

"Hong Kong Today" Module

One Country, Two Systems

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"One country, two systems" is a composite description referring to "one country with two systems", "Hong Kong people administering Hong Kong" and a high degree of autonomy. The idea is built upon the prerequisite of "one China" under which our Country, in its entirety, implements socialist system while Hong Kong, as a special administrative region, maintains its capitalist system. This is a fundamental state policy adopted by the Chinese Government to resume sovereignty over Hong Kong.

"One country" is the core element in the "one country, two systems" policy, and it is the prerequisite upon which the "two systems" element can flourish in accordance with the unique situations in Hong Kong. "One country" is the foundation for the implementation of "two systems". The Basic Law of the Hong Kong Special Administrative Region (the Basic Law) specifies that Hong Kong has been part of the territory of China since ancient times. The Government of the People's Republic of China (PRC) resumed the exercise of sovereignty over Hong Kong on 1 July 1997. The Hong Kong Special Administrative Region (HKSAR) is an inalienable part of the PRC. The National People's Congress (NPC) authorises the HKSAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of the Basic Law. The Central People's Government of the PRC is responsible for the affairs relating to sovereignty such as foreign affairs and the defence of the HKSAR.





Article 31 of *the Constitution of the People's Republic of China*, which was passed at the Fifth Session of the Fifth NPC and promulgated for implementation on 4 December 1982, stipulates that “the State may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the NPC in the light of specific conditions”. This reflects that “one country, two systems” principle was formulated by the Chinese Government to achieve peaceful reunification of the country by providing the direct constitutional basis for establishing special administrative regions in certain regions of the country with systems and policies different than those implemented in the Mainland.

In July 1983, China and Britain negotiated on substantive issues concerning Hong Kong. The two parties discussed post-1997 arrangements that would ensure Hong Kong's stability and prosperity. Initially both parties expressed their respective plans for Hong Kong, but the “12 Principles” proposed by the Central People's Government ultimately became the basic principles under which issues surrounding the reunification of Hong Kong were resolved. The “12 Principles” established the guiding principles for the “one country, two systems” policy and were reflected and implemented in the Basic Law promulgated in 1990. The “12 Principles” were also included in the White Paper entitled *The Practice of the “One Country, Two Systems” Policy in the Hong Kong Special Administrative Region*, published by the State Council Information Office in June 2014.

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According to the HKSAR Government, since its return to the motherland, Hong Kong “has benefited from the unique advantages of ‘one country, two systems’ and attained remarkable achievements in economic and social development, and also on livelihood issues.” For example, *the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)* was signed in June 2003. It facilitates trade in goods and services, greatly improving economic cooperation and integration between the Mainland and Hong Kong and facilitating the long-term economic and trade development of both places. However, there are still discussions in the society on the meaning of “one country, two systems” and its implementation in Hong Kong. Some believe that the influence of the “one country” has grown tremendously since the reunification to the extent of squeezing room for the development of “two systems”, amounting to an act of disrespect of the “two systems”. They argue that the decisions about the systems in the HKSAR should not be made or arranged by the Central People’s Government and passed on for the HKSAR to follow. They argue that “one country, two systems” has not been faithfully implemented after Hong Kong’s return to China. They claim that it would generate adverse effects if the Central People’s Government continues to view Hong Kong from the “one country” perspective.

The above views fail to take into account that “one country, two systems” is a holistic concept. Such views focus too much on the high degree of autonomy under the “two systems” element without according the “one country” element sufficient weight and may even confuse “high degree of autonomy” with “total autonomy”. According to the Sino-British Joint Declaration, the British government returned Hong Kong to China, the latter allows Hong Kong to exercise a high degree of autonomy based on the Basic Law passed by the NPC. The HKSAR enjoys so much power as granted by the Central Government. *As a special administrative region, all Hong Kong’s powers come from the Chinese government. The scope of such powers is regulated by the provisions of the Basic Law.*

According to the formulation and rationale of “one country, two systems” as well as the Basic Law provisions on the relationship between the Central Authorities and the HKSAR, “one country” is the prerequisite of “two systems”. Thus after resumption of the exercise of sovereignty over Hong Kong by the Chinese Government, “two systems” (the systems of the Mainland and Hong Kong) co-exist within “one country”. While “two systems” co-exist, the Chinese Government has sovereignty over Hong Kong, and the HKSAR exercises a high degree of autonomy as granted by the Chinese Government and as stipulated by the Basic Law. Under the “two systems”, the Mainland and Hong Kong have various differences from institution to lifestyle. Some opine that one main reason contributing to the misunderstanding of the “one country, two systems” policy among some Hong Kong people is the seemingly over-emphasis on the “two systems” element since the handover without a proper explanation of the status and operation of the “one country” element. It is therefore most important to enhance communication between the “two systems” via different means and channels, in order to establish mutual respect and trust in the implementation of the “one country, two systems” policy.

Hong Kong, when compared with its foreign competitors, has benefited from “one country” element under the policy of “one country, two systems”. Hong Kong has been backed up by China’s vast territory, rapid economic and social development, and the State’s support for Hong Kong. The “two systems” element also gives Hong Kong an edge over some 600 Mainland cities. For example, Hong Kong permanent residents of Chinese nationality can travel with the HKSAR passport, which allows visa-free access to or visa-on-arrival in 166 countries and territories (as at August 2019). Hong Kong can join international organisations, such as the World Trade Organisation and the World Health Organisation, using the name “Hong Kong, China”. Hong Kong can also connect closely with the international world by signing free trade agreements, double taxation avoidance agreements and other agreements with foreign partners. As for the legal and judicial system, Hong Kong applies common law which differs from the civil law system of the Mainland, and may recruit judges from overseas. Hong Kong needs not bear expenses of the garrison. Nor is it required to surrender its revenue to the Central Government like other Mainland cities. All these come from Hong Kong’s unique double advantage under the “one country, two systems”.

