

## **The Hong Kong Policy of the Communist Party of China – Reflections on Its Nature, Priorities and Strategies**

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### **Abstract**

Leaders of the Communist Party of China (CPC) realised the significance of Hong Kong since its foundation. This article examines the CPC's Hong Kong policy in the past century, with emphasis on recent developments. The historical account intends to study the nature of the CPC, as well as the priorities and strategies of its leadership in its various stages of development. The extent of its pragmatism, its evolving priorities and its tolerance of reforms offer interesting angles in this study.

**Keywords:** *Communist Party of China, Hong Kong policy, united front, reassessment, pragmatism, pro- democracy movement, policy-making process*

## 1. Introduction

This article examines the Communist Party of China (the CPC)'s Hong Kong policy in the past century, with emphasis on recent developments. The historical account intends to study the nature of the CPC, as well as the priorities and strategies of its leadership in its various stages of development. The extent of its pragmatism, its evolving priorities and its tolerance of reforms offer interesting angles in this study.

A substantial body of literature on Beijing's Hong Kong policy is available, and serves as the foundation of this article. In the one or two decades following 1997, most Chinese leading officials involved in the Sino-British negotiations on Hong Kong's future published their memoirs. These publications provide valuable details on the research and design of the Chinese authorities' policy-making processes as well as their exercises in problem-solving. Similarly Western journalists have offered volumes on the British policy-making processes and the British perceptions of the Chinese leadership's values, perspectives and considerations.<sup>1</sup> In general, these publications have given an impression of the sophistication of Beijing's policy-making processes regarding Hong Kong.

Local academics obviously have done substantial research on the subject, detailing the local community's political developments in response to the Chinese authorities' policies. There were many public opinion surveys on Hong Kong people's attitudes and responses so that commentators can easily follow the community's mood.

The Chinese authorities' Hong Kong policy was often in line with its policy towards Xinjiang and Tibet (Horowitz and Yu, 2015); their challenges to sovereignty, national security and law and order were often exaggerated. When China's domestic and international environment deteriorates, regime stability and survival become the top priority, and Chinese leaders are willing to pay the price. The Leninist doctrine of

maintaining the Party's monopoly of power and the analysis of international contradictions along ideological lines have never lost their significance.

United front has certainly been a very important element of Beijing's Hong Kong policy. Together with the Leninist Party and armed struggle through the People's Liberation Army, the united front has been considered one of the three most potent weapons in securing the victory of the Chinese Communist Revolution. As armed struggle had been insignificant in Beijing's Hong Kong policy, and the Party had been usually very low-key in the territory, the united front was therefore most prominent in this policy (Loh, 2010). The extent of tolerance in the united front was a barometer reflecting its degree of pragmatism and flexibility. As a pro-democracy activist, the author had decades of first-hand experience being a target of the united front.

During deteriorations in the domestic and international environment, Chinese leaders typically appeal to nationalism and patriotism. The strategy is usually effective, and remains so in the recent crackdown in the territory. People in Mainland China do not have much sympathy and support for Hong Kong people's values and political demands.

The united front strategy tends to become arrogant and dominated by short-term considerations when regime survival and the promotion of nationalism become priority considerations. The CPC has now been in power for over seventy years and the achievements of the People's Republic of China (PRC) are impressive; the humility most prominently displayed in the civil war against the Kuomintang and in the launch of economic reforms and opening to the external world in the late 1970s and 1980s had largely disappeared. The cultivation of united front ties often lacked a long-term perspective and could be abandoned in response to immediate policy changes. Yet the sense of insecurity on the

part of the Chinese leadership is still surprisingly strong, to the astonishment of outside observers.

When many Hong Kong people and the Western media now perceive that the “one country, two systems” (一國兩制 / *yi guo liang zhi*) model has ended, an examination of the evolution of the CPC’s Hong Kong policy by a long-time pro-democracy activist perhaps has something to contribute in the centenary of the founding of the CPC.

## **2. Before 1949 – the CPC as a Revolutionary Party**

When the CPC was established in 1921, Hong Kong was an important territory in the eyes of the elites in China, especially those interested in reforms and revolutions. Sun Yat-sen’s connections with the British colony were well known; and before the overthrow of the Manchu Dynasty in 1911, Hong Kong on many occasions was used as a logistics and organization base for a number of unsuccessful uprisings by the revolutionaries.

According to Hong Kong’s 1921 census, its population exceeded 625,000, of which 610,000 were Chinese; in 1925, it rose to 725,000 of whom 706,000 were Chinese (Endacott, 1964: 289). In these years, many wealthy people emigrated from Guangzhou, and the money they brought was reflected in the premiums on new Crown leases received by the colonial administration. Hong Kong’s economy had by then been well integrated with the global economy, the port emerged as one of the principal ports in the world. In 1919, 21,257 ships of over eighteen million tons engaged in foreign trade entered and cleared; and in 1927, 29,052 ships of about thirty-seven million tons called (*ibid.*: 290).

Hong Kong also gained worldwide recognition in the 1920s through its seamen’s strike in 1922 and the Guangzhou-Hong Kong strike-boycott in 1925-26. According to Chan Lau Kit-ching, the few Chinese

Communists in Guangdong and Hong Kong had little to do with the outbreak and sustenance of the first strike (Chan Lau, 1999: 21-26). However, the colonial governor, Sir Reginald Stubbs, firmly believed that the strike was a Communist campaign directed by the Bolsheviks in Guangzhou. His assessment apparently was shared by the British diplomats and naval officers in the region (Chan Lau 2005: 171-172).

The colony's proletariat was ready for industrial action then. The Hong Kong Seamen's Union (香港中華海員工業聯合會) called for a strike in January 1922. At that time, the cost of living almost doubled but wages remained stagnant. European sailors doing the same job were paid five times as much as local seamen. The latter were exploited by the sub-contractor system too. The seamen's strike continued for 56 days, spreading to a general strike in which about 200,000 labourers took part (Chen, 2001: 173-174). Lau Chan Kit-ching estimated that the workers on strike amounted to more than 120,000 (Chan Lau, 2005: 171). The strike ultimately triumphed; the colonial administration recognized the legality of the seamen's union and granted the other livelihood improvement demands.

Workers' solidarity and the appeal of nationalism were significant factors for the strike's success. The May Fourth Movement was less than three years ago. Businessmen in Guangzhou refused to sell food to foreign vessels; and the Guangdong authorities led by Sun Yat-sen and Chen Jiong-ming (陳炯明) offered moral and material support for the strikers. When the latter retreated to Guangzhou, the Guangdong authorities provided them free accommodation, temporary jobs and economic support.

The CPC's role in the seamen's strike was very limited, but it gained the goodwill of some leaders of the seamen's union. According to Chen Yung-fa (陳永發), Maring (Hendricus Josephus Sneevliet) passed by Guangzhou at the time of the strike, and was impressed; this

impression contributed to his suggestion to the Communist International that the CPC should cooperate with the Kuomintang (Chen, 2001: 174).

In May 1922, the CPC organized the first national labour congress in Guangzhou, with the support of Sun Yat-sen. The congress claimed to represent 270,000 organized workers, about 13.5% of the national industrial labour force. Many of the participating labour groups were led by the Kuomintang, some by anarchists, and some were the traditional hometown, trade guilds organizations. But the CPC secured the role of organizing the National Labour Federation (中華全國總工會), and emerged as the nominal leader of the national labour movement. Leaders of the Hong Kong Seamen's Union, Su Zhaozheng (蘇兆徵) and Lin Weimin (林偉文), were absorbed as CPC members. The CPC instructed its members to join unions led by the Kuomintang, anarchists, and Christians and secure their leaderships; they were advised against emphasizing organizational purity and forming their own trade unions.

Following the brutal suppression of the Beijing-Hankou railway workers' campaign in 1923 by the Beijing warlord Wu Peifu, the focus of the CPC's labour movement moved to southern China, coinciding with the formal Kuomintang-CPC co-operation launched in 1924. Liao Zhongkai, a Kuomintang Left leader, led the workers department, but his secretary Feng Jupō (馮菊坡) was a CPC member. CPC leaders like Zhou Enlai and Chen Yannian (eldest son of Chen Duxiu) were in charge of the CPC Guangdong Regional Committee, promoting the labour movement.

In May 1925, the CPC organized the second national labour congress with other trade unions including the Hong Kong Seaman's Union. The National Labour Federation was formally established during the congress, with Lin Weimin serving as chairman, and Su Zhaozheng, one of the vice-chairmen. Their educational standards were not high; actual leadership was exercised by the other vice-chairman Liu Shaoqi

and general secretary cum head of propaganda department Deng Zhongxia, both CPC members as well (*ibid.*: 175-176).

CPC's leadership of the national labour movement was confirmed through the national strike triggered by the killing of a textile worker Gu Zhenghong (顧正紅) by a Japanese foreman in Shanghai on May 30, 1925. National anger was aroused when protesters were subsequently fired upon by the police in the municipality's foreign concessions leading to the death of protesting students; and the strike became a nationwide campaign against British imperialism.

In the wake of the May 30 tragedy, Deng Zhongxia was sent to Hong Kong by the CPC in the name of the National Labour Federation to mobilize the workers in support of the national campaign. Cadres were also dispatched to Shameen in Guangzhou to organize the workers engaged in foreign services. When the Guangzhou-Hong Kong strike-boycott was launched on June 19, seamen, workers in the printing industry, and tram workers were the first to join; by the beginning of July, participating strikers numbered about 200,000. It was the clashes between the demonstrators and the British and French troops in Shameen resulting in over fifty deaths among the protesters which much escalated the strike-boycott. By the end of June, all Chinese workers refused to work in the colony, and essential services were provided by volunteers supported by the military garrison and the Hong Kong Volunteer Corps. The strike gradually faded, but the boycott of British merchandise and shipping continued until October 1926; and a special loan had to be arranged to help the expatriate business community in Hong Kong until normalcy returned (*ibid.*: 180-182; Endacott, 1964: 289-290).

