localists believed that the rational and peaceful strategies of the pro-democrats have not been effective in democratising Hong Kong since the handover. Hence, the localists advocate more militant means to intimate the Chinese government to comply with Hong Kong's democratic appeal. The rise of localism and the political awakening among the youth successfully created Hong Kong's nationalism. The dissatisfaction from youth against the ruling class and the unfairness of the society inevitably resulted in the means of violence; as a result, the Mong Kok riot burst out in 2016. Amid the incident, two new political parties, Hong Kong Indigenous and Youngspiration, were in the limelight to represent the Hong Kong localism and independence. Consequently, the aggressive and uncompromising localism left Beijing with no choice but to adopt a hard-lined approach to Hong Kong. The disqualification of six elected pro-democrat and localist lawmakers from the LegCo, as well as the annulment of several localist advocates from participating the LegCo election were the thorough indication from President Xi Jin-ping that Hong Kong shall never be a rebellious place against the absolute order from Beijing. The absolute order from Beijing is to control the three branches: legislature, executive, and judicial powers, which are the key principles for the governance of a state. Although the autonomous system of the Hong Kong government has been given by the Basic Law for fifty years after the handover, the Chinese government could not wait for the overall jurisdiction of Hong Kong.

On the legislative front, the pro-Beijing camp has completely dominated in both geographical and functional constituencies in the LegCo. Recently, the LegCo has made some controversial moves aimed at constraining democratic

lawmakers. Apart from the disqualification of six of these pro-democrat and localist seats, the rule change of the chamber has been amended in order to strip some powers from legislators and give additional powers to vet the proposed motions and bills for the LegCo's President, who has been part of the pro-Beijing alliance since the handover. It means that the pro-democrats' filibustering will be restrained which will allow the government and the pro-Beijing camp to speed up the upcoming process of legislations. For example, the national anthem law, the national security law, and the co-location of joint checkpoint. On the judicial front, the disqualification of legislators, and the oath-taking controversy, and the adjudication of political cases, have become a matters of concern regarding the meddling of Hong Kong's judicial independence from the Chinese authorities. The NPCSC's interpretations of the Basic Law have established bad examples that influence Hong Kong's court judgement. In the proposal of the co-location of a joint checkpoint, Beijing officials alleged that the decision by the NPCSC allows Chinese national laws to be imposed on Hong Kong's express railway terminal was an act of state that cannot be challenged by Hong Kong's courts.³⁶⁴ On the executive front, the Liaison Office in Hong Kong has gripped the actual power of governing Hong Kong's administration. The new Director of the Liaison Office, Wang Zhi-man, has publicly acknowledged that the closer cooperation between the Liaison Office and the Hong Kong government will be beneficial to Hong Kong's development.³⁶⁵ He also implied that the Central government would give orders directly to CE Carrie Lam rather than go through its Chinese officials in Hong Kong.³⁶⁶ Carrie Lam has also openly expressed that she would invite

³⁶⁴ Emily Tsang and Kimmy Chung, "Joint Checkpoint Plan for Hong Kong's Express Rail Link 'Cannot Be Challenged' by City, Beijing Official Says," *South China Morning Post*, 13 January, 2018, <http://www.scmp.com/news/hong-kong/politics/article/2128136/joint-checkpoint-plan-hong-kongs-express-rail-link-cannot-be>.

³⁶⁵ Kang-chung Ng, "Beijing's Man in Hong Kong Hails Bold New Era of Cooperation, Says Liaison Office Will Be 'Working More and Closer' With City," *South China Morning Post*, 14 January, 2018, <http://www.scmp.com/news/hong-kong/politics/article/2128211/liaison-office-will-be-working-more-and-closer-youth>.

³⁶⁶ Kimmy Chung and Kang-chung Ng, "Liaison Office Chief Praises Hong Kong and Promises to Be More Transparent and Welcoming," *South China Morning Post*, 7 February, 2018, <http://www.scmp.com/news/hong-kong/politics/article/2132318/liaison-office-chief-praises-hong-kong-and-promises-be-more>.

