The Implications of Hong Kong Protests for the United States

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Dean Cheng
Senior Research Fellow
The Heritage Foundation
Thank you, Chairman Chabot, Ranking Member Faleomavaega, and distinguished members of the Subcommittee for the opportunity to be here today.

My name is Dean Cheng. I am the Senior Research Fellow for Chinese Political and Security Affairs at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

My comments here today will discuss the impact of recent Chinese actions in Hong Kong on the American security posture in the western Pacific.

Introduction

Hong Kong has long been a test case for the People’s Republic of China (PRC), and also an indicator for Sino-American relations. The reversion of Hong Kong from British rule to Chinese control was seen as a demonstration of the viability of the “one country, two systems” approach.

At base, Hong Kong is a test of whether the PRC can be sufficiently flexible to allow some pluralism. A successful transition would indicate that China was a pragmatic power that was likely to evolve and be able to incorporate alternative approaches, within a system that would remain dominated by the Chinese Communist Party (CCP). Beijing, and some in Washington, saw it as the potential way to a peaceful resolution of the Taiwan issue. Developments in Hong Kong mean that “one country, two systems” is likely permanently off the table as a settlement approach for cross-strait relations. In fact, any kind of political reconciliation between the PRC and Taiwan has been set back for the foreseeable future. This, in turn, has obvious implications for the United States, given the commitment Washington has made to ensuring that the future of Taiwan is determined through peaceful means. Furthermore, because Hong Kong was already a wealthy community when it transitioned to Chinese control, the reversion would also be a test to see whether China was likely to become a society that would respond to increasing wealth with a concomitant demand for greater political freedom—and whether Beijing would be able to handle such demands. In this regard, given the status of Hong Kong as a major global financial center, China would have additional incentives to ensure the community’s stability and credibility.

In this regard, China found itself in the happy position of coming to control a self-contained environment, where a variety of key institutions and structures were already in place, including an independent judiciary, a free press, and a tradition of the rule of law. Consequently, China would not even have to create such precedents out of whole cloth, but would primarily have to administer a ready-made structure.

The Hong Kong Protests

Hong Kong island was ceded to Great Britain in perpetuity at the end of the First Opium War, in 1842, followed by Kowloon Peninsula in 1860 at the end of the Second Opium War. The New Territories of Lantau Island and the area up to the Shenzhen River were leased to Great Britain for 99 years in 1898. Because the three portions of Hong Kong (Hong Kong island, Kowloon,
and the New Territories) were effectively integrated, the return of only the last portion was not feasible. Consequently, Great Britain and the PRC negotiated for the return of the combined territory to China. The two key documents governing this reversion were 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, and the Basic Law of Hong Kong.

The governing principle for what would become the Hong Kong Special Administrative Region (HKSAR) would be “one country, two systems.” Sovereignty over Hong Kong was to revert to the PRC, but the people of Hong Kong were to be granted a high degree of autonomy in all matters other than foreign policy and defense. They would be allowed to operate under capitalist market economics, and more open political systems, even though these would be significantly different from the socialist market economy and Communist Party–led system of the PRC. This separate status, including a free press and an independent judiciary, would be ensured for fifty years.

What was also made clear in the Basic Law, however, was that interpretation of the law was in the hands of the Standing Committee of the National People’s Congress (NPC) of the PRC. This is consistent with the Chinese constitution, which designated the NPC as “the highest organ of state power.”

While there was agreement on the “ultimate aim” of universal suffrage in the selection of Hong Kong’s Chief Executive and Legislative Council, how that would be implemented remained uncertain.

Beijing’s sentiments were most explicitly expressed, however, in an unprecedented “white paper” on Hong Kong, released in June 2014. The white paper made clear that “two systems” was subordinate to the idea of “one country.” Hong Kong, the paper admonished, needed to understand that it exists as part of the PRC, and any rights and privileges it enjoys are derived from the central authorities in Beijing.

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.” ...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.”

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1 State Council Information Office, The Practice of the “One Country, Two Systems” Policy in the Hong Kong Special Administrative Region (Beijing, PRC: State Council Information Office, 2014),
In August 2014, the Chinese authorities unveiled their plan for selecting the HKSAR Chief Executive in 2017. While the citizens of Hong Kong would be allowed to cast votes, their selection would be among a slate of two to three candidates determined by a China-dominated nominating committee. This approach would ensure, as the NPC noted, “the long-term prosperity and stability of Hong Kong and the sovereignty, security and development interests of the country.” As important, it ensured that the Chief Executive would be “a person who loves the country and loves Hong Kong.” This, it was noted, was a “basic requirement of the policy of ‘one country, two systems.’” In essence, citizens of Hong Kong would be allowed to vote, but whom they could vote for would essentially be pre-determined by Beijing, because Hong Kong is fundamentally part of China.