Similar to the Hong Kong seamen's strike in 1922, many workers on strike went back to their home villages in Guangdong where survival was easier. With the support of Liao Zhongkai, the CPC formally established a Strike Committee in Guangzhou to support the Hong Kong

workers returning to Guangdong. The committee was highly successful in fundraising and it almost created an independent kingdom with its own newspapers, canteens, dormitories, hospitals and schools; it even organized a lightly armed picket corps of more than 3,000 men. The Strike Committee established its own tribunal to sentence those merchants and farmers selling food to the British and selling British goods to the people; it was able to offer limited livelihood support for sixty to seventy thousand striking workers from Hong Kong for eighteen months.

As a result, the CPC in Guangdong rapidly expanded. With only about two or three hundred members in the province before the campaign, its membership increased to 5,039 in September 1926, more than any other province in China. Another source indicated that in September 1925, CPC had only about 3,000 members; and by December 1926, Party membership increased to 18,500, with about 11,000 workers (60%).<sup>2</sup> During the Hong Kong seamen's strike, the CPC had its biases against the strike leaders, considering them followers of Sun Yat-sen, and did not attempt to recruit them. The CPC soon changed its position and actively absorb Hong Kong activists as Party members, thus laying the foundation for its activities in the colony in the following years.

This development much encouraged the CPC, its leadership believed that the Chinese proletariat had matured, and the time for the Party leading the working class to seize power would soon arrive. Hong Kong proved its significance in the development of the CPC at its very early stage. The Party certainly proved its organizational competence in capturing the leadership of the national labour movement within a short time. The Strike Committee's euphoria, however, was short lived. In February 1927, the Guangdong authorities under Kuomintang's Chiang Kai-shek began to suppress the Strike Committee, especially its picket corps. When his Northern Expedition forces succeeded and Chiang



formed the Kuomintang government in Nanjing later in April, purge of the CPC began. Many of the Strike Committee leaders were arrested and executed.

While there was obviously a surge of nationalism in Hong Kong, the local Chinese elite was in strong support of the colonial government and shared the latter's assessment of the strike-boycott, namely, that it was linked to the Chinese Communists and Russian Bolshevik agents in Guangzhou. Chan Lau Kit-ching observed "that the British colonial government could not have survived the unprecedented crisis the way it did had it not been for the unreserved and, indeed, unexpected support of the Chinese upper class" (Chan Lau, 2005: 175).

The Chinese businessmen in Hong Kong also earlier identified themselves with their counterparts in Guangdong during the Merchant Corps Incident in 1924. There was strong discontent within the provincial business community built up since Sun Yat-sen's return to power in Guangdong at the end of 1920. It had established militias of its own in several sites in the province before the incident, and its resentment against Sun much exacerbated later because of his association with the Bolsheviks and the Chinese Communists (Chan Lau, 1990: 159-167). Their confrontation led to a strong crackdown by Sun who succeeded in securing the support of the various military warlords then in Guangzhou.

During the conflict, the Hong Kong business community served as a communications link between its counterpart in Guangdong and its sympathizers outside the province. The Chinese press in the colony was all out in its attacks on Sun's government and its supporters in China. The Chinese merchants and the general population in Hong Kong were shocked by the terrible loss and waste in the crackdown, and they often associated them with communism and the Chinese Communists.

With the establishment of an anti-Communist regime in Guangzhou and the heavy losses of the CPC in 1927, the British administration maintained close relations with the Guangdong Provincial Public Security Bureau in its attempt to eliminate the CPC's presence in the colony. The business elite assumed an important role in the generation of an anti-Communist environment in the British colony. It moulded local public opinion through its influence over the major Chinese newspapers, namely, the *Wah Tsz Yat Po* (華字日報), *Tsun Wan Yat Po* (循環日報), *Wah Kiu Yat Po* (華僑日報) and *Kung Sheung Yat Po* (工商日報), and its control of the local job market.

In the late 1920s and early 1930s, Hong Kong was the place for substantive political intrigue affecting China, the place where schemes were hatched and delicate negotiations about switching sides in the evolving alliances took place. The British colony was ideal as a place for collecting and sharing information, both formal and informal. Formal information came through newspapers, which in Hong Kong were much freer than on the Mainland. Informal information was picked up from continuous streams of gossip. Hong Kong was one of a number of places where warlords could arrange for the supply of arms and ammunition. Hong Kong banks acted for the southern warlords as the Swiss banks had done for the insecure elites of the world since the 1930s (Lary, 2005: 162-165). It is therefore safe to assume that CPC agents operated in Hong Kong in these years.

During the Sino-Japanese War and Civil War period, a number of CPC organizations like the Yuehua Company, the Eighth Route Army Hong Kong Office, and Dade College were established in the British colony to organize underground activities against the Japanese as well as against the Kuomintang in Hong Kong. Cadres like Liao Chengzhi, Lian Guan, Pan Hannian and Xu Dixin were sent to Hong Kong during these years (Lee, 2005: 2; Chan Lau, 1999: 7-9).

### **3. Just Before and After the Establishment of the People's Republic of China**

The resumption of British authority in Hong Kong did not go unchallenged. President Franklin D. Roosevelt considered that Clause 3 of the Atlantic Charter of August 1941 which appealed for the liberation of all peoples should apply as much to those of British colonies as to those over-run by Germany and Japan. He “once or twice urged the British to give up Hong Kong as a gesture of good will”.<sup>3</sup> At the Yalta Conference in February 1945, President Roosevelt was eager to seek Soviet Russian help in the Pacific War and offered concessions at the expense of both Japan and China; and he urged that Hong Kong should be returned to China as a compensation. British and Chinese representatives were excluded from that part of the negotiations relating to the Far East; and Winston Churchill “exploded” when he learnt that Britain’s control over its colonies had been questioned.<sup>4</sup>

Earlier in January 1943, the U.S. And Britain separately concluded a treaty with China renouncing all concessions, settlements and special privileges attached to the treaty port system. Chiang Kai-shek therefore had some chances of taking back Hong Kong, though apparently he had not pushed for it. The CPC’s propaganda against the Kuomintang government then did not raise the issue.

Hong Kong’s trade with CPC-controlled northern China was initially disrupted by the uncertainty generated by the change of power. In early 1949, the CPC authorities in the ports in North China especially Tianjin limited imports from Hong Kong to essentials to conserve foreign exchange. Then in late June the Kuomintang forces imposed a blockade on the CPC-controlled ports, including the mining of the Yangtze River. After the fall of Guangzhou to the CPC forces in October, the blockade was extended to the Pearl River. Despite protests

from the British and American governments, the blockade was formally lifted only in late May 1950 (Schenk, 2005: 200).

In November 1949, the U.S. imposed an embargo on export of strategic goods to China. This was followed by a more general trade embargo in December and a United Nations resolution imposing an embargo on trade with China in May 1951. From the beginning, the U.S. and Britain had different approaches to the new CPC regime in China. The importance of China to the prosperity of Hong Kong (a strategically and economically important British outpost) was a considerable influence in London's policy, which led to the diplomatic recognition of the People's Republic of China (PRC) in January 1950. For American foreign policy, political consideration and the Cold War were much more significant factors. With the outbreak of the Korean War, the Truman administration was much more active in supporting Chiang Kai-shek in Taiwan and more determined to reduce the legitimacy of the CPC regime.

There was a temporary attempt to compile balance of payment statistics for Hong Kong in 1952-54. These put smuggled merchandise exports at £6 million in 1952, and £4 million in 1953, based on information about seizures which were considered to be a fairly consistent proportion of total trade (*ibid.*: 213).

It was obvious to all parties concerned that the embargoes did not eliminate the trade ties between China and Hong Kong. The colony remained one of China's most significant non-communist sources of many imports. Cotton was imported from Pakistan and Egypt, and rubber from Ceylon (now Sri Lanka), but most other products arrived from Hong Kong either directly or through Macau. Together, these five territories provided 90% of China's imports from non-communist countries in 1952.<sup>5</sup>

Hence Hong Kong emerged as a more significant trading partner for China after the embargo than it had been before. This was especially true for goods that could not be secured from the Soviet camp including pharmaceuticals, machinery, etc. Despite the Korean War and the embargo, imports from China remained a stable proportion of the colony's total imports after 1951. This meant that Hong Kong had a considerable trade deficit with China, and therefore served as an important source of foreign exchange for Beijing. As the Hong Kong currency was largely convertible internationally, this trade surplus on the part of China was even more valuable.

The embargo became an important stimulus for the development of Hong Kong's manufacturing industries, especially textiles. It is interesting that by the end of the 1950s, Hong Kong-made industrial products began to actively develop a Hong Kong identity. It was first mentioned in 1954; and during the 15th Exhibition of Hong Kong Products in 1958 organized by the Chinese Manufacturers' Association of Hong Kong, the slogan "Hong Kong People Use Hong Kong Goods" was promoted as a way to support the colony's industrial growth.<sup>6</sup> Both the association chairman and the British administration official who presided over the opening ceremony asked Hong Kong industrialists to accord priority to the local market.<sup>7</sup> This emerging identity was obviously not political, and was based on market considerations.

