Problems and Countermeasures in the Practice of "One Country, Two Systems" in Hong Kong

Qingxiang Feng¹,*

¹Institute of Guangdong Hong Kong and Macao Development Studies, Sun Yat-sen University, Guangzhou, Guangdong510275, China
* Corresponding author. Email: fengqx8@mail.sysu.edu.cn

ABSTRACT

The practice of "One country, Two systems" in Hong Kong has made great achievements, but it also faces challenges in various fields. The prominent problems faced by "One country, Two systems" in the practice of Hong Kong at present include: the obstacles of Hong Kong's economic operation and the structural contradictions of Hong Kong society. In view of this, consciously defining Hong Kong's position in the country and actively integrating into the overall development strategy of the country is the key to solving the economic and social contradictions in Hong Kong.

Key words: One country, Two systems, Hong Kong, Economy, Society, Countermeasures

1. INTRODUCTION

We are in an era of problems. Problems are open, fearless, and the voice of the times that influences all individuals [1]. Question consciousness haunts us like Kant's philosophy's constant questioning of rationality. Social development often advances in twists and turns, and various problems inevitably arise. As the voice of the times, they can be both social resistance and social motivation. We need to persist in the attitude of not covering up contradictions and avoiding problems, and find, analyze and solve problems in a dialectical and historical way of thinking. Undoubtedly, the practice of "One country, Two systems" in Hong Kong has made great achievements, but it also faces challenges in various fields. In recent years, some deep-seated contradictions in Hong Kong society have gradually emerged with the practice of "One country, Two systems" entering the deep water area, such as the obstacles to Hong Kong's economic operation and the structural contradictions of Hong Kong society, which have plagued the central decision makers, Hong Kong citizens and investors from all over the world who are concerned about Hong Kong's development from time to time. It is normal for social development to have problems, which is not terrible. The key lies in finding out the crux of the problem, prescribing the right medicine and turning the crisis into safety.

2. OBSTACLES TO HONG KONG'S ECONOMIC OPERATION

Looking at the economic development of various countries and regions in the world, both socialist and capitalist economies are facing some common problems: how to balance the tension between the market and the government? How to deal with the relationship between efficiency and fairness? How to optimize the combination of economic internal factors and adapt to external environment? Under "One country, Two systems", Hong Kong not only needs to face some universal economic development problems, but also needs to face new problems and challenges of how two different economic systems can learn from each other, develop together and serve the country. Its complexity and arduousness are self-evident. Specifically, the obstacles to Hong Kong's economic operation are mainly reflected in the obstruction of internal structural adjustment and upgrading, and the difficulty of functional development to meet the needs of national economic development.

2.1. The economic transformation is difficult, the industrial structure is simple, and it is difficult to fully adapt to the national strategic positioning

Since its return to the motherland for more than 20 years, Hong Kong society has basically adhered to the value concept of liberalism, followed the Western market economy model of "Small Government and Big Market", strictly restricted the government's authority, and strongly advocated the free market, and left all kinds of decisions and operations in society to the law of market supply and demand. This is the long-term leading social consensus of Hong Kong as a free port, which is well known and applied by Hong Kong people. Undeniably, during the rapid rise of Hong Kong's capitalist society, the economic operation mode of "Weak Government Regulation and Strong Market Regulation" undoubtedly provided ample liquidity and powerful kinetic energy for the structural opening of industrial society, and created the legend of...
Hong Kong's economic development in 1980s. However, as Hong Kong's capitalist society enters a post-industrial society, market elements such as knowledge, information and technology are highly concentrated, and the monopoly interest chain of the financial, real estate and retail industries is gradually formed and solidified, and the economic transformation is facing many obstacles. On the one hand, the trend of simplification of social industrial structure in Hong Kong is becoming more and more fierce, which reflects an unhealthy economic and social ecology: the relationship between some large real estate capitals and Legislative Council functional constituencies is intertwined, the interests of business and political circles are complicated, and the economic transformation and upgrading is faced with how to break through the barriers of the original path dependence. On the other hand, the Hong Kong SAR Government pursues an economic management mode of "Positive Non-intervention". Faced with the adjustment needs arising from the complex changes in the factor structure, industrial structure and enterprise structure in the mainland and the global market, the "Tangible Hand" of the government is often powerless and difficult to do, but the "Invisible Hand" of the market often overrides the government functions, blindly leading the circulation and allocation of economic and social resources, so as to miss the best opportunity for transformation. The absence of government and market disorder often do not help to upgrade the mode of economic development, and even damage the efficiency of government, business environment and the ability to open to the outside world. Thanks to the institutional advantage of "One country, Two systems", Hong Kong has been positioned as a testing ground for national economic development and opening to the outside world. However, some obstacles in Hong Kong's economic operation will inevitably lead to a great reduction in its functional positioning in the national development strategy.

