

# ***The Practice of the “One Country, Two Systems” Policy in the Hong Kong Special Administrative Region***

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“One country, two systems” is a basic state policy the Chinese government has adopted to realize the peaceful reunification of the country. Following this principle, the Chinese government successfully solved the question of Hong Kong through diplomatic negotiations with the British government, and resumed the exercise of sovereignty over Hong Kong on July 1, 1997, fulfilling the common aspiration of the Chinese people for the recovery of Hong Kong. As a result, Hong Kong got rid of colonial rule and returned to the embrace of the motherland, and embarked on the broad road of common development with the mainland, as they complemented each other’s advantages.

Hong Kong’s return to the motherland turned “one country, two systems” from a scientific concept into vivid reality. The central government strictly adheres to the Basic Law of Hong Kong, earnestly performs its constitutional duties and stands firm in supporting the administration of the chief executive and the government of the Hong Kong Special Administrative Region (HKSAR) in accordance with the law. The HKSAR exercises a high degree of autonomy in accordance with the law, and is vested with executive, legislative and independent judicial power, including that of final adjudication. The previous capitalist system and way of life remain unchanged, and most laws continue to apply. Hong Kong continues to prosper, its society remains stable, and full development is being witnessed in all undertakings. The “one country, two systems” policy enjoys growing popularity in Hong Kong, winning the wholehearted support from Hong Kong compatriots as well as people in all other parts of China. It is also thought highly by the international community.

“One country, two systems” is a new domain in which we constantly explore new possibilities and make new progress in pioneering spirit. A summary of the policy’s implementation in the HKSAR, and a comprehensive and correct understanding and implementation of the policy will prove useful for safeguarding China’s sovereignty, security and development interests, for maintaining long-term prosperity and stability in Hong Kong, and for further promoting the “one country, two systems” practice along the correct track of development.

In the early 1980s, China’s state leader Deng Xiaoping put forward the scientific concept known as “one country, two systems” in an effort to realize the peaceful reunification of China, and this ingenious design was first applied to solve the question of Hong Kong. According to Deng Xiaoping, “one country, two systems” means there is only but one China and under this premise the mainland adheres to the socialist system while Hong Kong, Macau and Taiwan may retain their capitalist systems over a long time to come.

On December 4, 1982, the Fifth Session of the Fifth National People’s Congress (NPC) endorsed a new Constitution of the People’s Republic of China. Its Article 31 provides, “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 National People’s Congress in the light of the specific

conditions.” Giving expression to the “one country, two systems” concept, this Article provides the constitutional basis for the establishment of special administrative regions in certain areas that adopt different social systems and different policies from those on the mainland, as the Chinese government makes efforts to realize the peaceful reunification of China. After in-depth investigations and research, the Chinese government formulated 12 basic policies regarding the question of Hong Kong, known as the “12 Principles,” in early 1983. The main contents were:

(1) The Chinese government decided to resume the exercise of sovereignty over Hong Kong as of July 1, 1997.

(2) After resuming the exercise of sovereignty over Hong Kong, the central government would establish a special administrative region in Hong Kong in accordance with the provisions in Article 31 of the Constitution. The Hong Kong Special Administrative Region would be directly under the authority of the Central People’s Government and would enjoy a high degree of autonomy.

(3) The HKSAR would be vested with legislative and independent judicial power, including that of final adjudication. The laws, decrees and regulations currently in force in Hong Kong would remain basically unchanged.

(4) The government of the HKSAR would be composed of local inhabitants. The principal officials would be selected by election or through consultations held locally and be appointed by the Central People’s Government. Those previously working in the public and police services in the government departments of Hong Kong may remain in employment. British and other foreign nationals may also be employed to serve as advisers to government departments of the HKSAR.

(5) The current social and economic systems in Hong Kong would remain unchanged, and so would the life-style. Freedoms, including those of speech, of the press, of assembly, of association, of travel, of movement, of correspondence, and of religious belief would be ensured in the HKSAR. Private property, ownership of enterprises, legitimate right of inheritance and foreign investment would be protected by law.