In the earlier decades, Hong Kong manufacturers desired to be perceived as national goods (國貨 / *guohuo*) producers because the only way for Hong Kong products to compete in the China market was to be treated as *guohuo*, so that import duties could be reduced and prices could then be more competitive. A *guohuo* label could also be useful in the marketing strategy for the colony's local market (Chung, 2005: 194-197). It was first considered for local market use when refugees from the

Mainland constituted almost half of the Hong Kong population.<sup>8</sup> These refugees were more familiar with the nationalistic notion of *guohuo*, and some local manufacturers did adopt the notion in their advertisements. Apparently an ethnic Chinese identity would appeal to the widespread Chinese business networks in East and Southeast Asia too (Hamilton (ed.), 1996). However, the use of *guohuo* to refer to Chinese-made products in Hong Kong was finally abandoned in 1951, probably in reaction to the political changes in the Mainland.

Shortly after the founding of the PRC, the Chinese authorities announced that they did not recognize the three unequal treaties between the Qing Dynasty and Britain in the nineteenth century. They would, however, maintain the *status quo* of Hong Kong before settling the issue through negotiations at an appropriate time. Zhou Enlai considered that maintaining the *status quo* of Hong Kong was conducive to breaking China's diplomatic isolation imposed by the West.

Responding to the Soviet Union leader Nikita Khrushchev's attack on China's failure to settle the issue of Hong Kong and Macau, the *People's Daily* (人民日報) editorial on March 8, 1963 stated: "With regard to the outstanding issues, which are largely a legacy from the past, we have always held that, when conditions are ripe, they should be settled peacefully through negotiations and that, pending a settlement, the *status quo* should be maintained. Within this category are the questions of Hong Kong, Kowloon and Macau... There is no need for the Chinese people to demonstrate force on the questions of Hong Kong and Macau in order to prove our courage and determination in the fight against imperialism."

This policy of "long-term deliberation and making full use of Hong Kong" was pragmatic and beneficial. The territory served as an important bridge between China and the rest of the world, which was essential for attracting foreign exchange. In 1966, China's annual

foreign exchange receipts from Hong Kong amounted to between £200 million and £210 million, accounting for more than a third of its foreign exchange earnings. Of these, £170 million came from the trade surplus deriving from its visible trade with Hong Kong, while £30 million to £35 million were from remittances by overseas Chinese in or through Hong Kong.<sup>9</sup> China's foreign exchange reserves only amounted to US\$167 million in 1978.

According to a report on the future of Hong Kong, prepared by the Defence and Overseas Policy Committee of the British Foreign and Commonwealth Office in August 1967, Hong Kong also offered China a window to the outside world and a convenient point of access to trade and travel. "It has served as a centre from which to mount subversive activities against the free world," the report indicated, "Hong Kong is in addition a useful trading outpost for China, especially as regards commercial dealings with countries with whom it does not have diplomatic relations. Preliminary negotiations for grain deals with Australia and Canada have often taken place in Hong Kong. Western firms, too, can readily make contact with Chinese commercial negotiators in the colony."<sup>10</sup>

From 1949 onwards, the CPC was still able to maintain networks in the colony, though in a low-key manner, mainly because of the less than friendly attitude on the part of the British administration. These networks consist of schools, clinics, newspapers, movie-producing companies, labour unions, chambers of commerce, banks, trade corporations, etc. On the ideological front, the pro-CPC media worked hard to discredit the Kuomintang regime in Taiwan. The vast majority of the local population was politically apathetic, people in general did not want to be involved in these ideological battles. On the whole, the pro-Kuomintang media enjoyed an obvious edge, especially in the field of Chinese newspapers. The fact that a significant proportion of the Hong

Kong people arrived as refugees fleeing the Civil War meant that they were afraid of the CPC and wanted to have nothing to do with it.

The development of the pro-CPC networks apparently achieved good results, as reflected by their mobilization power in the 1967 riots, which were described by the official *Hong Kong Yearbook 1967* as a “communist-initiated confrontation” during which Chinese Communist organizations in the colony sought to impose their will on the people by intimidating workers and mobilizing work stoppages, riots and “indiscriminate violence”.

In an interview with Gary Ka-wai Cheung in April 1999, Jack Cater, deputy Colonial Secretary and special assistant to the Governor during the riots, revealed that there was a tacit understanding between the British administration and the pro-CPC camp on conditional tolerance of the protests against the sacking of about 650 workers by the Hong Kong Artificial Flower Works in April 1967 (Cheung, 2009: 2). Jack Cater indicated that the Hong Kong government was puzzled as to why the labour dispute escalated into violent disturbances.

The local pro-CPC united front was obviously inspired by the *People's Daily* editorial on June 3, 1967, which called on the Chinese population in the colony to “be ready to respond to the call of the Motherland and smash the reactionary rule of the Hong Kong British authorities”. The subsequent confrontation escalated in the second half of 1967 when extremists planted bombs on the streets.

The disturbances brought Hong Kong to a standstill and led to exodus of capital amid fears of a military invasion from China. Secret files declassified in the early years of this century by Britain's National Archives indicated that an interim report was prepared by the British government in July 1967 on the prospects of withdrawal from Hong Kong if a military invasion from China took place (*ibid.*).



The 1967 riots were generally perceived as a spillover from the Cultural Revolution in China that Mao Zedong had launched in Mainland China the previous year. Apparently the riots would not have taken place in Hong Kong in 1967 if the Cultural Revolution had not happened. Significantly, the pro-CPC united front did not express support for the Star Ferry riots in 1966, which took place one month before Mao initiated the Cultural Revolution. In fact, the pro-Beijing newspapers then appealed for the community's co-operation with the British administration to restore social order. The Hong Kong branch of Xinhua News Agency (新華社), the front of the Hong Kong and Macau Work Committee, i.e., the CPC organization, could not evade the responsibility for mobilizing the pro-CPC networks during the 1967 riots.

Derek Davies, chief editor of the *Far Eastern Economic Review*, commented in an article published in the regional magazine: "the local communists very soon dropped the industrial and labour issues (in which they had such a very strong case and which should have formed the basis of any proper, representative left-wing union movement in an industrial society) because in terms of the Cultural Revolution they would have been guilty of economism... So the campaign shifted onto the purely political level. Once the meaningful bases for a left-wing movement had been jettisoned, the campaign became rootless and purposeless, inspired by hate and a desire to destroy."<sup>11</sup>

The general strike and food strike caused substantial inconvenience to the community, and the image of the pro-CPC camp was especially damaged by the bomb attacks. The progress made by the pro-CPC networks in winning over the hearts and minds of Hong Kong people in the 1950s and early 1960s were largely compromised.

The student union of the University of Hong Kong conducted a questionnaire survey on campus to assess students' views on the 1967

riots. The student union distributed 1,986 copies of the questionnaire and secured 524 replies. Of them, 437 said that they were “disgusted with” the riots while 53 claimed that they were not interested in the disturbances. Another 29 indicated that they were sympathetic with the rioters and 5 revealed that they “fully supported” the riots. There were a total of 2,466 students attending the University of Hong Kong in 1967.<sup>12</sup>

Richard Hughes, a British journalist based in Hong Kong during the 1960s and 1970s, observed: “Bluntly, the May 1967 plot did fail not because the Chinese younger generation, who will determine Hong Kong’s future, loved the British more, but because they loved the Communists less.” (Hughes, 1976: 51)

The pro-CPC newspapers were hit hard because of their strong support for the riots and they thus lost their appeal among the general public. Their total daily circulation dropped from 454,900 in May 1967 to 240,500 in the following November. The pro-CPC camp went into a self-imposed isolation after 1967. The Hong Kong Federation of Trade Unions, for example, focused on its internal affairs and stopped participation in social affairs. It even boycotted advisory committees on labour issues such as the Labour Advisory Board, and did not take part in the 1982 District Board elections. This isolation lasted until the Sino-British negotiations on the colony’s future in the early 1980s.

Gary Ka-wai Cheung interviewed Wong Kwok-kin, former chairman of the Hong Kong Federation of Trade Unions. Wong admitted that after the 1967 riots, the traditional pro-CPC camp had developed a “siege mentality” as it saw that it was marginalized by the mainstream society. “Such a mentality has been receding gradually since the 1990s but it still exists among some leaders of the leftist organizations,” Wong said. (Cheung, 2009: 132)

The Labour government in London stepped up pressure on the colonial administration to implement social reforms after the riots.

Members of the British Parliament and even senior officials from the Labour government asked for greater influence on the British administration to implement the long-awaited reforms in Hong Kong. The Murray MacLehose administration (1971-1982) responded, and its various important social service programmes had won the heart of the community when it had to face the issue of the future of the territory.

#### **4. Negotiations on the Future of Hong Kong, the Basic Law and Political Reforms**

In September 1982, the British Prime Minister, Margaret Thatcher, visited Beijing and reached an agreement with Chinese leaders to “enter into talks through diplomatic channels with the common aim of maintaining the stability and prosperity of Hong Kong”.<sup>13</sup> Nonetheless, serious differences between the two sides on the questions of the “unequal treaties” and sovereignty over Hong Kong, Kowloon and the New Territories were revealed.<sup>14</sup> This conflict severely shook business confidence in the territory, and the local stock market as well as the value of the Hong Kong dollar plummeted.

It was actually the British and Hong Kong governments which approached Chinese leaders to negotiate on the future of the territory. By 1979, tenure in the New Territories had been reduced to eighteen years, a period shorter than the customary term for housing mortgages. The Hong Kong Governor, Murray MacLehose, formally visited Beijing in March-April 1979 to probe his hosts about their willingness to help solve the land problem (Duncanson, 1988: 28).

When pressed with the issue, Chinese leaders then began to study the broad question of the territory’s future. The Chinese authorities under Deng Xiaoping, rapidly came to the position of regaining sovereignty over all three areas, as well as that the treaties signed by the

Qing Dynasty government and the British Empire relinquishing Hong Kong and Kowloon and leasing the New Territories were unequal treaties that China should not recognize. The British side, on the other hand, persisted in its belief that the treaties were legal and valid.