2.2. The barriers to Hong Kong's dual integration with the mainland and international markets still exist, and it is difficult to effectively play the role of "Super Contact"

Since its return to the motherland, Hong Kong has been rated as one of the freest economies and the most competitive regions in the world by many well-known international institutions for 20 consecutive years, which fully shows that Hong Kong's economic development under the principle of "One country, Two systems" still maintains the style of the Pearl of the Orient in the past. A prominent feature of Hong Kong's economy is its high degree of internationalization, which is highly connected with the global market in terms of products, labor, capital, tariffs, etc., and runs through the economic integration and connection at different levels such as commodity market, factor markets, financial market and service market. In other words, Hong Kong's traditional advantages, such as free trade market, independent judicial system, efficient supervision mechanism and high-quality business environment, play an important role in connecting the mainland and the international market. Hong Kong has a professional service system and a sophisticated social division of labor, while the mainland has a vast market hinterland and a complete manufacturing system. There are obvious objective conditions and realistic opportunities for complementary advantages, misplaced development and coordinated development. Under the call of the great rejuvenation of the Chinese nation, the central government is fully aware of Hong Kong's unique position in the global value chain. Through the integration measures of the Belt and Road Initiative construction, offshore RMB settlement, Shenzhen-Hong Kong Stock Connect and Bond Connect, the economic twin engines of Hong Kong and the mainland can operate in harmony, creating favorable conditions for Hong Kong to take advantage of "One country, Two systems" to take the lead in development. However, the heterogeneity of market access, financial supervision, trade rules and industry docking between the mainland and Hong Kong's "Two systems" objectively exists [2], and the barriers between the two economies to connect with "One country" are still gradually broken through in twists and turns, and the actual results need to be observed for a long time, so keep a cautious and optimistic attitude. On the other hand, in recent years, Hong Kong's overall internationalization has slowed down, and its economic ties with western developed countries tend to weaken. It has no obvious advantages in cultural exchanges, business contacts and language communication capabilities between the emerging BRICS countries and countries in Eastern Europe, Central and Western Asia and Africa along the Belt and Road Initiative. At the same time, Hong Kong has been adversely affected by the internal friction of local political parties and some social friction incidents between Hong Kong and the Mainland in recent years, and the market order, business environment and economic development consensus have been impacted to varying degrees. In recent years, driven by the strategy of peaceful rise of great powers of the new generation of central leadership collective, the speed and level of opening to the outside world, as well as the ability to connect with the world market, have been continuously improved, and the role and status of Hong Kong's "Super Contact" are inevitably weakened. In recent years, Hong Kong has been marginalized in public opinion. Although some reports are too truthful, they are by no means groundless. On the one hand, they reflect the seriousness of the current contradictions in Hong Kong's economic development, and on the other hand, they reflect whether Hong Kong has enough ability and confidence to cope with various challenges faced by economic development.

3. STRUCTURAL CONTRADICTIONS IN HONG KONG SOCIETY

Social structural contradictions gradually appear along
with the social modernization and transformation process. When the social transformation enters the period of fluctuation and oscillation, the class structure, spatial structure, organizational structure, relationship structure and concept structure within the society will inevitably undergo some displacements and changes, which will promote the corresponding changes and adjustments in the roles, positions and environment of different social activity subjects. The structural contradiction in Hong Kong society is the product of Hong Kong's post-industrial society development, and it is also an urgent problem to be solved in the practice of "One country, Two systems" in Hong Kong. Throughout the development process of more than 20 years, Hong Kong's social structural contradictions are mainly manifested in the slowdown of social class mobility, the imbalance between the income of ordinary families and the growth of housing prices, and the narrowing of the way out for the development of youth groups.