The combination of the white paper, the decision, and the associated statement by the NPC led to a variety of reactions. Among the Hong Kong business elite, overwhelmingly concerned about maintaining stability and a good working relationship with Beijing, there was more concern about protests than about the PRC decision. Some pro-Beijing elements argue that the right to vote is explicit, but that does not extend to public nominations. Pro-democracy elements countered that Beijing’s decision effectively neutered the voice of the people of Hong Kong, and promised to oppose the framework; since any framework requires a two-thirds majority, this would effectively veto any change.

The situation escalated in late September, when thousands of students began to boycott classes. This was followed by some of the largest demonstrations the territory had seen in years, organized by a variety of groups including “Occupy Central with Love and Peace.” The protests were initially met by a controlled police response, with various protestors arrested and then released, but on September 28, the police employed large amounts of tear gas and much more force to break up the demonstrations. The result was popular revulsion, and far larger demonstrations that eventually led to large numbers of demonstrators occupying parts of Central and Admiralty districts in downtown Hong Kong.

In the intervening two months since the protestors first massed in downtown Hong Kong, the situation has remained relatively calm. The protestors have gone to great pains to avoid claiming that they are interested in either revolution or independence, recognizing that any such implication would likely lead to a far more violent reaction from Beijing. As one organizer took

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pains to point out, “This is not a color revolution.” Similarly, they have not occupied government offices.

For its part, Beijing has no interest in staging another Tiananmen Massacre. Beijing has been willing to leave the situation up to Hong Kong authorities to handle; indeed, all of the police forces employed thus far have been from the Hong Kong Police Force, with no evidence of participation by military or police forces from the mainland. At the same time, however, Beijing has given no indication that it will compromise in any way or engage in any meaningful negotiations.

As important, the Chinese authorities have worked assiduously to limit coverage of the Hong Kong protests in the Chinese press and social media. Within hours of the initial protests, Weibo, China’s version of Twitter, was actively censoring traffic. Meanwhile, the photo-sharing service Instagram was also shut down. Chinese efforts to restrict discussion and news about Hong Kong developments helped limit support from Chinese for the demonstrations—which has not appeared strong to begin with.

The resulting stalemate has meant the protests have slowly receded from the public consciousness, as the number of protestors has dwindled. After two months of protesting, there is far more limited coverage by local and international news media. While some major figures, such as Jimmy Lai, a Hong Kong media figure and major businessman, remain committed, independent polls suggest that many Hong Kong citizens see the protests as futile. Hong Kong authorities have begun to dismantle some of the barricades, with little opposition from the protestors. There have been dozens of arrests, including prominent student leaders.

Beijing, however, has also indicated that its decision not to employ force directly does not mean that it has not been paying attention to the protestors. Activists who participated in some of the protests are now apparently being denied entry into China. This has included not only leaders, but also “relative unknowns — not leaders — who merely participated in the protests, which included hundreds of thousands of others.” It would not be surprising if, in the future, key protestors were detained, and all known protestors are likely to be subject to surveillance for a long time to come.

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Implications of the Protests for the PRC

Perhaps the greatest impact of the Hong Kong protests has been on President Xi Jinping. Xi has both gained and lost from developments in the HKSAR.

Xi benefited from the events in Hong Kong, because he successfully dealt with the first externally driven major crisis to confront him since he acceded to power in 2012. In the other situations that have arisen during his first two years in power, much of the tempo of the crisis was driven by Chinese actions. This is consistent with the apparent Chinese view that, in most crises, they have the ability to manipulate the crisis to a fairly high degree.

Thus, the tensions and confrontations that ensued after China deployed the deep sea drilling platform Haiyang Shiyou 981 (HY-981) into disputed waters between China and Vietnam were ultimately under Chinese control.12 When the Chinese withdrew the rig in July, after nearly two months of operation, Hanoi did not sustain the crisis. Similarly, in the recent border confrontation between China and India, where China moved hundreds of troops into Indian-controlled territory on the eve of President Xi’s visit to India, Beijing was confident that it was in control of the situation.13 Although the Chinese military presence dampened the premier meeting between Xi and Indian Prime Minister Modi, the Chinese apparently did not fear that such a move might precipitate a broader confrontation.

