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International Affairs

# Hong Kong and the End of the “One Country, Two Systems” Model

## The Approach of the Chinese Communist Party from Hu Jintao to Xi Jinping

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### Introduction

The adoption without consultation of the Hong Kong National Security Law by the People’s Republic of China in 2020 marks, in the eyes of many, the end of the “one country, two systems” (1C2S) approach that had governed the Special Administrative Region (SAR) since its handover in 1997 (Cheng, 2021, p. 1006). Using Hong Kong as an international financial center by attracting foreign investors and commercial partners with 1C2S, China has drastically improved its economic situation over the years (Liu, 2020, p. 17; Wong & Xiao, 2018, p. 412). So, why change strategy towards Hong Kong? And why now? This article aims to analyze the reasons why General Secretary Xi Jinping decided to adopt a more assertive and centralized approach to Hong Kong and how it differs from that of his predecessor, Hu Jintao. The current hypothesis suggests that the decrease in Hong Kong’s share of the Chinese economy, coupled with a revision of the national and international priorities of the Chinese Communist Party

(CCP) in favour of national security, would explain Xi’s more severe policies. Unlike former General Secretary Hu Jintao, Xi Jinping is no longer interested in keeping Hong Kong as a distinct political entity

under 1C2S. In this article, a review of the initial agreement proposed by 1C2S, Hu Jintao and Xi Jinping’s policies regarding Hong Kong, as well as the factors that forced changes in the CCP’s strategy since Hong Kong’s handover will be conducted.

### “One Country, Two Systems”

To better contextualize this change in the CCP’s Hong Kong policies, it is necessary to first review the initial foundations of the 1C2S approach and its evolution over time. At its adoption, 1C2S responded to the urgent need for national reunification expressed by the CCP (Wong & Xiao, 2018, p. 411).

Taking back the territories lost during the “century of humiliation” (百年国耻) was indeed a necessary step to ensure the consolidation of the country, even at the risk of threatening the uniformity of laws and policies in its unitary state (Wong & Xiao, 2018, p. 411). Moreover, the then-General Secretary, Deng Xiaoping, believed that implementing the 1C2S approach in Hong Kong would facilitate an eventual reunification of Taiwan with mainland China (Overhold, 2019, p. 1). From Beijing’s perspective, the 1C2S approach also ensured a certain level of control over Hong Kong’s activities without being influenced by the SAR in return, as Hong Kong was often considered “a base of subversion” (Cheng, 2021, p. 997). It was, in fact, concerns over foreign interference that led the Chinese authorities to include Article 23 on national security and the protection of the central government’s interests in the Basic Law of the Hong Kong Special Administrative Region after the Tiananmen Square incident in 1989 (Cheng, 2021, p. 1000).

The reintegration of Hong Kong even allowed China to achieve its economic goals, such as attracting foreign investments and gaining a better understanding of capitalism to exploit its

strengths and weaknesses (Cheng, 2021, p. 1008; Wong & Xiao, 2018, p. 412). For the people of Hong Kong and most international actors, 1C2S marked the beginning of a more open China, which would eventually engage in democratic reform after adopting Hong Kong’s capitalist system (Cheng, 2021, p. 1014; Chopra & Pils, 2022, p. 294). These hopes did not materialize (Wong & Xiao, 2018, p. 412). While 1C2S is often perceived as both an economic and political approach, as suggested by the Basic Law with its multiple references to the principles of freedom and autonomy theoretically guaranteed until 2047, the CCP never truly adhered to this interpretation (Cheng, 2021, p. 997; Chopra & Pils, 2022, p. 293-294; Wong & Xiao, 2018, p. 414). Indeed, a democratic transition cannot be promised, as the nature of the CCP itself prevents it from accepting a dilution of its monopoly on political power (Cheng, 2021, p. 1012). Consequently, China perceives Hong Kong as a *commercial entity*, not a political one, which explains why the SAR has a Chief Executive instead of a mayor or governor (Overholt, 2019, p. 21).