3.1. Opportunities for upward social mobility are decreasing

Generally speaking, the two ends of the extremely rich and poor class are very small, and the middle class is very large. This kind of Olive Social Structure is regarded as an ideal modern social existence form. In the collective memory of many Hong Kong people, the Hong Kong Dream is a vivid interpretation of this social structure, that is, under the benign social mobility, individual struggle and opportunities can realize the upward shift of social class position. In the second half of the 20th century, the Hong Kong Dream, which condensed the consensus of all social strata, extended its authenticity and attraction in the social practice of Hong Kong. However, with the impact of Hong Kong's social transformation, population aging, occupational structure change, industrial transfer and uncertain factors of international economy, some subtle changes have taken place in the process of drastic differentiation and reshuffle of class structure. Capital power, power agents and intellectual elites have joined forces with each other to form a relatively closed interest transmission pipeline. As a result, the upward mobility channel of the bottom of society is narrowed, and the economic status, professional structure and educational opportunities of vulnerable groups are locked at the bottom of the unstable society, and there are hidden dangers of intergenerational transmission and vicious circle. The situation that the poor are continuously produced is not optimistic [3]. On the other hand, the flow of social wealth to vested interests is accelerated, and some middle classes are shrinking due to the world economic downturn. The original social structure has been gradually distorted into a pyramid-like social structure with obvious gap between rich and poor and clear class boundaries. Although Hong Kong people still believe in the Hong Kong Dream and believe that they can succeed as long as they work hard, the survey in recent years found that a larger number of respondents indicated that their career development opportunities were not as good as those of the previous generation [4]. Whether viewed from the objective environment or subjective perception, the sharpening trend of structural contradictions in Hong Kong's social class should arouse our attention.

3.2. The income level of ordinary families cannot afford high housing prices

Whether the income level of ordinary families can solve the housing demand is an important window to investigate the overall situation of social economy and people's livelihood. Since Hong Kong's return to the motherland for more than 20 years, from the change of the median monthly income of households, the overall income level of Hong Kong residents is on the rise. However, compared with the soaring housing prices in recent years, the income level of ordinary families in Hong Kong is simply unbearable. According to the data provided by the Census and Statistics Department of Hong Kong, it can be seen that the ratio of housing price to the annual income of households in Hong Kong is close to 20 times in recent years, and it is getting worse and worse, seriously deviating from the reasonable area (internationally recognized range is 3-6). Under the pressure of high housing prices, as of 2016, only 53.2% of Hong Kong residents owned private houses, and nearly half of the population lived in public housing and Home Ownership Scheme block, and nearly 210,000 people lived in subdivided units [5]. The contradiction between the growth rate of household income and the housing demand of residents has always been a difficult problem that puzzles Hong Kong's social development. Although the previous three Hong Kong SAR governments all looked forward to making breakthroughs and making achievements in the fields of economy and people's livelihood, facing the confrontation of different groups' interests, the SAR government's decision-making was often restrained by the spokesmen of real estate hegemony in the Legislative Council, and it was difficult to implement it as expected in the end, which failed to respond to the realistic concerns of the public. If the income level and living environment are not effectively improved, it will be difficult to form a sustained and stable sense of belonging, and may even become a factor that erodes the prosperity and stability of Hong Kong society.

3.3. The policy of paying attention to youth development in Hong Kong lags behind obviously

Young people in Hong Kong are the new force to promote the prosperity and stability of Hong Kong society, and also the source power to promote the development of "One country, Two systems". Paying attention to the academic development, career planning, promotion ladder and social
psychology of young people in Hong Kong has always been the basic duty and policy focus of the HKSAR Government. However, the HKSAR Government has continued the youth work mentality of the British Hong Kong Government since 1997, which focused on assistance and supervision. Instead of setting up a formal official functional department dedicated to serving Hong Kong youth groups, it has provided relevant services and partial support to the youth's needs in education, employment, safety and development through the Education Bureau, the Labor and Welfare Bureau, the Security Bureau, the Home Affairs Bureau and non-governmental organizations. It can be seen that the HKSAR Government lacks an overall, systematic and long-term plan for youth development in Hong Kong, and its policy of paying attention to youth development in Hong Kong stays at the level of simple financial assistance and subsidies, and seldom goes deep into the study, work and living places of young people, paying attention to their ideological trends, anxiety of the times and individual development needs. On the one hand, the ability of communication and dialogue between the HKSAR Government and Hong Kong youth is rather weak, and the communication channels between Hong Kong youth and the government are very limited, so many young people express their aspirations by participating in local political movements. On the other hand, the HKSAR Government has focused too much attention on the "problem" youth in Hong Kong, while paying less attention to those patriotic and Hong Kong-loving youth groups who are marginalized by the media. The problem of rioting youth is difficult to resolve in the short term, and the cultivation of patriotic and Hong Kong-loving youth has been neglected for a long time. These phenomena, such as the lack of administration by the SAR government and the lagging youth policy, deserve our deep reflection.