In the case of Hong Kong, however, the impetus for these tensions arose from the people of Hong Kong. They actively opposed the political dictates issued from Beijing, in a manner that Beijing could not easily ratchet up or down. While Beijing could employ force, it was clear that this was not the preferred option; consequently, Beijing was compelled to rely upon the authorities in the Hong Kong government to resolve the situation. In having to operate through intermediaries, China’s ability to directly control the outcome was even more limited.

Nonetheless, the crisis has been, at this point, apparently resolved. Moreover, it has not involved any casualties or significant property damage; nor has it necessitated the employment of violent force, nor the deployment of reinforcements from the mainland. Indeed, the disruptions to Hong Kong’s business and financial centers has been marginal. Certainly, it has not resulted in the devastation to Hong Kong’s, China’s, or Xi Jinping’s reputation had there been a repetition of the heavy-handed response that marked Tiananmen Square 25 years ago. Consequently, Xi Jinping can reasonably argue that his effective leadership, including a willingness to trust subordinates, has resulted in a generally acceptable resolution of the situation.

This underscores Xi’s ongoing consolidation of power, which has already seen him bring down not only General Xu Caihou, a former Vice Chairman of the powerful Central Military Commission (CMC), but also topple Zhou Yongkang. Not only was Zhou the former head of the

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Ministry of Public Security, but more importantly, he was a former member of the Politburo Standing Committee, and therefore one of the 10 most powerful men in the PRC. Xi is arguably more firmly ensconced in power two years into his tenure than Hu Jintao or Jiang Zemin (his two predecessors) were at corresponding points in their leadership.

The (thus far) successful resolution of the Hong Kong crisis also has preserved Hong Kong’s status and credibility as a major economic center. Had there been sustained violence or an extended disruption of Hong Kong’s activities, it would have likely called into question the city’s viability as a global financial hub. If the PRC is to successfully open its capital accounts, on the way to establishing a credible commercial banking system, it would likely have to rely on the expertise resident in Hong Kong’s gleaming towers. Such a transition is essential in dealing with China’s burgeoning bad debt problem. A violence-wracked city would likely have seen a significant brain drain.

Xi lost from the events in Hong Kong, because Beijing’s high-handed approach to Hong Kong democracy, as expressed in the white paper and NPC statement, have revealed the limitations of the “one country, two systems” approach. But “one country, two systems” was always primarily focused on Taiwan, as an enticement to persuade the people on that island to accept reunification with the mainland. A successful integration of Hong Kong into the larger Chinese polity would provide clear evidence that Taiwan, too, could find a place within the larger PRC. But the explicit emphasis of “one country” over “two systems,” as well as the legalistic arguments that effectively nullified the franchise in the HKSAR, limit any appeal of the idea of reunification.

The Hong Kong protests, moreover, occur as some in Taiwan are already reassessing cross-strait relations. In March and April, the Sunflower movement, a student-led organization, occupied the Taiwan legislature in opposition to a China-Taiwan free trade agreement in services. Arguing that the Cross-Strait Service Trade Agreement (CSSTA) had been reached in secret, that it posed risks to Taiwan’s national security, and that it would lead to a massive influx of cheap Chinese labor, the movement mobilized some 100,000 protestors, one of the largest such outpourings in the island’s history. Before the protestors eventually left the legislature in May, they extracted a promise from the head of the legislature to establish a watchdog process that would assess the national security implications of any new trade deals. Consequently, the CSSTA remains in limbo.

For those already concerned about the PRC, the Chinese approach to Hong Kong only justifies and reinforces their skepticism. Indeed, there is arguably growing resistance to expanding either economic or political linkages across the strait. This may be reflected in the 2016 elections in Taiwan. The incumbent president, Ma Ying-jeou, is completing his second term, and cannot run for office again. Despite being reelected in 2012, Ma’s low polling numbers, coupled with an economic slow-down and various scandals, jeopardize the Kuomintang (KMT) party’s hold on power. Support from the Sunflower movement may result in a win by the Democratic Progressive Party (DPP), which is much more in favor of independence for Taiwan. This, in turn, would likely pose a major challenge to Xi and the Chinese leadership, who have enjoyed a

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quiescent relationship with President Ma and the Taipei government since 2008. Meanwhile, President Ma has voiced support for the Hong Kong protestors.\(^{16}\)

A key lesson that the PRC leadership has likely drawn from the results in Hong Kong is the **importance of political warfare**, as a means of managing and controlling the discourse. Political warfare (zhengzhi zuozhan) is a form of combat that encompasses all methods of non-military strikes, employing political, theoretical/ideological, morale, and psychological means of conflict. From the Chinese perspective, political warfare should be considered the **hardest form of soft power**. The aim of political warfare is to secure the political initiative and psychological advantage over an opponent, in order to strengthen one’s own will, secure sympathy from third parties, and debilitate an opponent. It is targeted as much at one’s own population as foreigners, and does not occur only in time of formal hostilities. From the Chinese perspective, the events in downtown Hong Kong constituted a political warfare battleground.

