"One country, two systems" in practice: an analysis of six cases

Yiu Chung WONG
Lingnan University, Hong Kong, wongyc@ln.edu.hk
No. 114 (8/01) CPPS

"ONE COUNTRY, TWO SYSTEMS" IN PRACTICE:
AN ANALYSIS OF SIX CASES

by

Dr. Wong Yiu-chung

Lingnan University
Hong Kong
“One Country, Two Systems” in Practice: An Analysis of Six Cases

Dr. Wong Yiu-chung

August 2001
© Wong Yiu-chung

Dr. Wong Yiu-chung is Associate Professor in the Department of Politics and Sociology, Lingnan University, Hong Kong.

Centre for Public Policy Studies
Lingnan University
Tuen Mun
Hong Kong
Tel: (852) 2616 7432
Fax: (852) 2591 0690
Email: cpps@LN.edu.hk
http://www.LN.edu.hk/cpps/

CAPS and CPPS Working Papers are circulated to invite discussion and critical comment. Opinions expressed in them are the author's and should not be taken as representing the opinions of the Centres or Lingnan University. These papers may be freely circulated but they are not to be quoted without the written permission of the author. Please address comments and suggestions to the author.
"One Country, Two Systems" in Practice: An Analysis of Six Cases

by

Wong Yiu-chung
Department of Politics and Sociology
Lingnan University

Introduction

The resumption of sovereignty over Hong Kong by the People's Republic of China (PRC) was unique in the decolonization history of the United Kingdom. For the first time a piece of British colony was returned to another sovereign power without becoming an independent country. For the PRC, the resumption of sovereignty was a natural course of event because China had never admitted that Hong Kong was a colony of the United Kingdom. After initial contacts between Britain and China in the late 1970s, Chinese government decided to take back Hong Kong in 1981. In 1982, the fourth constitution since the founding of the PRC promulgated the notion of Special Administrative Region. The principle of "one country, two systems" was devised to solve the issue of sovereignty of Hong Kong in 1997. In recovering Hong Kong, the Chinese Communist Party (CCP) encountered a dilemma: on the one hand, it would like to resume sovereignty over Hong Kong; on the other hand, it would like to maintain the status quo as to preserve prosperity and stability of Hong Kong. Hopefully, the "one country, two systems" could solve the problem.

Now four years after the handover, people would ask the question whether the notion of "one country, two systems" has been successfully implemented. In fact, one could even ask: what is actually the principle of "one country, two systems"? Where is the line between "one country" and "two systems"? The paper attempts

---

1 The Article 31 of the Chinese constitution stipulates that if necessary the state could set up a Special Administrative Region (SAR). The specifications of the SAR would be decided by laws.
to answer these questions by exploring six cases that occurred after the handover. The paper starts with a general discussion on the concept, followed by a delineation of six cases and the implications of these cases for “one country, two systems” would be drawn. In fact, some scholars argued that under “one country, two systems” Hong Kong enjoys a higher degree of autonomy than the local/regional governments under Western federal systems. The paper tries to answer the question by referring to Australian and American federal systems.

The Principle of “One Country, Two Systems”

The notion first emerged in the early 1980s and it was formed over a number of years after the visit of Lord MacLehose (former Hong Kong governor) to Beijing in March 1979. In fact, the target of application was first aimed at Taiwan, instead of at Hong Kong. The CCP listed the reunification with Taiwan as one of the Party’s three important tasks in the beginning of 1980s. Evidently it was the British initiatives on the Hong Kong 1997 issue that forced Beijing to reorient its strategy of reunification. The Sino-British Joint Declaration was signed in 1984, and Hong Kong’s fate was sealed. Although the principle of “one country, two systems” was not mentioned in the Declaration, the twelve policies within were, in fact, to be the concrete manifestation of the concept. In April 1990, the Basic Law of the Hong Kong SAR was passed by the National People’s Congress (NPC) and the notion seemed to have been substantiated.

The Practice after the Handover

The studies on the implementation of “one country, two systems” were mostly “subjective” ones, which means that a sample population was selected and interviewed by researchers. They were

---


3 Wong Man-fong, (1997). *China’s Resumption of Sovereignty Over Hong Kong – Processes of Decision-making and Implementation* (in Chinese), Hong Kong: Baptist University, pp.26-28. The first time that China raised this concept publicly was in September 1982, when Deng Xiaoping met Margaret Thatcher, then British prime minister, in Beijing.
asked a number of questions regarding the principle of "one country, two systems". The questions include: Are you satisfied with the performance of the principal government officials? Are you satisfied with the performance of Tung Chee-hwa? Do you trust the Hong Kong SAR government? The collected data were subjective impressions of the implementation process. On the contrary, my paper adopts an "objective" approach which exposes the contradictions (political and legal) in the events or incidents that involve relationships between "one country" and "two systems" during the implementation process. The following six cases will serve to illustrate the tensions between "one country" and "two systems".

