

## DEMOCRACY AGENDA MAY REVIVE U.S. INTEREST IN HONG KONG

**Hong Kong Journal (January 01, 2006)**

**By *Bates Gill, Chin-Hao Huang***

<http://www.hkjjournal.org/archive/gill.html>

For much of the period since Hong Kong reverted to Chinese sovereignty in 1997, Washington's interest in that former British colony has been uneven at best and steadily lagging at worst. American concern would spike momentarily when hundreds of thousands of pro-democracy demonstrators took to the streets, as was the case following the July 1, 2003 protests, but would then subside back in the direction of the view that Hong Kong is "just another Chinese city."

However, this lagging attention may be turning around, especially in light of the George W. Bush administration's second-term focus on democratization around the world. Hong Kong pro-democracy advocate Martin Lee's recent visit to the United States, including discussions with Secretary of State Condoleezza Rice, is one obvious indicator. Earlier in the year, Deputy Secretary of State Robert Zoellick made a point of stopping in Hong Kong en route to Beijing, and noted his appreciation for the "special role that [Hong Kong] has to play as part of China."

And the December 4 pro-democracy demonstrations in Hong Kong - drawing some 250,000 supporters according to organizers - garnered attention in Washington, especially since one of the marchers was Anson Chan, the former Chief Secretary of Hong Kong and a well-known and much-admired figure in the United States.

Perhaps most importantly, Hong Kong's new Chief Executive, Donald Tsang, made his first visit to the United States in that post in late October, 2005, and made a special point of seeking American support for the process of gradual democratization unfolding there.

This renewed attention should be welcomed and sustained. But it should also be broadened to recognize Hong Kong's importance to U.S. interests extends beyond the democracy issue alone. On the democracy question, current official American attention contrasts with past practice and comes at a critical juncture in Hong Kong's process of political development.

In 2003, when the Hong Kong government decided to push for the security legislation required by Article 23 of Hong Kong's mini-constitution, the Basic Law, it was a clear indicator that Beijing was flexing its muscles to influence the domestic political agenda. The

proposed laws, which sought to codify strict measures to curb acts of sedition in Hong Kong, were poorly crafted and lacked prior consultation with the people of Hong Kong. Many feared that passing the legislation would place additional and unnecessary restrictions on individual liberties, religious freedom and freedom of speech. More broadly, people in Hong Kong also expressed their dissatisfaction with its Chief Executive, Tung Chee Hwa, handpicked by Beijing and seen as too willing to sacrifice Hong Kong's special status under pressure from China.

These controversial developments met with only short-lived and lukewarm interest in Washington. The administration's ambivalence was rather surprising, considering its role as a leading advocate for the protection of human rights and individual freedoms. Just weeks before the massive demonstration that drew half a million protestors to the Hong Kong streets, the White House released a brief statement expressing reservations about Tung's proposed legislation but offered little else in support of democratic developments there.

However, Washington seems to be paying more attention this time as Hong Kong's democratization process enters a critical phase. During his U.S. visit, Chief Executive Tsang carefully explained the latest report by Hong Kong's Constitutional Task Force Committee, and its package of proposals for selecting the Chief Executive in 2007 and for forming the Legislative Council in 2008.

It calls for doubling the size of the Election Committee that chooses the Chief Executive from 800 to 1,600 members, allowing greater representation from the grassroots level. However, under this proposal, this will still be an indirectly ballot, and the Election Committee vote will still require endorsement from the National People's Congress in Beijing. At the same time, Legislative Council seats would be increased from 60 to 70. But only five of the new seats would be determined through direct elections while the other five would be chosen by Hong Kong's functional constituencies, which tend to be Beijing loyalists.

These proposals do not add up to much greater democratization. Beijing has made it explicitly clear that the selection of the Chief Executive in 2007 and the Legislative Council members in 2008 would not result from direct, universal suffrage elections by the people of Hong Kong. With regards to Legco, Beijing has refused to change the ratio between members returned by functional constituencies and members returned directly by geographical constituencies.

Moreover, when Chinese President Hu Jintao met with Donald Tsang during the Asia Pacific Economic Cooperation (APEC) meeting in South Korea in mid-November, he warned that no compromises would be made on the issue of direct elections for the upcoming elections in 2007 and 2008. Hu reportedly said rather bluntly that the people of Hong Kong can choose to "take it [the constitutional reform package as it is currently] or leave it."

But Tsang also wanted Washington to understand the thin line that he walks as he tries to expand local democratization. He concedes that while he may personally support universal suffrage, he must operate within the special political circumstances of Hong Kong and its relationship with the mainland. On the one hand, he points out that, as a civil servant during British colonial rule and a devout Catholic, he is an unlikely leader to be condoned by Beijing. On the other hand, he has vowed to adhere to Beijing's pace for gradual democratization, and will not seek to push Hong Kong to the brink of political turmoil or radical change. He wishes to assure Washington that Hong Kong still enjoys a great deal of autonomy, but must also demonstrate his loyalty to Beijing.

Washington seems to better understand these tricky political developments this time around, even as it has voiced stronger support for democratization. During Tsang's visit, the State Department spokesperson Sean McCormack expressed Washington's "strong support for universal suffrage in Hong Kong." He said direct elections could have been achieved for the next round of Chief Executive and Legislative Council elections in 2007 and 2008. Acknowledging the political pressure Hong Kong faces, McCormack added that "the goal of universal suffrage should be achieved soon, as soon as possible. The people of Hong Kong should determine the pace and scope of political reform."

On December 5, following the large pro-democracy march, the Department of State spokesperson said, "the United States I think has had a clear and consistent policy with regard to democracy in Hong Kong. We believe that it's important to achieve universal suffrage in Hong Kong as soon as possible, that the people of Hong Kong are ready for democracy and that the sooner that a timetable for achieving universal suffrage is established the better." He continued by stressing "we also make clear that the pace, and scope and shape of democratic reform is for the people of Hong Kong to decide."

