

Partial democracy in Hong Kong coming to an end

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On 11 March, the Chinese parliament (National People's Congress, NPC) introduced major changes to the electoral system of the Hong Kong Special Administrative Region (HKSAR). These concern the Chief Executive election process—that is the size, composition and appointment procedure of the electoral body. Furthermore, the rules for the election of the local parliament and, indirectly, of the local government were changed. A new body was also established to verify candidates for elected office. The common denominator of the changes is Beijing taking control of the political process in Hong Kong (see the Appendix).

In response, British Foreign Minister Dominic Raab declared on 13 March that China had violated the *Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong* – the agreement of 1984 that was established as the basis for the transfer of sovereignty over Hong Kong to Beijing. On 17 March, the US State Department announced that personal sanctions will be imposed on 24 officials from the HKSAR and the People's Republic of China (PRC) for acting to the detriment of the region's autonomy. Wang Chen, a member of the Political Bureau of the Chinese Communist Party's (CPC) Central Committee, was among those included in the restrictions.

Commentary

- The PRC gained sovereignty over Hong Kong in 1997 as a result of the 1984 declaration, guaranteeing the region broad autonomy under the "one country, two systems" formula until at least 2047. Following 1989 and the suppression of democratic protests, the direction of China's socio-political development remained unclear to outside observers. Consequently, the situation in Hong Kong after the takeover of the region and the degree of respect shown for its autonomy became a yardstick of Beijing's ability to comply with international agreements, but also of the CPC's domestic policies. In the years that followed Hong Kong played along, lending credibility to Chinese policy and functioning as its crucial window to the world, especially in the economic sphere. The region was guaranteed freedom of the press, the rule of law, an independent judiciary and partially free local parliamentary elections (in 1997, Beijing also promised to introduce full general suffrage in the longer term). The situation changed with Xi Jinping becoming chairman. For China it meant, among other things, the centralisation of power and increased control over local structures and society making use of elements of the totalitarian system. These processes were also reflected in Beijing's policy towards the HKSAR.

- Because tensions with the outside world continued to grow, the CPC's leadership became convinced that Hong Kong could be used to destabilise the entire country. The opposition conducting its activities in the open there, capable of the mass mobilisation of citizens, presents a challenge for the CPC, which is why a decision has been made to eliminate it from the political scene of the region. The protests against the National Security Bill flaring up in Hong Kong in 2019 delayed Beijing's action for almost a year, but the bill that represents the first step towards its pacification was introduced directly by the Standing Committee of the National People's Congress (NPCSC) in June 2020. The current changes eliminate the democratic opposition from the political process, where it had a real opportunity to block government legislative initiatives, despite having access to only a fraction of directly elected seats, due to the double-majority rule in the Legislative Council (see Appendix). Within the region itself, it appears that China's next step will be to dismantle the independent judiciary, which is the last element of real autonomy. Beijing's assumption of a direct role in Hong Kong's governance is in line with China's domestic trends, and is also a sign of disillusionment with local elites supporting Beijing, who are unable to effectively administer the region, calm public sentiment or achieve the goals set by Beijing.
- Beijing's pursuit of full control over the HKSAR and the radical change of the electoral system in the region amount to a breach of the agreement with the UK. These actions have a detrimental effect on China's relations with the West and it may expect to face further repercussions from the US in the form of additional personal sanctions or restrictions on the HKSAR's special economic status in US legislation. In relations with the EU, they have only triggered diplomatic protests, but these, without the aid of restrictions, are unlikely to influence Beijing's policy. The situation in Hong Kong, however, has a negative impact on public opinion in Europe. Along with Xinjiang and labour rights in China, it will also be an element in the discussion in the European Parliament and more broadly at the EU forum about the sense of ratifying the EU-China Comprehensive Agreement on Investment. This puts the EU in an even more troublesome position, as one of the cornerstones of its foreign policy is to support democracy and human rights around the world. At the same time, the Hong Kong issue demonstrates the failure of an engagement policy with China, motivated by an attempt to influence its behaviour through trade and involving it in world affairs.
- Autonomy in the HKSAR, free from Beijing's interference, has also been a way of lending credibility to unification proposals made to Taiwan on the basis of the principle of "one country, two systems". The situation in Hong Kong is thus exerting a negative impact on the public perception of the PRC in Taiwan, which will only fuel the resentment and fear of its citizens toward any unification bid proposed by Beijing. The process of the de facto elimination of autonomy in the HKSAR also signals that the Chinese authorities saw no prospect of peaceful reunification with Taiwan on the foreseeable horizon.
- The dismantling of Hong Kong's partial democracy will have a negative impact on the region's economic situation in the long haul, particularly on its role in the global financial system. Due to the National Security Act, changes to the electoral law and repression of the democratic opposition, the HKSAR will not be included in the Heritage Foundation's annual ranking of economic freedom. Many multinational corporations are diversifying

their activities in the East Asian region, moving some operations and personnel to Tokyo or Singapore. The biggest problem for further development of the region will be the lack of new investments. Another is the outflow of talented employees. Beijing believes it will be able to offset the emigration with immigration from the continent, but replacing the lost skills, knowledge, global contacts and creative abilities of Hongkongers will not be so easy.