4. THE KEY TO SOLVING THE ECONOMIC AND SOCIAL CONTRADICTIONS IN HONG KONG

The national strategy is to take the country as the leading factor, gather the hard power and soft power of all aspects of the country, and make a long-term plan with overall and forward-looking in order to achieve the general goal of national and social development. At present, China's national strategy is an important embodiment of the strategic thinking and top-level design of the CPC Central Committee governing the country with Comrade Xi Jinping as the core. Because of its geographical position and international influence, Hong Kong is highly valued by the state. In the planning of the national development strategy, the fast-growing trains in the country usually reserve the front row position for Hong Kong. Among them, RMB internationalization, the Belt and Road Initiative construction and Guangdong-Hong Kong-Macao Greater Bay Area construction are closely related to Hong Kong's economic and social development, which has inserted wings for Hong Kong to take off again. Opportunities and challenges of social development always go hand in hand. For the complicated situation of Hong Kong society, General Secretary Xi Jinping pointed out from a strategically advantageous position that Hong Kong's current economic development is facing many challenges, its traditional advantages are relatively weakened, new economic growth points have not yet been formed, and people's livelihood issues such as housing are more prominent [6]. He skillfully used the Cantonese saying "There is no boat ride after Suzhou", and asked Hong Kong people to give full play to their unique advantages, seize the opportunity of rapid development of the country, and gradually solves the outstanding contradictions in Hong Kong's economic and social fields. Obviously, the central government's judgment on Hong Kong's development situation is objective, comprehensive and accurate. Actively integrating into the "One country" national strategy is the key to alleviating Hong Kong's economic and social contradictions, and it is also a breakthrough point to solve new problems, new situations and new challenges in the practice of "One country, Two systems" in Hong Kong.

To actively integrate into the country, we must first identify with the country, with Hong Kong and the mainland as a community of destiny, and with the overall goal of realizing the great rejuvenation of the Chinese nation. Without this premise of value consensus, the integration without identity foundation is only passive role planning and passive behavior obedience, and Hong Kong's subjective initiative cannot be brought into full play. Hong Kong's positioning and role in the national strategy will inevitably get twice the result with half the effort, and it will be difficult to achieve the overall expectations of the country and the ardent expectations of Hong Kong people. It can be seen from that if the national identity of Hong Kong people is lacking, it will not help to solve the prominent contradictions in Hong Kong's economy and society, nor will it benefit the healthy development of "One country, Two systems". Therefore, the key to promote the practice of "One country, Two systems" in Hong Kong is to promote the construction of Hong Kong's national identity, assist Hong Kong people to actively integrate into the national strategy of "One country", and focus on optimizing the quality, structure and environment of development.

5. CONCLUSION

The practice of "One country, Two systems" in Hong Kong must be a dialectical development process, in which the contradiction of unity of opposites runs through. Since the return to the motherland in 1997, great achievements have been made in Hong Kong's social development, and the following deep contradictions cannot be ignored. Although the social problems in Hong Kong are complicated, and even there are some seemingly contradictory social phenomena, with the deepening of our understanding of the essential laws of the theory and practice of "One
country, Two systems", the continuous improvement of the central government's strategy of governing Hong Kong, and the continuous improvement of the comprehensive ability of Hong Kong people governing Hong Kong, we have every reason to believe that Hong Kong will have a better tomorrow. Of course, to be confident, you must not be blindly arrogant, and to be self-reliant, you must not rest on your laurels. Through a comprehensive analysis of the main challenges in the practice of "One country, Two systems" in Hong Kong, it can be seen that realizing national identity is a new way to promote the practice of "One country, Two systems" in Hong Kong. It is a systematic solution with Chinese political wisdom and a holistic vision. It may be able to change the previous methodological dependence of "A Headache Cures a Head", and weave Hong Kong's economic, political, cultural and social dimensions with the knot of the country.

ACKNOWLEDGMENT

This research was financially supported by National Social Science Foundation of China (20CKS056)

REFERENCES