To recognize the treaties and the lease, not to say extend the latter (as some had suggested), would be contrary to the Chinese government's declared goal to terminate all unequal treaties, an important aim of the Chinese Communist revolution. Chinese Communist leaders believed that they had to be accountable to the entire Chinese nation for this, and it was difficult to imagine that any Chinese leader would sacrifice a principle of such importance for the sake of economic advantage.

In response to the British negotiating position, the Chinese government's stand hardened, rejecting any suggestion of retaining the British administration beyond 1997, and presenting its own scheme of "*Gangren zhi Gang*" (港人治港, Hong Kong people governing Hong Kong) which amounted to the territory becoming a Special Administrative Region (SAR) under Chinese sovereignty, enjoying the privileges of self-administration and retaining its current systems.

As reflected in various opinion surveys conducted in 1982 and 1983, most Hong Kong people did not have an adequate understanding or a firm position regarding the question of Hong Kong's future, hence their attitudes could change easily. The vast majority of Hong Kong people were politically apathetic and did not like to be involved in politics. They desired stability and feared change, and therefore hoped for the maintenance of the *status quo*. Further, the community felt impotent and helpless in deciding their future (Cheng, 1984).

The Sino-British negotiations were a diplomatic triumph for the Chinese authorities. Their preparations were thorough, and they fully exploited their advantageous position. They appealed to nationalism domestically and in Hong Kong. The design of a "one country, two

systems” model demonstrated substantial creativity and flexibility, in line with China’s economic reforms and opening to the external world since 1979. The CPC’s united front work proved to be superb in calming the Hong Kong people and building their confidence, especially in view of its much shaken foundation after the 1967 riots.

Chinese leaders showed that they would be very accommodating regarding the local business community’s demands concerning Hong Kong’s authority to handle foreign economic issues, banking and currency, travel documents, etc. They made efforts to study factors contributing to the territory’s success; and they appreciated that as an international financial centre, investors could retreat very easily. Beijing’s Hong Kong policy subsequently accorded a high priority to the maintenance of investors’ confidence.

Another important target for the pro-CPC united front was the young intelligentsia, who, in various surveys, showed a stronger than average inclination to accept self-administration under Chinese sovereignty as the ideal and most likely outcome. They demonstrated the strongest identification with Hong Kong and, unlike their senior counterparts, lacked the financial means and the qualifications to emigrate.

Hong Kong people were largely denied a direct role in the Sino-British negotiations on their future. Both the British and Chinese governments attempted to influence public opinion in the territory during the negotiations though. The Chinese authorities enhanced Hong Kong’s political representation at the national and provincial level by appointing more Hong Kong and Macau delegates to the Chinese People’s Political Consultative Conference at various levels, and deputies to the National People’s Congress (NPC) and local people’s congresses. Prominent businessmen and leading professionals not traditionally associated with the united front were also invited to Beijing

to be consulted on the territory's future. The Chinese authorities made extensive efforts to reassure different sectors of the community about China's intentions. Between November 1982 and September 1984, more than thirty-three delegations from Hong Kong were invited to visit China; many of them were received by top-level leaders (Tang and Ching, 1996). These efforts naturally contributed to the significant united work after the conclusion of the Sino-British Declaration in December 1984.

The Sino-British Joint Declaration indicated that the PRC's basic policies regarding Hong Kong, as stated in the Joint Declaration and elaborated in its Annex I, "will be stipulated, in a Basic Law of the Hong Kong Special Administrative Region (HKSAR) of the PRC, by the NPC of the PRC, and they will remain unchanged for 50 years". The Joint Declaration further pointed out that the PRC's decision to establish a HKSAR was "in accordance with the provisions of Article 31 of the Constitution of the PRC".

The drafting of the Basic law was therefore the PRC's domestic affair. It would be a "mini-constitution", defining the respective authorities of the Central Government in Beijing and the HKSAR government, the political system of the HKSAR, and the rights and obligations of Chinese citizens in the HKSAR. Meanwhile, the British and Hong Kong governments began in 1984 to establish a system of representative government. It was their understanding, as well as that of the Hong Kong people, that such a system of representative government would be necessary for the implementation of the Sino-British Joint Declaration.

On November 21, 1985, the Chinese authorities finally expressed their dissatisfaction with the British-sponsored reforms. Xu Jiatun, director of the Hong Kong branch of the Xinhua News Agency, openly warned: "It is not difficult to detect that somebody has already deviated

from the Joint Declaration.”<sup>15</sup> The Chinese position was that political reforms in Hong Kong should converge with the Basic Law, the drafting process of which would be dominated by Beijing. The British government ultimately yielded to the Chinese pressure, and included the issue of political reforms on the agenda of the Sino-British Joint Liaison Group. It also accepted that the democratization process had to be slowed down, if not called to a halt (Cheng, 1987).

When membership of the Basic Law Drafting Committee (BLDC) was announced in July 1985, it was clear that the PRC government placed top priority on the stability and prosperity of the territory and that radical political reforms would be unlikely. There were 23 Hong Kong members in the 59-member committee, most of them were prominent businessmen and leading professionals. Interests of the local establishment apparently were assured, as the PRC authorities were keen to retain Hong Kong’s attractiveness to investors.

These Hong Kong members then proceeded to form a Basic Law Consultative Committee (BLCC). According to its constitution, its objective was “to engage in consultative activities in Hong Kong for the purpose of drafting the Basic Law of the HKSAR in accordance with the will of the entire Chinese people including the Hong Kong compatriots”. In sum, the organization and membership of the BLCC, the drafting of its constitution, the associated controversy over the phrase “democratic consultations” in its draft constitution, and the authority of its executive committee as well as the procedures governing the revision of its constitution all demonstrated the PRC authorities’ intention to control this supposedly unofficial, voluntary organization. The subsequent election of the Chairman, Vice-Chairmen and Secretary-General of the BLCC’s executive committee (based on a slate presented by a BLDC Vice-Chairman) caused an uproar, and Hong Kong became deeply suspicious of the PRC authorities’ intentions and way of doing things.<sup>16</sup>

In the course of drafting the Basic Law, it became clear that the Central People's Government of the PRC usually wanted to retain final control, as revealed in the rejection of the concept of "residual power", the interpretation of the Basic law in the hands of the NPC Standing Committee, and the revision of the Basic Law ultimately to be decided by the NPC.

Within the HKSAR political system, the appointments by the Central People's Government of the Chief Executive and the principal officials imply that their accountability is to the Central People's Government. Hong Kong people gradually realized that the Chief Executive would have to be someone acceptable to the Chinese leadership. This, in turn, reinforced the general perception in the community that Beijing had the final say on all important issues, and dampened the community's interest in political participation as well as eroded the legitimacy of the development of representative government.

Chinese officials responsible for Hong Kong then indicated a preference for an executive-led system of government with an emphasis on efficient administration, hence the relative strength of the Chief Executive and the weakness of the Legislative Council. The latter can only accept or reject the budget as a whole, and the refusal to pass the budget will lead to its dissolution. It is almost powerless to introduce bills as it may only introduce bills relating to government policies with the prior written consent of the Chief Executive. Similarly, the Chief Executive has the power "to approve the introduction of motions regarding revenues or expenditure to the Legislative Council", limiting its power over government revenues and expenditure.

The Chief Executive's power to exempt government officials or other personnel in charge of government affairs from testifying or giving evidence before the Legislative Council would severely hamper the latter's function as a watchdog of the Chief Executive and the executive



authorities. The Legislative Council has no power over the appointments of the principal officials and members of the Executive Council, nor has it power to impeach them.

The pro-democracy movement was certainly disappointed by this executive-led system of government. Further, direct elections to the 60-seat Legislative Council would only return 20 seats in the 1995 elections, increasing to 24 seats and 30 seats in the 1999 and 2003 elections respectively. The Basic Law also stipulated that the Chief Executive should be elected by an Election Committee of 800 members with 200 from the industrial, commercial and financial sectors; 200 from the professions; 200 from labour, social services, religious, and other sectors; and 200 from members of the Legislative Council, representatives of district-based organizations, Hong Kong deputies to the NPC, and Hong Kong delegates to the National Committee of the Chinese People's Political Consultative Conference.

Amendments to the above electoral system would not be possible before 2007; and amendments regarding the election system for the Chief Executive have to be approved by the Standing Committee of the NPC. Amendments to the electoral system governing the Legislative Council has to secure a two-thirds majority endorsement in the Council; and it cannot be imagined why the functional constituency-seats incumbents would be willing to vote for the elimination of their own seats. Thus democratization of the electoral systems has not made any significant progress till today. Naturally, the “one country, two systems” mode had no appeal to the people in Taiwan.

In the transitional period, the pro-CPC united front stepped up its activities in the territory, seeking to establish itself as an important, if not dominant, political force. It began publicly building its Hong Kong community network and influence in 1985 when the Hong Kong branch of the Xinhua News Agency established three district offices in the

Hong Kong Island, Kowloon and the New Territories. The united front mounted a campaign to block the introduction of direct elections to the Legislative Council in 1988. It also mobilized its supporters, identified candidates, and isolated political opponents in the District Board elections in March 1988.

## **5. The Transition Towards 1997 and Beyond**

The promises made by the Chinese leadership on self-determination for Hong Kong people generated expectations, especially among the better-educated younger generation. In preparation for the elections to come, middle-class political groups were prompted to develop their organizations at the grassroots level and establish close ties with pressure groups. At the same time, they became concerned about social issues at the district level and took part in related campaigns for citizens' rights. This process contributed to the expansion of almost all political groups.