- China appears to be coming to terms with the negative consequences of its actions on both the HKSAR and its role in the country's economy – most notably in acquiring capital for Chinese companies. From the point of view of the CPC elite, the priority is to maintain power and eliminate anything they perceive as a threat; therefore, they will not change a course which amounts to the abolition of Hong Kong's autonomy – only the phoney political institutions that sustain the fiction of the "one country, two systems" formula will remain there. The Chinese central government is only willing to change policy if it encounters a backlash from the international community which would generate tangible political and economic costs for it. However, in the face of the ongoing COVID-19 pandemic, economic difficulties and the lack of a European strategy towards China, the CPC leadership assumes that the West is unable to create a coherent policy towards Beijing. According to the CPC's leadership, the weakness in response to their actions in Hong Kong is a reflection of the weakness of Western democracies. China's aggression in the international arena can thus be expected to increase.

Appendix: The implications of the NPC's decision of 11 March 2021 for the electoral system in the HKSAR

Although the NPC's decisions are fairly vague and leave the details to the NPCSC, they will carry implications for the HKSAR's electoral system:

1. The appointment of a vetting committee that will screen and approve all candidates for the Legislative Council and the Election Committee, as well as those running for the position of Chief Executive. Members of the new body are likely to be appointed by the NPCSC. It is not specified whether the vetting committee will also screen candidates for the HKSAR district councils, but the fact that the councils are dominated by the opposition suggests that this is the direction that will be taken in the amendment.
2. The number of deputies in the Legislative Council will increase from 70 to 90. The decision does not state this, but the information provided by regime officials indicates that the number of deputies elected by direct vote in constituencies will be trimmed down from 35 to 20. While Beijing will be able to block any candidacy through a vetting committee, this does not necessarily mean dropping the double-majority rule, under which Legislative Council decisions require the approval of a majority of all parliamentarians and a majority of directly elected deputies. Electors from district councils will lose their right to appoint five members of the Legislative Council. Thus, the number of deputies elected in the so-called functional constituencies (local, professional and business governments) will be reduced from 35 to 30. The Election Committee will select 40 deputies. As the term of office of the current Electoral Committee expires in

2022, and only the body elected under the new rules will be able to appoint its share of deputies to the new Legislative Council, elections to it are likely to be rescheduled again; the election, which was due to take place in September 2020, has been postponed for a year due to the pandemic.

3. Increasing the size of the Election Committee from 1,200 to 1,500 individuals; the Committee will elect 40 members of the Legislative Council in addition to the chief executive. Up to this point, each of the three sectors identified 300 members of the committee: 1st sector - representatives of 17 industrial, trade, financial and service guilds; 2nd sector - self-government representatives of ten professional groups; 3rd sector - representatives of five organisations representing sporting bodies trade unions, social workers and religious groups. The remaining 300 members comprised the so-called fourth sector, i.e. 70 deputies of the Legislative Council, 117 representatives of district councils, the "Heung Yee Kuk" (26 deputies elected by the heads of rural districts of the New Territories) and 36 NPC members appointed from the HKSAR and 51 delegates from the region to join the nationwide Chinese People's Political Consultative Conference (CPPCC). According to unofficial information, seats in the new Election Committee will be lost by electors from district councils (117) which are opposition-dominated, but the NPC's decision does not point out who will take over their seats on the Election Committee – 20 of them will join the Legislative Council and 97 will remain. The fifth sector will include deputies to the NPC (36) and all Hong Kong CPPCC members (202). It is not clear who will fill the 87 seats vacated in this manner in the fourth sector or who the other 62 members of the fifth will be. The back channels suggest those might be Hong Kong members of national-level social and business organisations controlled by the CPC as part of the United Front works, such as the All-China Women's Federation and the All-China Federation of Industry and Commerce. In the third sector, the democrat-dominated sub-sector of social workers will be replaced by representatives of some grassroots organisations not defined in the NPC's decision.
4. To run in the election, a candidate for the chief executive will have to obtain the support of 188 members of the Election Committee (previously 150) and at least 15 members from each of the five sectors. The minimum necessary to be elected for this post will also increase – from 601 to 751 votes.