### **Hong Kong under Hu Jintao (2002-2012)**

The first five years of 1C2S were relatively lenient for Hong Kong, given the limited interventions of the central government. It is in this context that General Secretary Hu Jintao came to power at the end of 2002 (Cheung, 2018, p. 256; Chopra & Pils, 2022, p. 298). However, this more tolerant climate came to an end with the Hong Kong Legislative Council’s first attempt to legislate on Article 23 of the Basic Law in 2003. This event led to record-breaking protests of over

half a million people, as the legislation attempt was interpreted as an attack on the civil liberties of Hong Kong residents (Cheng, 2021, p. 1000). Public outrage eventually prompted Hong Kong's Chief Executive to default on promises to the CCP regarding Article 23 and indefinitely postpone the legislation (Cheng, 2021, p. 1001). This first failure encouraged Beijing to review its strategy towards Hong Kong and to assert its fundamental needs more explicitly, namely China's (i.e., the CCP's) sovereignty, security, and development interests (Wong & Xiao, 2018, p. 415; Cheung, 2018, p. 256-260).

Under Hu Jintao, the CCP thus increased its involvement in Hong Kong affairs in a somewhat discreet manner, strongly favouring the work of the United Front and implicit nationalist influence rather than official confrontations to ensure the protection of these three key interests (Cheung, 2018, p. 256). This more subtle approach enabled Hong Kongers to mobilize to defend, sometimes successfully, their shared values and the initial agreements of 1C2S on freedom and autonomy (Chopra & Pils, 2022, p. 298). For example, in 2007, the central government notably announced the introduction of general elections for Hong Kong's Chief Executive, as well as for the Legislative Council starting in 2020 (Dillon, 2021, p. 276). Thus, Hu Jintao's CCP still demonstrated flexibility towards Hong Kong, especially since several factors would have made a direct confrontation too detrimental for the central government.

Indeed, the economic weight of Hong Kong being considerable during Hu Jintao's first term, openly suppressing the freedoms of Hong Kongers could have concerned foreign investors and reduced China's economic development opportunities (Goldstein, 2020, p. 169; Liu, 2020, p.4-5). At a time when China was rapidly gaining importance on the world stage, Hu Jintao had to adopt more lenient policies to reassure the international scene and negate echoes of an imminent "China threat", thereby avoiding premature defeat for the CCP (Goldstein, 2020, p. 175). Convincing other countries that China was planning a "peaceful rise" in accordance with the existing international order instead of challenging it was crucial (Goldstein, 2020, p. 175). Finally, as the 1C2S model was still actively proposed to Taiwan, openly challenging its conditions in Hong Kong would likely have diminished the appeal of national reunification for Taiwanese people (Chen, 2022, p. 1036, 1041). Waiting for the opportune moment to complete the absorption of Hong Kong was thus the initial strategy of the Hu administration regarding 1C2S, which continued until 2008.

During his second term as General Secretary, Hu Jintao's policies became increasingly inconsistent with the "peaceful rise" of China (Blanchette & Medeiros, 2022, p. 64; Goldstein, 2020, p. 176). A newly acquired aggressiveness, especially regarding maritime disputes in the South China Sea, suggested to international actors that Beijing no longer intended to abide by their rules (Goldstein, 2020, p. 176). According to Goldstein (2020), in 2008, Hu Jintao might have perceived the

international balance of power shifting in favour of China, with the United States being burdened by the economic and military consequences of the financial crisis and wars in Afghanistan and Iraq (p. 176). China, on the other hand, was performing exceptionally well economically, with its growth rates and gross domestic product (GDP) constantly breaking records (Liu, 2020, p. 4). Despite its disruptive behaviour, Beijing dismissed criticisms, insisting that China still adhered to the idea of a “peaceful rise” (Goldstein, 2020, p. 176). This inconsistency persisted until the end of Hu Jintao’s second term in 2012 (Goldstein, 2020, p. 176; Liu, 2020, p. 3).

### **Hong Kong under Xi Jinping (2012-present)**

While the first fifteen years of 1C2S were characterized by some, if minimal, flexibility on the part of the CCP in its relations with Hong Kong, Xi Jinping’s rise to power in 2012 officially marked the beginning of a new, much more aggressive era (Chopra & Pils, 2022, p. 298; Lam, 2020, p. 961). Indeed, a wave of attacks on the freedoms and autonomy of Hong Kong quickly followed Xi’s appointment as General Secretary. Firstly, on June 10, 2014, the State Council in Beijing published a *White Paper* on the Hong Kong issue for the first time, which Xi Jinping later adopted in his report at the CCP’s 19th National Congress in 2017 (Zhu, 2019, p. 25). This *White Paper* officially proclaims the sovereignty of the central government over Hong Kong and its full governing power (Cheung, 2018, p. 263; Zhu, 2019, p. 25).