The mood of Hong Kong people, however, dramatically changed during the Tiananmen Incident (Cheng, 1990a; Cheng, 1997). According to an opinion poll in July-August 1989, four out of five in the community favoured speedier democratic reforms, even at the risk of confrontation with the Chinese government.<sup>17</sup> In June and July 1989, China's official mass media began to criticize the activities of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China. On July 21, a signed article of the *People's Daily* criticized by clear implication the leaders of the Alliance, Martin Lee and Szeto Wah.<sup>18</sup> After the conclusion of the Sino-British Joint Declaration, the Chinese authorities had been concentrating on the cultivation of the local business elite, and the pro-democracy movement lost its influence in the eyes of Beijing. In fact, the Chinese authorities relied heavily on the

business elite to counter the demands for democracy from the movement. However, they had still maintained a dialogue with the pro-democracy movement, and the relationship had been correct, if not cordial. At this point, the relationship sharply deteriorated and has not recovered till today.

On July 11, 1989, when the new General Secretary of the CPC, Jiang Zemin, met the leading figures of the BLDC and the BLCC, he warned that Hong Kong should not interfere with China, as the territory was perceived as “a base of subversion” then. Jiang indicated that “according to the principle of ‘one country, two systems’, China practises socialism, Hong Kong practises capitalism; the well water should not interfere with the river water”.<sup>19</sup>

The pro-CPC united front was much hampered by two factors. As pointed out by a former employee of a pro-Beijing organization in Hong Kong, since the Tiananmen Incident and especially since the purge at *Wen Wei Po* (文匯報, a local left-wing newspaper), “Hong Kong’s left has been ripped apart, with many of its stalwarts fleeing and many of its organizations in a state of crisis”.<sup>20</sup> A second factor was the Chinese leadership’s reluctance to make concessions after the tragedy. Lu Ping, deputy director of the State Council’s Hong Kong and Macau Affairs Office, stated in Macau on September 6, 1989: “They (the Hong Kong people) are just making unnecessary worries for themselves. The so-called confidence problem has been created by Hong Kong people, and should be solved by them because they are responsible for the problem.”<sup>21</sup>

Despite these setbacks, China’s united front work remained formidable because its “unholy alliance” with the local conservative business community remained largely intact. Since the Southern Tour of Deng Xiaoping in January-February 1992, the new round of economic reforms and opening to the external world boosted the confidence of the

major business groups in Hong Kong, and they began to make major investment in China. Previously local leading tycoons only made personal donations to charity projects in the Mainland. This “unholy alliance” has basically been maintained up till today.

The renewed economic reforms brought impressive economic growth in China, and Hong Kong gradually enhanced its economic dependence on the Mainland while benefitting from its financial and professional services supporting China’s export-oriented economic development model. When the last governor, Chris Patten, arrived at Hong Kong in July 1992, he was ready to promote human rights and democracy within the framework agreed upon by Beijing and London.<sup>22</sup> On these issues, he enjoyed the support of the pro-democracy movement, but was largely cold-shouldered by the local business community. The Chinese authorities could deal with the British administration from a position of strength and threatened to reverse Chris Patten’s liberal reforms when Hong Kong would be returned to China. Lu Ping was quoted as saying that “in the history of Hong Kong, the governor should be regarded as the criminal of all time”.<sup>23</sup>

By early 1997, both Chinese leaders and the people of Hong Kong exhibited more confidence in the notion of a stable transfer of power compared with, say, seven years ago. Even the passing away of Deng Xiaoping in February 1997 and the leadership succession in Beijing did not seem to pose a threat, as people accepted that the post-Deng era had already begun. The return flow of former emigrants had been expanding as Hong Kong approached July 1997, a reliable indicator of confidence rising. It was reported that for every 100 emigrants leaving Hong Kong in 1995, 60 former emigrants returned to the territory from overseas. The corresponding proportions in previous years were 27.9% in 1994, 29.1% in 1993, 16.2% in 1992, 7.7% in 1991, and 7.2% in 1990.<sup>24</sup>

In 1997, only 30,900 Hong Kong people emigrated, compared with just over 40,000 people in 1996, and an average of about 60,000 per annum in the 1989-1994 period.<sup>25</sup> In the same year, Hong Kong registered a 3% increase in population, the highest since 1979. About 86% of the population growth was contributed to a net flow of 167,700 people, including the 63,875 (175 per day) inflow from China.<sup>26</sup> This return flow helps to explain why it is estimated today that over one million Hong Kong people hold foreign passports or rights of permanent residence abroad and can leave the territory any time.

The transition process was actually far from smooth (Chen and Postiglione (eds.), 1996). The confrontation between the Chinese authorities and the Patten administration led Beijing to abandon the original plan of Sino-British co-operation in grooming the first HKSAR government. Instead the Chinese authorities decided to set up “another stove”, and attempted to form the first HKSAR government across the border in Shenzhen through the establishment of a series of committees and a provisional legislature.

In the early years of the C.H. Tung administration, Hong Kong people had lowered their political expectations. The Tung administration enjoyed the strong backing of the Chinese leadership; the Basic Law framework gave him ample powers with a stable majority support in the Legislative Council. The Chinese authorities showed Tung considerable respect and took pains to demonstrate that they had no intention to interfere in Hong Kong. The Tung administration largely ignored the pro-democracy movement; it had a very limited role in the policy-making processes and was in no position to challenge the government. The electorate continued to support the pro-democracy parties in elections though, and they were able to maintain a 60%-level of voters' support. The latter probably considered that the pro-democracy

movement would offer valuable checks and balances, and a considerable proportion of them might entertain the idea of “resisting Chinese communism with democracy”.

In response to the open prompting of the Chinese authorities, the Tung administration initiated public consultation on Article 23 legislation in September 2002.<sup>27</sup> Article 23 of the Basic Law states: “The HKSAR 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.” Article 23 was written into the draft Basic Law after the Tiananmen Incident, obviously the Chinese authorities were concerned about Hong Kong being exploited as “a base of subversion”.

The local pro-democracy camp naturally perceived the proposals a threat to civil liberties. The general public became concerned and worried when the legal profession, the social workers, the journalists, the librarians, the bankers, the Catholic Church, the Christians Churches, etc. came out to articulate their opposition. The result was more than half a million people taking to the streets to protest on July 1, 2003.

No doubt the sharp deterioration in the territory’s economic performance since 1997 had caused much misery and dissatisfaction among Hong Kong people. The average annual rate of per capita GDP growth fell from 4.5% in the period 1983-1997 to 1.9% in 1997-2001. Almost full employment was maintained from 1985 to mid-1997, as the unemployment rate ranged from 1.3% to a peak of only 3.5%. Since Hong Kong’s return to China, the unemployment rate climbed from 2.1% in mid-1997 to a record high of 8.7% in mid-2003.<sup>28</sup> Admittedly the Severe Acute Respiratory Syndrome crisis was a significant factor

for the economic difficulties, but the people naturally blamed the Tung administration.

Despite the massive protests, the Tung administration continued to push for the Article 23 legislation, but was forced to abandon his plan when the pro-business Liberal Party defected. The Chinese authorities firmly supported the Tung administration. They realized that “Hong Kong had been returned to China, but the hearts of Hong Kong people had not returned”. The entire Hong Kong policy machinery was much strengthened, cadres previously engaged in Hong Kong policy work returned either from retirement or from new posts given them around 1997. The local pro-CPC united front was granted substantially more resources; top Chinese leaders began formally receiving leaders of political parties from the united front, thus abandoning their hitherto neutral position towards all local political parties.

In the first decade or so of the HKSAR, the territory encountered similar challenges facing Japan and the other three “little dragons of Asia”. The territory entered a period of mature development with considerably lower economic growth rates. At the same time, its delivery of social services was hard pressed by more limited supply due to financial difficulties resulting from slower economic growth, as well as by greater demand because of higher expectations from the community and an ageing population. Redefinition of priorities meant hard choices, and was often costly in terms of political support and legitimacy of the government (Yep (ed.), 2013). Economic development alone was no longer sufficient to ensure legitimacy by results; unfortunately all the HKSAR chief executives suffered from legitimacy deficits as they were not elected by the people and accountable to the people, and their performances did not satisfy the people, as reflected by opinion surveys.<sup>29</sup>

## **6. The Emergence of Radical Politics and Confrontation with Beijing**

By the time of the C.Y. Leung administration (2012–2017), Hong Kong people in general were very frustrated with the unsatisfactory performance of the government and the deterioration in the political culture.<sup>30</sup> Political polarization had been exacerbated, and reaching a consensus on policies became increasingly challenging. Social schisms were deepening, diluting the pragmatism and moderation that were significant characteristics of the territory's political practice. In this context, the emergency of radical politics in Hong Kong and the anger of the "post-1980s generation" leading to confrontations with Beijing almost became inevitable. There was an awareness that radical politics was a symptom rather than the cause of Hong Kong's political problems. As long as the establishment remained united, it still enjoyed the control of the policy-making processes (Cheng, 2014).

Most people in Hong Kong believed that their real incomes had fallen since the territory's return to China in 1997; and a majority of the population was pessimistic about its future. Young people actually felt a decline in their opportunities for upward social mobility. As Leo Goodstadt observed: "For the first time in decades, poverty became widespread." (Goodstadt, 2013: 1) The HKSAR government admitted that the number of workers who "despite working hard", "consistently cannot earn reasonable salaries to satisfy the basic needs of themselves and their families" was to reach almost 200,000.<sup>31</sup> By 2005, the government reluctantly conceded that more than a million people (15% of the population) were living in poverty.

