

Special Feature: Hong Kong SAR at 18 - One Country; Incompatible Systems – Hemlock.

On the 18th anniversary of Hong Kong's handover to China, it is clear that there is a problem: the Chinese Communist Party's need for ultimate control and the Hong Kong people's attachment to their core liberal values are not compatible.

As a bold solution to a tricky problem, 'one country, two systems' seemed like a good idea when Deng Xiaoping came up with it in the early 1980s. It essentially proposed that in 1997 Hong Kong would come under Chinese sovereignty yet carry on as if nothing had changed. The legal, economic, social and internal government systems would remain under a degree of autonomy at least as high as in colonial times – probably higher, given that China would appoint a local leadership. It allowed for democratic development, with the promise of eventual universal suffrage. It made the 1984 UK-PRC Joint Declaration on Hong Kong credible.

Yet the basic contradiction remains of a Communist one-party state embracing a free and pluralist enclave. The only way to resolve it would be to completely insulate the two societies, yet the 50-year lifespan of the 'one country, two systems' policy suggested gradual integration. Thus the separation of powers permitted in Hong Kong's post-1997 constitution, the Basic Law, had to be overlaid by a centralized veto-enabling structure (briefly: Hong Kong's chief executive is appointed by Beijing; the legislature has an inbuilt bloc controllable by Beijing; and the judiciary can ultimately be overruled by Beijing).

The sticking point – the key incompatibility – is the paranoia inherent in a Leninist, totalitarian system. Although the Communist Party leadership desperately wanted to regain Hong Kong, the city made them nervous; anything that would make them feel more secure required a tighter grip on Hong Kong, which would produce a backlash among the city's population fearful of threats to its freedoms.

For example, the Tiananmen massacre in 1989 prompted a massive show of support in Hong Kong for the students. This prompted Beijing to tighten the requirement (Article 23 of the Basic Law) for post-1997 Hong Kong to pass national security laws against subversion. When chief executive Tung Chee-hwa tried to implement this law in 2003, he met with overwhelming public resistance and had to abandon the attempt. In response, Beijing ‘lost confidence’ (as its apologists put it) in Hong Kong and issued an edict ruling out universal suffrage before 2012. This provoked more hostility from the pro-democrats and alienation among the public as the Hong Kong government increasingly became a mouthpiece for Beijing. And so on, and so on – a cycle of mutual fear and distrust.

Beijing picked the wrong friends

Although Hong Kong’s pro-democrats have always been fixated by electoral structures and process, much of the city’s population might have been more relaxed if China ensured good governance after 1997. This was not to be. Instead, the leaders chosen by Beijing have systematically tilted the economic playing field further in favour of certain narrow business and other interests.

The importance of this warrants some illustration. During the 2000s, the Hong Kong government sharply reduced the supply of land and affordable housing, while at the same time hot Mainland money started to flood into local real estate. By 2015, Hong Kong’s housing was far and away the most expensive in the world, and beyond many middle-class residents’ reach. Landed interests benefited enormously. Starting around 2004, as a ‘favour’ to Hong Kong’s tourism sector, China opened the floodgates to millions of Mainland visitors. Retail rents and crowding on public transport rose sharply, increasing living costs and disruption to local people. Again, landed interests were the winners. Post-1997 governments have embarked on massive and uneconomic infrastructure projects (road, rail and air – all apparently designed to accommodate more inbound traffic). Including cost overruns, hundreds of billions of Hong Kong dollars are flowing to construction concerns, many held by these same propertied players. Meanwhile, local health, elderly and other services are starved of resources.

In a nutshell: the fruits of China’s success flowing into Hong Kong since the early 2000s have been ring-fenced and reserved for the tycoons. Median household income has barely risen, and probably fallen when higher housing and other costs are factored into the calculation.

Hong Kong’s current predicament has to be seen in the context of this ‘tycoon dimension’. It is a major source of the anger and resentment among the city’s young, in particular.

Can’t live with political reform, can’t live without it

Even without economic distortions and unfairness, post-1997 Hong Kong was bound to be politicized. For many traditionally apolitical residents of the 1980s-90s, Tiananmen and the looming handover itself made politics impossible to ignore. Following the handover, the Article 23 national security laws heightened widespread public fears about threats to press and other freedoms.

If Chinese officials had hoped the younger generation might identify more with the nation and less with the colony they barely remembered, they were in for a rude shock. In the mid-2000s, some young people started to protest about environmental and heritage issues, and they led the popular opposition that rebuffed an attempt launched in 2010 to introduce ‘National Education’ to make schoolkids more patriotic. Surveys showed the young feeling less, not more, Chinese than their elders.

The Basic Law implied that Beijing would allow Hong Kong universal suffrage in 2007. Then, as noted above, it was put back to 2012. With the Hong Kong government’s lack of legitimacy creating policy deadlock, the Chinese government in 2007 reluctantly promised universal suffrage for the chief executive election in 2017. We can’t read the Chinese leaders’ minds, but – aside from kicking the can down the road – they may have felt that they needed 10 years to prepare for something they dreaded.