Later, in 2014, in response to the Hu administration’s decision concerning general elections, Beijing limited the list of eligible candidates for the position of Hong Kong Chief Executive, prohibiting any non-pro-Beijing candidate from running, thereby ensuring the election of a Chief Executive chosen by the CCP (Zhu, 2019, p. 25). This manipulation of Hu’s promised suffrage triggered the rise of pro-independence activism and several protest movements, including *Occupy Central* and the *Umbrella Movement* (Zhu, 2019, p. 25). Despite 79 days of protests in 2014, Beijing made no concessions regarding the election of the Chief Executive and instead became even more assertive towards Hong Kong after the demonstrations (Cheung, 2018, p. 275; Chopra & Pils, 2022, p. 298; Dillon, 2021, p. 276; Lam, 2020, p. 979).

Hong Kong’s media industry was also quickly affected by Xi’s authoritarian approach, with the protections of freedom of expression and the press, as outlined in the Basic Law, being severely impacted (Cheung, 2018, p. 265; Chopra & Pils, 2022, p. 295). The media, intimidated by increased CCP surveillance and political repercussions, began censoring their articles on controversial issues such as the 2014 protests (Cheung, 2018, p. 265). Moreover, by 2016, no less than 35% of Hong Kong’s major media outlets were, directly or indirectly, under Beijing’s control (Lam, 2020, p. 965).

In 2019, massive protests erupted in Hong Kong against the proposed extradition law to China prepared by Chief Executive Carrie Lam (Dillon, 2021, p. 277). Hong Kongers

feared that Beijing would use this legislation to its advantage to target political opponents, but the intensity of the protests eventually led Carrie Lam to abandon the extradition law (Dillon, 2021, p. 278). While Beijing exerted a rather indirect influence during the protests (using the United Front, various personnel reshuffles associated with Hong Kong's management, and even mobilizing the military in Shenzhen in anticipation of potential overflow), the Xi administration openly punished Hong Kong once the protests were under control, officially ending any hopes of compromise between the CCP and the SAR (Chopra & Pils, 2022, p. 298, 303; Dillon, 2021, p. 285, 292, 293).

Indeed, in response to the 2019 protests, Beijing enacted the Hong Kong National Security Law (NSL) on June 30, 2020, without following the designated legislative process in the Basic Law, thereby extinguishing any hope of respect for 1C2S by the CCP (Chopra & Pils, 2022, p. 292-293). The NSL creates three new offences in Hong Kong's criminal law, namely secession, subversion, and collusion with a foreign country or external elements with the intent to endanger China's national security. It also broadens the definition of offences classified as acts of terrorism (Chopra & Pils, 2022, p. 300). Some of the provisions under these offences are quite vague and flexible, which makes them subject to interpretation at Beijing's discretion, and without any regulation (Chopra & Pils, 2022, p. 300). For example, the NSL gives the space for peaceful civil disobedience, political speeches, and advocacy to be interpreted as being against China's national security

and thus punishable by imprisonment (up to life, in some cases) (Chopra & Pils, 2022, p. 300-301). The central government can also decide to try some of these offences in mainland China, which has much more severe laws than Hong Kong (Chopra & Pils, 2022, p. 302). Chopra and Pils (2022) argue that the NSL disproportionately extends the jurisdiction of central authorities while diminishing Hong Kong's judicial power, significantly restricting the rights to freedom of expression, assembly, and association, as well as the rights to privacy, legal counsel, and a fair trial as defended by the Basic Law (p. 302-303).

Since the adoption of the NSL, about one person per month has been arrested for threatening national security, with 105 of these arrests motivated by inappropriate political speech (Chopra & Pils, 2022, p. 307). Furthermore, on January 6, 2021, no less than 53 politicians and activists were arrested under the NSL for organizing primary elections for pan-democratic political parties in anticipation of the Hong Kong Legislative Council elections (Chopra & Pils, 2022, p. 309).

While Beijing still claims to respect the initial agreements of 1C2S, all the examples mentioned above rather demonstrate the opposite. Several distinct factors can explain the change in the approach adopted by Xi Jinping. Firstly, Hu Jintao's "peaceful rise" strategy and Deng Xiaoping's "hide your strength, bide your time" having been exposed, General Secretary Xi Jinping cannot continue to hide the CCP's true intentions towards Hong Kong and the world order (Goldstein, 2020, p. 178). Xi's new

approach does not completely abandon the cooperative aspect proposed by Hu Jintao but rather anticipates that international actors will be much more skeptical about China's intentions, which is why engagement will not always be feasible (Cheng, 2021, p. 1014; Goldstein, 2020, p. 178). When cooperation fails, Xi's approach then calls for tapping into China's growing power and wealth to secure its fundamental interests (Goldstein, 2020, p. 178). Xi Jinping believes that it is time for China to actively shape the world in which it develops under the "Chinese Dream" strategy, instead of solely adapting to it (Goldstein, 2020, p. 169). Thus, Xi's China must be bold. For Hong Kong, this means a much more explicit confrontation and zero flexibility coming from Beijing.