The pro-democracy movement in 2013-2014 organized a mass campaign to demand the election of the Chief Executive by universal suffrage in 2017, and that of all the seats in the legislature by the same method in 2020. The Chinese authorities agreed to the election of the



Chief Executive by universal suffrage, but demanded their tight control of the list of candidates. They adopted a hard line and basically refused to negotiate. The confrontation led to the launch of the Occupy Central Movement from September 26 to December 15, 2004.<sup>32</sup>

The proposal for the movement came from Benny Tai from the Law School of the University of Hong Kong. His proposal was based on the belief that unless Hong Kong people were willing to sacrifice and engage in political struggle, Chinese leaders would not concede democracy to them. The campaign ignited the enthusiasm of the pro-democracy supporters, and the idea developed into a movement exactly because the participants were convinced that democracy was not a gift bestowed from above.

The movement, as expected, attracted severe criticisms from the pro-CPC united front, and it was perceived as a direct challenge to the Chinese authorities. The latter probably had the “Arab Spring” in mind and were concerned with the movement’s demonstration effect in China. The entire united front was mobilized to condemn it. According to a series of public opinion surveys by *Ming Pao* (明報), support for the movement rose from 25% of the respondents in April 2013 to 32% in July and fell back to 25% in October, while those who opposed fell from 51% in April 2013 to 46% in July and increased again to 55% in October.<sup>33</sup> Given the territory’s moderate political culture, a support rate of 25% for a civil disobedience campaign severely condemned by Beijing was clearly a serious warning to the Chinese authorities and the HKSAR government.

Chinese leaders, however, perceived Hong Kong as a crying baby all the time asking for more. Hence they should be taught a lesson and should learn to respect the parameters and red lines of the “one country, two systems” model as defined by Beijing. The emergence of localism and pro-independence groups provided the Chinese authorities and the

HKSAR government a convenient excuse; in defence of state sovereignty, national security and in the combat of Hong Kong independence, the C.Y. Leung and Carrie Lam administrations felt they had a free hand.

Most local people believe that the Chinese authorities' tightening of their Hong Kong policy has been the root cause of the territory's problems. In the first place, Chinese leaders consider that Hong Kong is much dependent on the Chinese economy; and in view of China's economic strength and prosperity, Hong Kong's contributions to its modernization have been on the decline. This attitude has often been voiced by local leaders of the pro-Beijing united front as well as by Mainland visitors to Hong Kong.

Chinese leaders since the Sino-British negotiations in the early 1980s had been most concerned about investors' interests because they realized that as an international financial centre, money could leave Hong Kong easily. But in the introduction of the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 ["Fugitives (Amendment) Bill"],<sup>34</sup> despite the articulation of reservations by the business community and the expatriate business community, the Carrie Lam administration only offered limited concessions without resolving the basic issue of lack of confidence in the Chinese judicial system which is guided by the Communist Party. Apparently, Beijing and the HKSAR government considered that the perceived political challenges from the opposition and dissidents were more significant than the protection of the territory's good business environment.

On June 9, 2019, more than a million people marched in a protest rally opposing the bill; this was followed by another protest rally participated by two million people on June 16, the following Sunday. The Carrie Lam administration agreed first to shelve, and then drop the

controversial legislation. But it stubbornly refused to set up an independent commission of inquiry, remove the label on the young protesters' clash with the police outside the Legislative Council building on June 12 as "riots", abandon the prosecution of the protesters and introduce democratic elections of the Chief Executive and the legislature. There were calls for the resignation of Carrie Lam too, which were ignored.

The Chinese leadership firmly backed Carrie Lam, and the refusal to make concessions to the pro-democracy movement. Consequently there was no dialogue and attempts to reconcile. Under such circumstances, a crackdown of the pro-democracy movement became the logical option. The protest activities became more dispersed, smaller in scale and perhaps more violent as the political impasse dragged on at the end of 2019 after the arrests of over 8,000 protesters.<sup>35</sup> The arrival of the COVID-19 pandemic stopped all protest activities.

Despite the usual shunning of violence by the Hong Kong community, opinion surveys in the second half of 2019 consistently showed that more than 70% of the respondents considered that the main responsibility for the violent confrontations fell on the Carrie Lam administration and the police, and slightly more than 40% of them believed that the protesters should assume responsibility. The community's strong sympathy for the pro-democracy movement led to its landslide victory in the District Council elections on November 24, 2019, winning almost 390 seats out of slightly more than 450, controlling a majority in 17 among the 18 District Councils.<sup>36</sup> The pro-democracy movement did reasonably well in the District Council elections in 2015 and the Legislative Council elections in 2016 in the wake of the fading away of the Occupy Central Movement.

At the end of May 2020, the NPC passed a resolution to introduce a Hong Kong version of the National Security Law, a decision which had

been made by the Party Central Committee plenum in the previous October. Chinese leaders and the mainstream official media in China defended the Hong Kong version of the National Security Law as essential for China's security, closing a gap which might be exploited by hostile countries to introduce a "colour revolution" to China. The pro-democracy movement in Hong Kong considered this the end of the "one country, two systems" model, as this was imposed on Hong Kong people without consulting them and totally bypassed the local legislature. Earlier on April 18, the then Constitutional and Mainland Affairs Secretary Patrick Nip Tak-kuen released three versions of the interpretation of Article 22 of the Basic Law in the evening to justify that the Central Liaison Office in Hong Kong and the State Council's Hong Kong and Macau Affairs Office have the authority to supervise the HKSAR. On the same day, fifteen prominent pro-democracy leaders including Martin Lee and Jimmy Lai were arrested in the early morning for participating in and organizing illegal protest rallies.

In view of the landslide victory in the District Council elections in November 2019, the pro-democracy movement speculated that there might be a small chance that it could secure a majority of seats in the Legislative Council elections scheduled in September 2020 despite the less than democratic system according to which only slightly more than half of the seats are to be returned by universal suffrage. It was hoped that an exceptionally high voter turnout rate and successful co-ordination among the pro-democracy groups to optimize the number of candidates in the multi-member, single vote, medium-size constituencies might achieve a small miracle. But at the end of July 2020, the Carrie Lam administration postponed the elections to September 2021 using the epidemic as a convenient excuse.

Typically facing the challenges of deteriorating domestic and international environments, Xi Jinping maintained a hawkish line and

appealed to nationalism and patriotism. Though Hong Kong people won the sympathy of the international community and the Donald Trump administration proceeded to withdraw the privileges granted to the territory and sanction the Chinese and Hong Kong officials concerned, people in China supported their leaders on the issue of Hong Kong. It was generally believed that the Chinese leadership had anticipated a strong response from the Western world to the arrest of the pro-democracy leaders and the release of the National Security Law. But it was willing to pay the price.

The massive arrests and prosecutions of pro-democracy activists had generated some deterrence impact. Young people sent to jail with criminal records suffer substantially in their career development. Only two tertiary institutions had full teams running for the elections of student unions in early 2021. Given the strong, hawkish position of the government, the most serious challenge on the part of the pro-democracy movement is the lack of realizable objectives in the short-term. People no longer believe that demands for democratic reforms like the direct election of the Chief Executive and that of all the seats in the legislature are meaningful.

Naturally a considerable segment of the population wants to leave. More than a million Hong Kong people hold foreign passports or possess permanent right of abode in Western countries; Taiwan and a few English-speaking democracies are offering various types of schemes to help Hong Kong people emigrate. Hence in the years to come, there will be a Hong Kong pro-democracy movement in exile to keep the territory's situation in the spotlight, reminding the world to have a realistic assessment of the true nature of the Chinese Communist regime. The HKSAR government will find it hard to govern effectively, the majority of the population will not accord it legitimacy.

## 7. The Nature of the CPC as Shown in Its Hong Kong Policy

CPC leaders realized the significance of Hong Kong since its foundation. The seamen's strike in 1922 in the colony and the Guangzhou-Hong Kong strike/boycott in 1925-26 offered important opportunities to the CPC to develop its leadership in China's emerging labour movement as well as platforms to expand its membership. In contrast to various strikes in these years in Mainland China, labour groups scored impressive victories in Hong Kong.

Despite its humble origins and relative weakness compared with the better established Kuomintang, the CPC demonstrated considerable organizational skills and its members respectable dedication. Its defeat of the Kuomintang in the Civil War showed that it performed much better in the maintenance of discipline and avoidance of corruption.

In the 1930s and 1940s, Hong Kong served as a shelter and a stage for many of the CPC's united front activities. CPC leaders were pragmatic in maintaining the *status quo* of the territory after the founding of the PRC; and Hong Kong proved its value as a window and an important source of foreign exchange. This value was much enhanced in the early era of China's economic reforms and opening to the external world since 1979, and Hong Kong also emerged as the most convenient place for the Party's central leadership and that of its coastal provinces to absorb the knowledge of how capitalism functioned. This learning process coincided with the preparations for the Sino-British negotiations on the territory's future; and the Chinese elites were eager to learn the factors of Hong Kong's success. In these years, the territory was the source of over 60% of China's foreign investment funds (Cheung and Fan, 2001).

As eager students of modernization, China's reformers especially those in Shanghai turned to the U.S., Japan and Western European countries to acquire the state of the art in technology, financial services,

corporate management, etc. by the end of the previous century and Hong Kong gradually lost its lustre. China's export-oriented development strategy meant that it had acquired substantial foreign exchange reserves, and investment funds not accompanied by famous international brands, advanced technology and sophisticated corporate management became less attractive. In the eyes of the CPC leadership, Hong Kong's significant contributions to China's modernization declined; and instead its economic dependence on the Mainland economy increased. Hence the HKSAR gradually lost its bargaining power in its relationship with the central government.