Liaison Office officials for discussion of policies with mainland China's representatives.³⁶⁷

The possible scenario of Hong Kong will only be included into three options: First, the continuity of the "One Country, Two Systems" but with the gradual deterioration of Hong Kong's political system; Second, the vanishing of the "One Country, Two Systems" and the advancement of "One System"; Third, the occurrence of Hong Kong's independence. The first two scenarios will not affect the fate of Hong Kong in 2047 on the expiry of the unchanged for fifty years. Given the recent deterioration of Hong Kong's constitutional development, Hong Kong will soon be integrated into China and will comply with Chinese national law. The third scenario will be practically impossible to accomplish due to the realpolitik of Hong Kong's circumstance and the example of Taiwan when encountering the power of China. However, what could the United Kingdom do in the situation of Hong Kong?

Lately, the British House of Commons started the first debate in two years regarding Hong Kong's basic freedoms, the rule of law, and autonomy. The parliament also followed up the case of the Liberal Democrat leader, Lord Ashdown, who was rejected from visiting Hong Kong in December 2017 due to his criticism of Hong Kong's autonomy on Hong Kong Watch's report.³⁶⁸ Besides, the British government has also spoken out its concerns about possible human rights violations in Hong Kong when Prime Minister Theresa May met with President Xi Jin-ping on her first official visit to China in early February 2018.³⁶⁹ Many believed that with the premise of non-intervening Hong Kong's authority, the British government has had a continuing commitment to examine the affairs of Hong Kong and to ensure the Chinese government has adhered to its obligation in

³⁶⁷ Kris Cheng, "Beijing's Office in Hong Kong Not Involved in City's Affairs Unless 'Mainland Angle' Emerges, Says Leader Carrie Lam," *Hong Kong Free Press*, 16 January, 2018, <https://www.hongkongfp.com/2018/01/16/beijings-office-hong-kong-not-involved-citys-affairs-unless-mainland-angle-emerges-says-leader-carrie-lam/>.

³⁶⁸ Benedict Rogers, "Today's UK parliamentary Debate on Hong Kong Democracy is Timely and Long Overdue," *Hong Kong Free Press*, 23 January, 2018, <https://www.hongkongfp.com/2018/01/23/todays-uk-parliamentary-debate-hong-kong-democracy-timely-long-overdue/>.

³⁶⁹ Joe Watts, "Theresa May Pledges to Raise Hong Kong Human Rights Violations in China," *The Independent*, 31 January, 2018, <http://www.independent.co.uk/news/uk/politics/theresa-may-hong-kong-human-rights-china-xi-jinping-prodemocracy-a8186391.html>.

the Sino-British Joint Declaration which it signed in 1984.³⁷⁰ Nonetheless, the effectiveness of the mediation of the British government will be very limited attributable to the strong economic influence of China in the United Kingdom, therefore, the British government will not jeopardise their economic interests with China on the fate of Hong Kong's democratisation.

However, it is still likely that the democratisation of Hong Kong will eventually occur in the future. The Umbrella Movement and the rise of localism have enlightened the political consciousness of the youth to embrace non-material values, for example, democracy, freedom, human rights, and freedom of speech and press. Indeed, the challenge against an authoritarian China has never come easy in any angle, but the democratisation in Hong Kong has to be determined, and Hong Kong people have to keep their faith in the younger generations. The desire of freedom has to pass on to the next generations because the future of Hong Kong is always in its own hands.

³⁷⁰ Cliff Buddle, "Britain Will Continue to Speak up on Hong Kong and Any Pressures 'One, Country, Two Systems' Comes under, Consul General Vows," *South China Morning Post*, 22 January, 2018, <http://www.scmp.com/news/hong-kong/politics/article/2129887/britain-will-continue-speak-hong-kong-and-any-pressures-one>.

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