(6) The HKSAR would retain the status of a free port and a separate customs territory.

(7) The HKSAR would retain the status of a financial center, and its markets for foreign exchange, gold, securities and futures would continue. There would continue to be a free flow of capital, and the Hong Kong dollar would continue to circulate and remain freely convertible.

(8) The HKSAR would have independent finances.

(9) The HKSAR may establish mutually beneficial economic relations with the United Kingdom, whose economic interests in Hong Kong would be given due regard.

(10) Using the name “Hong Kong, China,” the HKSAR may on its own maintain and develop economic and cultural relations and conclude relevant agreements with states, regions and relevant international organizations. The government of the HKSAR may itself issue travel documents for entry into and exit from Hong Kong.

(11) The maintenance of public order in the HKSAR would be the responsibility of the government of the HKSAR.

(12) the above-stated policies would be stipulated in the Basic Law of the HKSAR by the NPC of the People's Republic of China (PRC), and they would remain unchanged for 50 years.

During his meeting with the visiting British Prime Minister Margaret Thatcher on September 24, 1982, Deng Xiaoping made clear the Chinese government's position on the question of Hong Kong, pointing out that sovereignty was not a matter for discussion and that China would take back Hong Kong in 1997. It was under this premise that China and Britain would negotiate to ensure the smooth transfer of Hong Kong and clarify what was to be done about Hong Kong 15 years later. This marked the beginning of the negotiations between China and Britain on the question of Hong Kong.

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On July 1, 1997, the Chinese government resumed its exercise of sovereignty over Hong Kong. At the same time, the HKSAR was established and the Basic Law came into effect. Hong Kong entered a new epoch characterized by "one country, two systems," "Hong Kong people governing Hong Kong" and a high degree of autonomy. As members of the big Chinese family, the people of Hong Kong and the people of the mainland share the pride and glory of the great mother country, and bear the common responsibility and mission of rejuvenation of the Chinese nation.

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### Fully and Accurately Understanding the Meaning of "One Country, Two Systems"

"One country, two systems" is a holistic concept. The "one country" means that within the PRC, HKSAR is an inseparable part and a local administrative region directly under China's Central People's Government. As a unitary state, China's central government has comprehensive jurisdiction over all local administrative regions, including the HKSAR. The high degree of autonomy of HKSAR is not an inherent power, but one that comes solely from the authorization by the central leadership. The high degree of autonomy of the HKSAR is not full autonomy, nor a decentralized power. It is the power to run local affairs as authorized by the central leadership. The high degree of autonomy of HKSAR is subject to the level of the central leadership's authorization. There is no such thing called "residual power." With China's Constitution stipulating in clear-cut terms that the country follows a fundamental system of socialism, the basic system, core leadership and guiding thought of the "one country" have been explicitly provided for. The most important thing to do in upholding the "one country" principle is to maintain China's sovereignty, security and development interests, and respect the country's fundamental system and other systems and principles.

The "two systems" means that, within the "one country" the main body of the country practices socialism, while Hong Kong and some other regions practice capitalism. The "one country" is the premise and basis of the "two systems," and the "two systems" is subordinate to and derived from "one country." But the "two systems" under the "one country" are not on a par with each other. The fact that the mainland, the main body of the country, embraces socialism will not change. With that as the premise, and taking into account the history of Hong Kong and some other regions, capitalism is allowed to stay on a long-term basis. Therefore, a socialist system by the mainland is the prerequisite and guarantee for Hong Kong's practicing capitalism and maintaining its stability and prosperity. For

Hong Kong to retain its capitalist system and enjoy a high degree of autonomy with “Hong Kong people governing Hong Kong” according to the Basic Law, it must fully respect the socialist system practiced on the mainland in keeping with the “one country” principle and, in particular, the political system and other systems and principles in practice. The mainland should respect and tolerate the capitalism embraced by Hong Kong while upholding its socialist system, and draw on the successful experience of Hong Kong in economic development and social management. Only by respecting and learning from each other can the “two systems” in the “one country” coexist harmoniously and achieve common development.

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