While much has been written on the latter subject, the policy-making processes have never been well understood. During the 1967 riots, local CPC leaders and those of the local pro-CPC united front seemed to have serious difficulties in understanding the policy positions of the top leaders. Even in the years of the HKSAR, the Party Central Leadership Group on Hong Kong and Macau Work (its predecessor was the Central Co-ordination Group) appears to be a mystery to Hong Kong people, and transparency has almost been totally lacking. In the past decades, activists of the pro-democracy movement had been contacted by Chinese organs involved in the policy-making processes, but these contacts apparently came from several policy systems and they usually refused to reveal their identities. The Hong Kong community cannot grasp how policy inputs have been gathered and how they have been interpreted. Apparently local people have perspectives of the student radicalism and the so-called Hong Kong independence campaign rather different from those of the Chinese officials responsible for Hong Kong affairs and the local pro-CPC united front.

Top Chinese leaders occasionally realized that they might have been misled by the policy organs responsible for Hong Kong affairs. A prominent example was the turnout for the protest rally against the

Article 23 legislation on July 1, 2003. It was reported that the Central Liaison Office in Hong Kong, the State Council's Hong Kong and Macau Affairs Office and the Central Policy Unit of the HKSAR government all forecast a turnout of around 30,000 people. Instead over half a million people participated. This figure surprised even the pro-democracy movement's organizers who were quite sure of the community's strong feelings against the legislation but had predicted a turnout of 200,000 to 300,000 only.<sup>37</sup> The Chinese authorities came to realize that "Hong Kong had returned to the Motherland, but the hearts of Hong Kong people had not". In many ways, these phenomena are not uncommon within the Chinese bureaucracy.

Since then, the Central Liaison Office had been expanding its establishment, and the resources in support of the local pro-CPC united front had been much enhanced. In view of the strong opposition to the Chinese authorities and the HKSAR government as demonstrated in the Occupy Central Campaign in 2014 and the riots in the second half of 2019, the resources spent apparently were not very fruitful. The machinery responsible for Beijing's Hong Kong policy had been dominated by cadres cultivated by Liao Chengzhi and his son Liao Hui since before the Sino-British negotiations. This capture of a policy system by a faction within the Party is again not an uncommon phenomenon in the history of the CPC bureaucracy. This capture might easily lead to corruption and a reluctance to accept outside talents and a diversity of views and policy proposals.

When former Chief Secretary for Administration Rafael Hui Si-yan fell from grace and was found guilty of accepting nearly HK\$20 million from a prominent real estate developer of the Sun Hung Kai group in 2014, there were newspaper reports that earlier Hui was given HK\$20 million by Liao Hui who also asked Hui to restrain his excessive spending habits.<sup>38</sup> The law enforcement organs failed to follow the story.



Where did Liao Hui's money come from? Liao and his father maintained close ties with Hong Kong's major tycoons in their united front work in the past decades; and the united front apparently handled a lot of money which did not come from the official budget. There were political gossips too about corruption in the Central Liaison Office as local rich businessmen were said to use bribery to acquire appointments as delegates to the National Committee of the Chinese People's Political Consultative Conference and its local counterparts.<sup>39</sup>

In January 2020, Luo Huining was appointed head of the Central Liaison Office in Hong Kong, replacing Wang Zhimin. Luo was formerly Party Secretary of Qinghai province and Shanxi province, and previously had no connections with the Hong Kong policy system. One month afterwards, Xia Baolong who also had no connections with the Hong Kong policy system was appointed director of the Hong Kong and Macau Affairs Office in the State Council replacing Zhang Xiaoming who, as a veteran in the Hong Kong policy system, was demoted as deputy director. The change of personnel probably reflected Xi Jinping's dissatisfaction with the performance of the Hong Kong policy system; wiping out the independent kingdom with his own trusted cadres might have been another consideration.

In the eyes of the local people, these important appointments affecting Beijing's Hong Kong policy did not take into consideration of their assessments of the officials' performance. They were aware that Central Liaison Office cadres adopted a very high profile during Wang Zhimin's tenure; many citizens now consider the Central Liaison Office head the Party secretary of the HKSAR, while the Chief Executive as mayor would be the second in command. This was in sharp contrast to the early years of the HKSAR, when Chinese officials concerned took pains to keep an extremely low profile.

The educated public following political developments in Mainland China observed that the Chinese authorities' Hong Kong policy was often in line with the political weather in Beijing. Hence when Chinese leaders adopted a hard line towards Tibet and Xinjiang, they would be less tolerant of the local pro-democracy movement. By now Hong Kong people fully realize that the Chinese leadership has no intention of granting them genuine democracy all the time since the Sino-British negotiations, and this is related to the very nature of the CPC which cannot accept a dilution of its monopoly of political power. The evolution of political reforms in the era of economic reforms and opening to the external world since 1979 has offered concrete evidence. When the chips were down in 2013-14, Chinese leaders considered that the pro-democracy movement and the local community had to be taught a lesson. They were no longer interested in a dialogue with the movement, they did not even need the moderate united front leaders to assume the role of "good cop". As the demand for the democratic election of the Chief Executive would compromise the CPC's absolute control, no concessions could be considered. For the same reason, the CPC regime has refused to accept the democratic elections of cadres at the township/town level, as this would compromise the Party's control of its cadres.

When faced with such a severe challenge, Chinese leaders are willing to pay the price, including damages to Hong Kong's functioning as an international financial centre and their own reputation in keeping promises made. The pragmatism in the design to maintain investors' confidence in the Sino-British negotiations totally disappeared.

An important strategy to keep Tibet and Xinjiang in check in the past decades had been moving Han people into the two autonomous regions so that Tibetans and Uyghurs were no longer the respective dominant ethnic groups (Horowitz and Yu, 2015). There are now more

Han residents in Lhasa than Tibetans; and Uyghurs are in a majority only in southern Xinjiang. In the case of Hong Kong, the corresponding strategy has been to absorb Hong Kong into the Greater Bay (Pearl River Delta) Development Plan in the recent two national five-year socioeconomic development programmes, and reduce China's dependence on Hong Kong as an international financial centre through the cultivation of Shanghai and Shenzhen to assume this role.<sup>40</sup> In the recent decade, China has ample professionals, senior corporate executives, academics, etc. with top degrees from Western universities and relevant international working experiences who are eager to come to work in Hong Kong because of its attractive remuneration and proximity to Mainland China.

The local community has been shocked by Beijing's idea of "the island remains, but not the people".<sup>41</sup> This idea reflects that the Chinese authorities today are not worried about an exodus of talents from the territory; in contrast to the years before 1997, they have the confidence that this exodus may be replaced. Hong Kong professionals therefore realize that they have lost much bargaining power. This loss of bargaining power apparently is an important factor behind the Chinese leadership's rapid withdrawal from the promises made relating to the upholding of the "one country, two systems" model.

In early 2021, a majority of people in Hong Kong believe that the "one country, two systems" model has gone, and this assessment is broadly shared by the mainstream international media. While commentators in recent years often quoted Mao Zedong's ideas on provincial autonomy articulated in the 1920s, and his pledge to Huang Yanpei in 1945 that the exercise of democracy would be the effective institution to avoid the cyclic rise and fall of dynasties (Barmé, 2011), the loss of trust in the CPC regime through the experiences of its Hong Kong policy has been much severer.

When the PRC was established in 1949, few in China and outside China expected the CPC regime to practise democracy. But when Deng Xiaoping introduced the “one country, two systems” model, Hong Kong people and the international community’s confidence in it was based on their belief that the Chinese leadership would engage in economic reforms and opening to the external world. This belief on the part of investors in China had been well rewarded.

Today, China has emerged as a quasi-superpower and its economy is the second largest in the world, the global community wonders what its future plans are. Chinese leaders realize that it still needs a peaceful international environment to narrow its gap with the U.S., and its significant role if not leadership in the international community would depend heavily on the latter’s perceptions of China’s intentions. The Chinese authorities’ crackdown in Hong Kong, Xinjiang and Tibet would reinforce the international community’s re-assessment of China’s intentions.

Based on practical cost and benefit analysis, most governments in the Western world are reluctant to impose sanctions on China. But they will be more restrained in scientific and technological exchanges, technology transfers, and close partnerships of various kinds with China. This has compromised the Chinese leadership’s attempts to promote its idea of “a community of common destiny”, re-assuring China’s neighbours of its peaceful and beneficial intentions, promoting China’s image as a trustworthy, responsible major power, etc. The Chinese authorities have spent substantial resources to build an external propaganda machinery to achieve the above objectives; and this machinery can hardly deliver now. The international community’s re-assessment of China’s strategic intentions may well be the most serious challenge in China’s foreign policy in the near future.

The cost-benefit analyses in the Chinese authorities' policy-making processes are difficult to understand. While a majority of Hong Kong people desire democracy and are dissatisfied with the performance of various HKSAR administrations, they have no intention to seek independence and challenge the CPC regime. While denial of democracy for fear of the domestic demonstration effect may well remain Beijing's basic policy not to be altered, a crackdown alienating the entire younger generation and the majority of the population as reflected by the District Council election results in November 2019 was clearly unwise. The impact on Taiwan and its presidential election in January 2020 was significant too. The advocacy of the "one country, two systems" model for Taiwan in early 2019 triggered the decline of Daniel Han Kuo-yu's popularity in the presidential election campaign and the comeback of Tsai Ing-wen; and since the riots in Hong Kong beginning in the middle of the year, the fall of support for Han and the rise in the popularity of Tsai were strong and clear-cut.<sup>42</sup>

The Beijing bureaucracy has been engaging very substantial resources in research on Taiwan and Hong Kong, and yet the policies obviously did not reflect the political reality. They much revealed the priorities and values of the incumbent Chinese leadership. These priorities and values in turn resulted from the nature of the CPC regime and apparently they are a cause for concern and disappointment not only for those who hope to see democracy, freedom and human rights in China, but even for those who simply want to maintain political stability and social harmony.