Consequently, the PRC waged “the three warfares,” public opinion warfare, legal warfare, and psychological warfare, against the demonstrators, in order to achieve its ends of manageable disruption and limiting support in the HKSAR, while avoiding the use of military force. The events in Hong Kong would seem to confirm the Chinese view that **public opinion warfare** is sufficiently important that it is a constant, ongoing activity, aimed at long-term influence of perceptions and attitudes.

Beijing conducted public opinion warfare by controlling the mass information channels, including television, radio, news organizations, but especially social media. The clamp-down on reporting about developments within China, coupled with the state controlled media, meant that not only did the vast majority of Chinese not know about the protests, but that what little they did learn was from Beijing’s point of view. This allowed Beijing to shape the Chinese public’s perception of what was going on. As important, by depriving the protestors of the prospect of support within China, it sapped the morale of the local protestors.

China, meanwhile, has been more broadly clamping down on foreign media. Beijing has issued directives limiting cooperation between Chinese and foreign journalists, refused visas to some foreign correspondents, and blocked websites (e.g., *The New York Times*).\(^{17}\) When pressed on this at the joint press conference with President Obama, President Xi made it clear that foreign press should abide by Chinese laws, and it was their failure to do so that had led to their problems.\(^{18}\) This includes covering events in Hong Kong in ways at odds with Beijing’s policies.

President Xi’s comments about the foreign press are also consistent with the tenets of **legal warfare** or “lawfare.” This entails the use of the law as a weapon, through legal coercion, legal attacks, legal constraints, and other measures, to help achieve political advantage in support of national goals. President Xi’s comment about the press thus took the position that it is the


adversary (in this case, foreign press organizations and foreign governments) who were acting illegally, while Beijing’s actions were consistent with the law.

Similarly, in dealing with the suffrage issue, the PRC stance has been that it is abiding by the terms of the Basic Law of Hong Kong and the Joint Declaration. As the Hong Kong white paper and the NPC statement both emphasized, interpretation of those key documents is vested in the Standing Committee of the National People’s Congress. The right of the people of Hong Kong to cast a vote is being assured—as is the NPC’s responsibility to determine the slate of candidate. The system is acting perfectly legally—it is the protestors who are acting in defiance of accepted law. This point was reiterated by China’s ambassador to the United States, Cui Tiankai:

“The issue in Hong Kong is not democracy. It’s the rule of law, whether people should respect and maintain rule of law, or whether they should try to hurt it,” Cui said. “People's normal life and social order is disrupted. This is hurting the rule of law in Hong Kong. Without rule of law, there’s no democracy.”19

Meanwhile, the protestors in Hong Kong have long been operating in the shadow of Chinese psychological warfare activities. The omnipresent threat of the People’s Liberation Army and People’s Armed Police, even if they were never employed, nonetheless influenced the protestors. It is likely no coincidence that they were self-censoring, deliberately limiting their protests both physically and politically. Similarly, Beijing’s harassment of protestors, including not only leaders but rank-and-file, is almost certainly a long-term psychological effort to discourage future protests by highlighting the negative consequences of participating in them at any level.

Implications of the Chinese Reaction for the United States

For the United States, the Chinese actions, both direct and indirect, regarding Hong Kong signal that the next several years may be a period of growing tension between Washington and Beijing for several reasons.

In the first place, the Chinese hard-line regarding the protests in Hong Kong, while masked by a non-violent response, indicates that there is little prospect for political liberalization in the Xi administration. Indeed, the harsh message underscoring the “one country” element of the “one country, two systems” formula suggests a senior Chinese leadership that will brook little, if any, dissent or divergence from Party and national unity. Moreover, this lack of interest in pluralism seems to encompass much of the PRC polity; this is a stance that seems to bind together Xi, other senior Chinese leaders, and even large segments of the broader Chinese and Hong Kong populations, which have apparently evinced little or limited sympathy for the protestors.

Even more problematic, the erosion of support in the HKSAR may suggest to Beijing that it does not need to conduct political reform in order to limit protests or deal with domestic instability. The successful resolution of the Hong Kong situation may be used as an argument by many in China for a strategy of patient attrition—and against one of implementing political liberalization.