Beijing gets tough

Ever since the handover, Beijing has tried to strengthen its control of Hong Kong. It has encouraged friendly tycoons to take control of the media and put an anti-democrats spin in the daily news. It has doubled the number of new immigrants arriving across the border, many of them probably picked by mainland officials for their loyalty to the Communist regime. And the local administration has taken the colonial policy of nurturing pliant yes-men well past its sell-by date. The Communist Party’s United Front funds pro-Beijing community activists and gets the vote out at elections. Yet still, the pro-democrats – with their lack of organization and in many cases charisma – struggle on as the default preference for politically aware Hongkongers.

In truth, pro-democrats played a limited role in the rise of disaffection in Hong Kong in the last 18 years. Most state their pride in being Chinese, and say they want Hong Kong, the mainland and Taiwan united (under democracy). They have – perhaps stupidly – never sought to capitalize on Hong Kong’s astonishing economic inequality, even as anger over housing prices and the crush of tourists became hot issues tailor-made for a serious opposition. But to Beijing, the pro-dems were the enemy and had to be crushed.

The appointment of CY Leung as chief executive in 2012 signaled a change in Beijing’s tactics: hands-on management by locally based mainland officials of the fight against the opposition. It guaranteed another tit-for-tat escalation.

With the deadline for public consultation on the 2017 election approaching, pro-democrats started planning direct action. Inspired by Gandhi and King, no less, a group of academics and lawyers in 2013-14 devised an elaborate campaign of non-violent civil disobedience – a sit-in in the business district styled ‘Occupy Central with Love and Peace’. It was all a bit theoretical and rarefied. The well-meaning leaders of the campaign organized discussion groups and even reached out to the poorer, older and less-educated parts of the community. Embarrassingly, they attracted little public interest, and the whole thing looked set to fizzle out.

The non-violent civil disobedience methodology clearly gave Chinese officials the creeps: its potential to catch on over the border was the stuff of nightmares. They took charge – behind the

scenes but unmistakable in their clumsiness. During early-mid 2014, they prodded local business groups to warn that Occupy would create economic disaster. As the loyal media fell into line, they arranged smears against the protest's organizers. When a pro-democracy march took place, United Front forces hired fake-protestors to attend counter demonstrations. When Occupy launched a signature campaign, a United Front group did likewise, and produced a video showing Hong Kong literally going up in flames because of Occupy.

Before unveiling proposed political reforms, China decided to soften up Hong Kong public opinion with characteristic subtlety. In June 2014, the Chinese government issued a white paper contradicting long-held assumptions about the extent of Hong Kong's autonomy. And it followed with an edict on August 31 declaring that Beijing would choose all the candidates who would appear on the ballot in the 'universal suffrage' election in 2017.

Before Occupy Central had a chance to start, angry younger protestors started their own sit-ins, and the Umbrella Revolution was born in clouds of tear gas and incursions of pro-Beijing hired thugs.

Fast-forward to June 2015, and the proposed political reforms failed to get through the legislative council. Even with government hype and cajoling, the package never managed to win meaningful majority support in public opinion polls.

Meanwhile, soon after the Umbrella barricades finally came down, an even more radical youth movement began, protesting noisily and aggressively against mainland tourists and shoppers. Some styled themselves 'pro-independence' activists or called for British rule to return.

This was not, 18 years after the handover, how it was supposed to work out.

Stalemate

Hong Kong has defied Beijing's will repeatedly since 1997. The failures of Article 23, National Education and the recent political reform package are all, from the Communist Party's view, tantamount to disloyalty, even rebellion, and unthinkable anywhere else in the country. What is worse, the city's willfulness and obstinacy are growing, for example in the form of opposition to mainland tourists and students, the use of Putonghua and simplified Chinese characters, the presence of a PLA garrison, and the growth of 'localism' and nostalgia for the supposedly golden colonial era.

Chinese officials publicly explain all this by blaming hostile foreign forces. As we see from Xi Jinping's crackdown on academia, NGOs, religion and the media, Beijing views ideas and values as such forces, so in that sense they are right: Hong Kong is indeed awash in, and imbued with, alien threats.

Attempts to remould Hong Kong have backfired. United Front tactics, which in Leninist theory isolate opponents, do more harm than good; opposition to Beijing becomes fiercer and moderate voices are cowed, leaving what is now an unprecedentedly divided society.

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If Chinese policymakers were thoughtful, they would notice that they can control Hong Kong better if they control it less. Stop micromanaging an open war against opponents and core values and institutions. Stop the table-thumping hostility and lecturing about patriotism. Stop trying to swamp the city with mainland settlers and visitors. For good measure, win over the local population by appointing capable leaders who address inequality and make a break with the favouritism and cronyism. The city would be calmer, happier and ultimately easier to absorb in the long term.

Whether the Communist Party can be that subtle is debatable.

Whatever happens, the people of Hong Kong have discovered something amazing in the last 18 years. There are limits to Beijing's power in Hong Kong. They can face the Communist Party down. The Central Government cannot realistically countenance Tiananmen- or Tibet-style violence to enforce complete control. Attempts to exert its authority constitutionally are clumsy and alienating. The Hong Kong people have their devotion to their values and the wits to resist such attempts successfully. Indeed, they might have the capacity to be so irritating that control-obsessed Beijing officials even see sense, back off and leave the place be.

The lesson to Hong Kong people defending their city is: carry on. Beijing's approach hasn't worked since 1997. Nor does it seem likely to in the next 18 years, by which time the Chinese Communist Party might not even be around anymore.