## **8. Conclusion**

In recent years, the international community has been re-assessing the nature of the CPC regime; an examination of its Hong Kong policy may

well be enlightening in this re-assessment. Once a policy objective has been clearly defined, the processes of policy planning, policy research, deliberations on policy options and policy execution often demonstrate a high degree of sophistication on the part of the CPC's Hong Kong policy; the handling of the Sino-British negotiations is a good example. The suppression of the pro-democracy movement in Hong Kong in the recent two years is perhaps another fine example.

The pragmatism of the CPC's Hong Kong policy was symbolized by the retention of the territory as a British colony after 1949 and the maintenance of the socio-economic systems in the HKSAR after 1997. The Chinese authorities demonstrated substantial sincerity in learning the factors contributing to Hong Kong's success in preparations for the Sino-British negotiations in the early 1980s and in the drafting of the Basic Law. This sincerity helped to retain Hong Kong's people's confidence in the HKSAR's future and lay the foundation for a successful united front. China's economic reforms and opening to the external world as well as its improving relations with the Western world at this stage also contributed to this confidence.

Since the conclusion of the Sino-British Joint Declaration in 1984, the CPC's Hong Kong policy emphasized the maintenance of investors' confidence and respect for the business community's interests. Apparently, the local pro-democracy movement and grassroots interests carried much less weight. In the recent decade or so, the former emphasis had not been altered, although the significance of the local business community had been in decline because of China's accumulation of huge foreign exchange reserves and considerably higher priority attached to the attraction of advanced technology and the expansion of market networks in the West. This collusion with the Hong Kong business community reveals pragmatism and rejection of the ideological constraints.

Perceiving the relationship with the local pro-democracy movement as a contradiction between enemies and the assessment of the Hong Kong radicals' advocacy of independence since the demand for political reforms and the Umbrella Movement in 2013-14, on the other hand, demonstrate dogmatism and lack of objectivity. Observers of Hong Kong politics agree that the pro-independence groups had no well-defined strategies and timetables to realize their objectives; instead they probably reflected no more than dissatisfaction with the *status quo* and resentment against the Chinese authorities. A severe crackdown was unnecessary and very costly resulting in serious setbacks for Beijing's Taiwan policy and damages to China's international reputation too. Understandably this was in line with the increasing authoritarian approach on the part of Xi Jinping and China's deteriorating domestic and international environment.

China's policy-making processes concerning Hong Kong still lack transparency. Despite many contacts between the Chinese authorities and the Hong Kong community, few people in the territory have a reasonable understanding of the related processes. For example, until two years or so ago, many prominent pro-democracy activists maintained at least two or three lines of contacts with the united front machinery without knowing how their policy inputs would be treated. Hence Hong Kong people found it difficult to grasp why the Chinese leadership's assessment of the local situation had led to the decision of a severe crackdown. Policy compartmentalism is another issue. How was the impact of Hong Kong's crackdown on Taiwan evaluated in Beijing has never been understood. Similarly, the relationship between Sino-American relations and Beijing's Hong Kong policy remains difficult to explain.

There is still much research to be done in the study of the CPC's Hong Kong policy.

## Notes

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1. See, for example, Dimpleby (1997).
2. 趙生輝，《中國共產黨組織史綱要》，合肥：安徽人民出版社，1987，pp. 36 & 47, and 中共廣東省委黨史研究室，《中國廣東黨史大事紀》，pp. 58 & 81 (materials quoted by Chen, 2001: 183-185).
3. R.E. Sherwood, *The White House papers of Harry L. Hopkins*, London: Eyre and Spottiswoode. 1948, pp. 718-719 and 854. Lord Halifax, British Ambassador to the U.S. at that time has confirmed this in his memoirs. See Endacott (1964: 304).
4. *Ibid.*
5. Office of International Research, U.S. State Department, “Chinese communist imports from non-communist countries rose in the third quarter of 1952” (December 22, 1952). Pakistan’s exports of cotton were the largest single source of imports for China in 1952.
6. *Pictorial record of the 15th Exhibition of Hong Kong Products* (1958), pp. 86-87.
7. H.A. Angus, Director of Commerce and Industry, said “this year our manufacturers have chosen to make this idea (‘Hong Kong people use Hong Kong goods’) the special theme of the exhibition and it is a very right and proper theme”. (*ibid.*)
8. 香港華字日報 (*Wah Tsz Yat Po*) (Hong Kong), January 19, 1939.
9. Defence and Oversea Policy Committee (DOPC) of the British Foreign and Commonwealth Office, Hong Kong: Long term study, August 18, 1967, FCO40/78.
10. *Ibid.*

11. Derek Davies, "A position of strength", *Far Eastern Economic Review*, August 3, 1967, pp. 260-263.
12. 學苑 (*Undergrad*, publication of the student union of the University of Hong Kong), July 13, 1967.
13. Reuters, September 24, 1982 (Beijing), in *South China Morning Post* (Hong Kong), September 25, 1982.
14. For an analysis of the questions of the "unequal treaties" and sovereignty over Hong Kong, Kowloon and the New Territories, see Dicks (1983).
15. *Hongkong Standard*, November 10 and 22, 1985.
16. For an analysis of the drafting process and the text of the Basic Law, see Cheng (1990b).
17. See *South China Morning Post*, August 3, 1989. The survey was conducted by Inrasia Pacific Limited for the newspaper between July 28 and August 1, 1989, and a random sample of 619 respondents was interviewed.
18. 艾中 (Ai Zhong), 〈“一國兩制”不容破壞〉 [sabotaging "One Country, Two Systems" will not be allowed], 人民日報 (*People's Daily*) (China), July 21, 1989. Regarding the responses of Martin Lee and Szeto Wah, see 明報 (*Ming Pao*) (Hong Kong), July 22, 1989.
19. *South China Morning Post*, June 12, 1989.
20. K.H. Lau (pseudonym for a former employee of a left-wing organization in Hong Kong), "The purge next door", *Far Eastern Economic Review*. Vol. 145, No. 36, September 7, 1989, p. 77.
21. *South China Morning Post*, September 7, 1989.
22. See Dimpleby (1997).
23. *Ibid.*, p. 156.
24. *Ming Pao*, September 11, 1996.
25. *South China Morning Post*, January 1, 1998.
26. *Ibid.*, February 14, 1998.

27. *Ibid.*, September 25, 2002. See also Cheng (2004).
28. See Sung (2002: 123).
29. Cheng (2007). Table 7 of the chapter offers poll data on people's satisfaction with the HKSAR government.
30. See Loh and Lai (2007) and Cheng (ed.) (2020).
31. In 2001, there were 176,000 employees in this category, 6% of the workforce. By 2007, they had risen to 195,800. See Commission on Strategic Development (Hong Kong), "An Overview of the Opportunities and Challenges of Hong Kong's Development" (CSD/6/2008, October 2008), pp. 6 and 24.
32. See Cheng (2014), Section III c. For the background, see Luk (2017).
33. *Ming Pao* (Hong Kong), October 15, 2013.
34. For the full text of the bill, see <https://www.legco.gov.hk/yr18-19/english/bills/b201903291.pdf>
35. From the launch of the campaign against the "Fugitives (Amendment) Bill" in 2019 to the end of 2020, the police had prosecuted more than 2,300 pro-democracy activists; see *Apple Daily* (Hong Kong), February 16, 2021.
36. See all major newspapers in Hong Kong on November 25 and 26, 2019.
37. 〈〇三年預言「三萬人」遊行遭非議〉, 東方日報 (*Oriental Daily News*) (Hong Kong), March 4, 2011. <[https://orientaldaily.on.cc/cnt/news/20110304/00176\\_002.html](https://orientaldaily.on.cc/cnt/news/20110304/00176_002.html)>
38. "Former Hong Kong chief secretary says he accepted secret payoff from Beijing", Reuters, September 23, 2014. <<https://www.reuters.com/article/hongkong-corruption-idUSL3N0RO2AT20140923>>
39. 〈中聯辦被爆黑幕 查政協買賈 大削港區委員〉, 東方日報 (*Oriental Daily News*) (Hong Kong), November 18, 2016. <[https://orientaldaily.on.cc/cnt/news/20161118/00176\\_030lhtml](https://orientaldaily.on.cc/cnt/news/20161118/00176_030lhtml)>
40. Andrew Collier, "Hong Kong's Not So Special Status as China's Financial Centre", *Financial Times*, September 27, 2019 (Opinion) <<https://www.ft.com/content/2c4c56bd-1c40-3261-8ba8-f3ce8c83e8d2>>;

“Can Hong Kong remain a global financial centre?”, *The Economist*, June 6, 2020 <<https://www.economist.com/finance-and-economics/2020/06/06/can-hong-kong-remain-a-global-financial-centre>>.

41. 孔誥烽 (Hung Ho-Fung), 〈從「留島不留人」到擬禁港人出逃：北京對港的外強中乾〉 [from ‘the island remains but not the people’ to ban Hong Kong people from fleeing, Beijing’s Hong Kong policy is strong on the outside and weak on the inside], 立場新聞 (*Stand News*), February 18, 2021. <<https://www.thestandnews.com/politics/從-留島不留人-到擬禁港人出逃-北京對港的外強中乾/>>
42. SCMP Editorial, “Han Kuo-yu’s downfall a lesson in Taiwan politics”, *South China Morning Post* (Hong Kong), June 8, 2020 (Editorial/Opinion) <<https://www.scmp.com/comment/opinion/article/3088096/han-kuo-yus-downfall-lesson-taiwan-politics>>; Yimou Lee and James Pomfret, “Taiwan’s China-friendly presidential hopeful faces backlash in divided south”, Reuters, January 9, 2020 <<https://www.reuters.com/article/us-taiwan-election-south-idUSKBNIZ807N>>.

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