This, in turn, would call into question the longstanding assumption that a wealthier China will necessarily be one that will adopt political reforms, leading eventually to greater pluralism and democratization. That this series of developments runs directly counter to longstanding Chinese policy, which opposes “westernization” (and “splittism”), only makes their prospects even less likely.20

Consequently, the United States needs to undertake a hedging strategy, even as it continues to seek opportunities to cooperate with the PRC. Such a strategy, however, must first recognize the low probability that the PRC will evolve towards a more liberal, pluralistic political system. Indeed, the Chinese focus on political warfare, and the concomitant employment of such instruments as legal warfare and public opinion warfare against its own population, should serve as a caution regarding interactions with Beijing. Negotiations of any sort must be undertaken with the assumption that they are establishing precedents, not for greater trust, but for political warfare exploitation.

While it may be satisfying to announce a new initiative on climate change or military-to-military confidence-building measures, it is troubling that so few details are forthcoming about precise terms and definitions. Who will determine whether China is in compliance with the agreements? Whose statistics will be used? What will be the consequences of failure to comply? American decision-makers cannot assume an implied common understanding, any more than the people of Hong Kong could assume that “universal suffrage” meant that they could choose whom they voted for.

There is special urgency in improving America’s posture in the western Pacific in the coming two years. If the fallout from the Hong Kong protests is a revived debate on Taiwan about its future with the mainland, President Xi Jinping may find himself confronted in 2016 with the unfamiliar phenomenon, to him, of tense cross-strait relations. Xi himself was not part of the senior leadership when Chen Shuibian, the last DPP president, was in office. As important, the People’s Liberation Army has enjoyed nearly a decade of consistent, double-digit growth in the intervening years, fielding a substantially improved array of weapons, including more dedicated anti-ship ballistic missiles and other anti-access/area denial capabilities. The United States needs to be able to send a clear signal that it remains committed to the peaceful management of the Taiwan Strait situation—which requires a military posture capable of helping to assure that outcome.

As important, however, the United States must also strengthen its ties to other states in the region, so that Beijing does not operate under the illusion that it can employ political warfare to delay or dilute the American response. This means expanding security ties with longstanding allies such as Japan, South Korea, and the Philippines, and friends such as Singapore, but also improving relations with other states such as Vietnam, Indonesia, and Malaysia. An obvious element here is also the need to help Taiwan improve its military capabilities. The grudging pace of arms sales from the only country in the world, the U.S., with the capability and willingness to sell them, has created a situation where Taipei can no longer assure control over the air and seas around the island. Upgrades of fighters sold in 1992 fall far short of what is sufficient to right that balance. Taiwan needs new fighter aircraft, and some way of correcting a very serious deficiency in underwater warfare assets.

What is going on in Hong Kong today is a problem in its own right, for the people of Hong Kong and their future. It also, however, reveals a great deal about the PRC that confronts the Administration and Congress, and signals some of the challenges to peace and security in the region. For much of its history, the United States has seen the preservation of regional stability and preventing the rise of a regional hegemon as fundamental to its national interests. China’s actions in Hong Kong suggest that Beijing is more likely to be a challenger than a partner to these ends.
Dean Cheng, Senior Research Fellow, The Heritage Foundation

Dean Cheng is currently the Senior Research Fellow for Chinese Political and Military Affairs at the Heritage Foundation. He is fluent in Chinese, and uses Chinese language materials regularly in his work.

Prior to joining the Heritage Foundation, he was a senior analyst with the China Studies Division (previously, Project Asia) at CNA from 2001-2009. He specialized on Chinese military issues, with a focus on Chinese military doctrine and Chinese space capabilities.

Before joining CNA, he was a senior analyst with Science Applications International Corporation (SAIC) from 1996-2001. From 1993-1995, he was an analyst with the US Congress’ Office of Technology Assessment in the International Security and Space Division, where he studied the Chinese defense industrial complex.

He has written a number of papers and book chapters examining various aspects of Chinese security affairs, including Chinese military doctrine, the military and technological implications of the Chinese space program, and Chinese concepts of “political warfare.” Recent publications include:

- “China’s Military Role in Space,” *Strategic Studies Quarterly* (VI, #1, Spring 2012)
- “Chinese Views on Deterrence,” *Joint Force Quarterly* (#60, January 2011)

He has testified before Congress, and spoken at the National Space Symposium, the US National Defense University, Harvard, and MIT. He has appeared frequently on CNN International, the BBC, Voice of America, and National Public Radio to comment on Chinese developments, and has been interviewed by the *Financial Times*, *Washington Post*, Phoenix TV (Hong Kong) and *South China Morning Post*, among others, regarding Chinese space and military activities.