The "Chinese Dream" strategy takes shape at a time when Hong Kong's economy is negligible, even obsolete, for mainland China (Cheng, 2021, p. 1009; Liu, 2020, p. 4). For example, while in 1978, Hong Kong's economy accounted for no less than 16.6% of China's total economic production, by 2018, it constituted only 2.7% (Liu, 2020, p. 4). These statistics can be explained, at least partially, by the recent emphasis on high-end manufacturing and cutting-edge technology industries at the expense of exporting low-quality, labour-intensive manufactured products in which Hong Kong's manufacturing companies played a central role (Liu, 2020, p. 13). The city of Shenzhen even surpassed Hong Kong's contribution to the Chinese economy in 2017 (Liu, 2020, p. 4). According to Liu (2020), not only has Hong Kong's economic role in China significantly decreased since

the adoption of 1C2S, but its contribution could eventually become worthless in the coming years, especially since Xi Jinping seems to prioritize ideology and national security over the economy (p. 1, 16). Besides, unlike the early years of 1C2S, Beijing is no longer concerned that a talent exodus from Hong Kong could impact the Chinese economy, as mainland Chinese professionals are now well-equipped to fill these positions (Cheng, 2021, p. 1013). This reality once again underscores Hong Kong's loss of bargaining power against China.

It is also important to note that the 2019 protests against the extradition law, as well as the enactment of the NSL in 2020, have undoubtedly played a role in intensifying Hong Kong's integration, as they have drastically reduced public and political support for 1C2S in Taiwan (Chen, 2022, p. 1039-1041). Some scholars even believe that the 2019 demonstrations favoured the election of President Tsai Ing-wen in Taiwan instead of the Kuomintang's (KMT) pro-Beijing candidate (Cheng, 2021, p. 1015; Lee, 2020, p. 213). In any case, it is now very unlikely that Taiwan will adhere to any form of peaceful reunification with mainland China (Wai Kwok, 2019, p. 147). The current conditions mean that the CCP simply no longer needs to maintain a climate of compromise in Hong Kong if there is no openness to 1C2S in Taiwan. Not to mention that Beijing has already intensified its military activities in the Taiwan Strait, diminishing once again hopes of peaceful negotiations between the two actors (Blanchette & Medeiros, 2022, p. 68).

Thus, since national reunification has run its course (at least for Hong Kong) and China has gotten acquainted with capitalism, the nature of the CCP now requires dismantling the 1C2S agreement to better rule (Wong & Xiao, 2018, p. 411). Indeed, since 1997, 1C2S has allowed Beijing to gradually absorb Hong Kong, conforming the SAR to the increasingly demanding needs of the CCP (Wong & Xiao, 2018, p. 413, 417). The promulgation of the NSL suggests that this process is now considered accomplished. Making Hong Kong's differences obsolete through the idea that "the island remains, but not the people", whether through the assimilation of the SAR into the development plan of the Pearl River Delta Greater Bay Area (Guangdong-Hong Kong-Macao), or the inauguration of Shanghai and Shenzhen as new international financial centers, seems to be the primary goal of the CCP for Hong Kong (Cheng, 2021, p. 1013; Dillon, 2021, p. 286).

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## Conclusion

The arguments presented in this article indicate that the parameters of "one country, two systems" have always been, and will always be, interpreted by Beijing, for Beijing (Cheng, 2021, p. 1003). What Hu Jintao could not dare with 1C2S, whether due to Hong Kong's economic influence, the CCP's international narrative, or China's relations with Taiwan, General Secretary Xi Jinping can now venture. The different approaches used towards Hong Kong since its handover are thus not solely related to the personal character of the General Secretary in place, but also to the capacity of the SAR to be absorbed by China without suffering devastating reprisals. Although Xi Jinping is a more assertive General Secretary, and his policies towards Hong Kong are much less tolerant than those of Hu Jintao, Hu's change in attitude after 2008 raises questions as to how he would have dealt with 1C2S today

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