While attention to democratization in Hong Kong is surely important, Washington should not lose sight of the broader interests the United States has there. For example, Hong Kong has been an active supporter of Washington's counterterrorism efforts. Its government apprehended two individuals in 2002 who were attempting to transfer funds to purchase Stinger missiles for al-Qaeda. Hong Kong was one of the first to join the Container Security Initiative (CSI) in September 2002 to prevent the smuggling of weapons of mass destruction and illegal materials into the United States. The State Department further noted that in June tips provided through the CSI resulted in seizure of three containers of counterfeit merchandise going from China to the U.S. that were worth nearly \$1.3 million - one of the largest counterfeit goods seizures ever in Hong Kong. The two governments also have been conducting discussions on Washington's "Megaports" initiative, which involves the installation of radiological detection equipment in Hong Kong's port facilities.

As the financial hub of Asia, Hong Kong has also been instrumental in tracking down and eliminating funding for terrorist networks. Moreover, its Legislative Council has passed

legislation to comply with applicable United Nations anti-terror policies such as Security Council Resolution 1374 and the Financial Action Task Force (FATF).

The economic ties between Washington and Hong Kong are substantial and robust. According to the State Department, there are some 1,100 American firms, including 740 regional operations (242 regional headquarters and nearly 500 regional offices), and about 54,000 American residents in Hong Kong. In 2004, U.S. exports to Hong Kong totaled nearly \$16 billion while direct investment was roughly \$44 billion, making the United States one of the city's largest investors, along with China, Japan, and the Netherlands.

A landmark development in bilateral relations is the strengthening of Hong Kong's protection for intellectual property rights (IPR). Washington has worked closely with Hong Kong to introduce effective legislation and policies to clamp down on illicit production of copyrighted materials. The U.S. Trade Representative cites Hong Kong as a model for IPR protection and urges other countries in the region to follow suit.

Moreover, Hong Kong is widely recognized as one of the freest economies in Asia. Even after the 1997 handover, Hong Kong's pro-market economic and trade systems continue, with free movement of goods and capital, its status as a free port and separate customs territory, and its own customs boundary. Washington grants Hong Kong "most favored nation status" and manufactured products from Hong Kong receive nondiscriminatory trade treatment.

Put simply, the United States should keep a close eye on developments in Hong Kong because they share common interests and values. During Tsang's visit to the Center for Strategic and International Studies on October 28, 2005, he explained that, due to a century of British influence, the people of Hong Kong have experienced a high degree of political openness, prosperity under a market economy, and the basic freedoms of speech, association and religion. Over the years, Hong Kong has also established institutions that allow for the free flow of information and currency circulation, an independent judicial system, a clean government and a society governed by the rule of law. Both the United States and Hong Kong, he explained, share the belief that upholding such democratic values and safeguarding the fundamental principles of human rights are vital for continued economic prosperity.

For the near-term, however, it would appear that U.S. official attention on Hong Kong will focus on democratization, all the more so given President Bush's recent Kyoto speech in which he favorably cited Taiwan's democratic development, and called on China to "continue down the road of reform and openness - because the freer China is at home, the greater the welcome it will receive abroad." However, this attention should be carefully and quietly calibrated so as not to undermine the possibilities for greater democratization over time in Hong Kong. After all, while Hong Kong does not have direct elections for all of its leaders, the State Department reported in its most recent assessment that Hong Kong's "freedoms of

speech, press, religion, assembly, association, and other basic human rights remained well respected and defended."

Moreover, support for democratization in Hong Kong should be integrated within - and not undermine - a broader policy which continues to recognize the importance of Hong Kong's special status, and the interests the United States has in strengthening its role across the political, economic and security spectrum of their bilateral relationship.

Although Beijing shows no support for direct elections and has indeed taken steps to limit the scope of democratization, greater interest by the U.S. and others in the international community, if carefully managed, could help moderate Beijing's stance and encourage reform efforts. But given the delicate balancing act required, this will not be easy. Encouragement at a high level from Washington - through public statements, meeting with Hong Kong democracy advocates, plus sending strong public and private messages to Beijing and Hong Kong leaders in support of greater democratization in Hong Kong-should be continued. On the other hand, a "sledgehammer" approach - such as invoking the full powers of the 1992 Hong Kong Policy Act - while apparently considered wise by some, would only harm Hong Kong and its people, as well as the American individuals and companies resident and working there. It would not harm the leaders in Beijing.

At the end of the day, the course of democratization in Hong Kong will depend heavily on choices made in China. Washington will likely follow these developments closely in the coming years, in part because democratization is central to the Bush administration's foreign policy. But it also will pay attention because the course of democratization in Hong Kong will be seen as one measure of Beijing's willingness to foster its own political reforms and more actively accept the American invitation to become a "responsible stakeholder" in the international community. ■

#### ***About the Authors***

***Dr. Bates Gill*** holds the Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS) in Washington, D.C., a position he has held since 2002.

*Previously, he was the inaugural director of the Center for Northeast Asian Policy Studies and a Senior Fellow in Foreign Policy Studies at the Brookings Institution. A specialist of East Asian politics and foreign policy, his work focuses primarily on U.S.-China relations.*

***Chin-hao Huang*** is a Researcher with the Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS) in Washington, D.C. He will graduate from the School of Foreign Service at Georgetown University in May 2006 with a major in International Law, Organizations, and Ethics and a concentration in Asian Studies. He conducts research on confidence building measures and people-to-people diplomacy across the Taiwan Strait, democratic transitions and the growing importance of the concept of the rule of law in Asia.