The criteria of choosing the cases are as follows: First, the cases engendered heated debate in Hong Kong. Society split into two camps. One the one hand, there are those what I would call "pro-one country" camp which comprises leftist politicians, members of China's official establishment such as NPC and CPPCC, some pro-China businessmen; on the other hand the "pro-two systems" faction which consist of mostly democrats, academics and journalists. Second, each case involve relationships between "one country" and "two systems". Third, each case can crystalize the relationships between mainland China and Hong Kong.5

Case 1: Legislator Emily Lau's Lawsuit Against Xinhua News Agency

Background

---

4 Wong Ka-ying, (2000). The Implementation of "One Country, Two Systems" in Hong Kong (in Chinese). Hong Kong: Hong Kong Institute of Asia-Pacific Studies, the Chinese University of Hong Kong. Five surveys were conducted in April 1998, October 1998, April 1999, November 1999 and April 2000. To the question whether "one country, two systems" has implemented after the handover, the percentage of "no" are as follows: 14.5, 17.7, 15.7, 24.3, and 20.2. The percentage of "yes" are: 46.7, 51.1, 47.1, 40.1, and 44.0. the percentage of "general" are: 28.0, 21.4, 28.3, 27.3, 30.2. The percentage of "don't know/not sure/refuse to answer" are: 10.9, 9.8, 8.9, 8.3, 5.5. See p. 16.

5 People may ask why the Robert Chung's case was not included. Personally, I think that the case does not involve central-Hong Kong SAR relationships. It is purely an internal matter about academic freedom in Hong Kong.
The Hong Kong Personal Data (Privacy) Ordinance was enacted in December 1996. The goal of the Ordinance is to protect private individuals in relation to their personal data. The Ordinance gives rights to individuals (data subjects) to confirm with the data user whether their personal data are held properly and to obtain a copy of such data if requested and even to have personal data corrected if necessary. The data users would commit an offence if they refuse such request.

Based on the rights bestowed by the Ordinance, Emily Lau, the articulated legislator, asked the Xinhua News Agency (renamed as Central Government Liaison Office after handover) to give her a copy of her personal data that was presumably kept in the secret files of the Agency in December 1996. Ten months after the request, Xinhua wrote to tell Emily Lau that it did not have the file of personal data on her in October 1997. Under the existing law, Xinhua had already made an offence as the Ordinance imposes a 40-day limit to satisfy the request of personal data by the applicant.

The Commissioner of Privacy deemed that Xinhua had violated the Ordinance and reported to Elsie Leung, Secretary of Justice of the Hong Kong SAR government, but Elsie Leung refused to take legal action against Xinhua without giving any reasons. Meanwhile it was found out that Xinhua was not a legally-registered organization in Hong Kong, and therefore could not be prosecuted under the existing Hong Kong laws and only the man in charge of the organization could be charged. Subsequently, Emily Lau launched a private lawsuit against Jiang Enzhu, the Xinhua director.

However, Frank Stock, judge of the court of the first instance, refused to grant Emily’s subpoena to summon Jiang to appear in court to answer the charges about Xinhua’s alleged breach of the Privacy Ordinance. Because, according to the judge, Emily’s summon was directed at the wrong person. In December 1996, the Xinhua director was Zhou Nan, who was replaced by Jiang in August 1997, and therefore the case could not be established. Consequently, Emily had to pay the fees incurred during the process which cost about HK$1.6 million. The failure to pay the fees might make Emily bankrupted and might cost her the seat in the legislative
Council (Legco). She finally paid the cost and retained her Legco seat.

Debate

The importance of Emily Lau’s case is that it attempts, after the takeover by the PRC, to test the status of Xinhua within Hong Kong legal jurisdiction. Before the handover, it served as a disguised diplomatic organization and after the handover it became a Central Government’s power-delegated organization. Under the principle of “one country, two systems”, Hong Kong enjoys a high degree of autonomy and Hong Kong courts enjoys the final adjudication power on all cases except on foreign affairs and defense. As Emily said, “I initiated private prosecution against Mr Jiang in 1998, because I do not think anyone, including the organs of Central Government should be above the law”.6

Article 22 of the Basic Law stipulates that “All offices set up in the Hong Kong Special Administrative Region by the departments of the Central Government, or by provinces, autonomous regions, or municipalities directly under the Central Government, and the personnel of these offices shall abide by the laws of the Region.” However, in April 1998, the provisional Legislative Council passed the Adaptation of Laws Ordinance which replaced the British Crown by the Chinese state which has a much wider connotation. The notion Chinese state includes organizations affiliated with the central government or organizations exercising delegated tasks prescribed by the central government in accordance with the Basic Law.

The Ordinance exempted the “state organizations” from legal prosecution for about 500 Ordinances in Hong Kong. However, the Privacy Ordinance was not one of the 500 Ordinances that are not applicable to the “state organizations”. It remains a mystery if the Privacy Ordinance could be applied to Xinhua.7 The case clearly

6 Emily Lau, (2000). “Bankruptcy looms, but I had to defend my individual rights”, South China Morning Post, 14th November.

7 In fact, there are still 16 Ordinances whose status are not clear four years after the handover, for example, Sex Discrimination Ordinance, Patents Ordinance, Mandatory Provident Fund Schemes Ordinance, Disability Discrimination Ordinance, etc. See
shows that the “state organizations” are now above the laws of Hong Kong and the relevant provisions in the Basic Law are totally ignored. Before the change of sovereignty, Emily Lau lamented, “Beijing tried to assure Hong Kong people by pledging the mainland authorities would abide by local laws. Four years later, it is still an empty promise, and seriously undermines any claim that Hong Kong has the rule of law.”

Case 2: The Case of Cheung Tze-keung’s Arms Smuggling and Kidnapping

Background

Cheung Tze-keung, a Hong Kong resident and well known as “big spender” or “big boss” in the gangster circle and his 35 gang members had been committing crimes of kidnapping, arms smuggling, illegal trading of explosives, murder and robbery in the 1990s in mainland China and Hong Kong. Cheung and his members were arrested in mainland in January 1998 and prosecuted by Guangdong police in September 1998.

One of his charges was the kidnapping of Victor Li Tzar-kuoi in May 1996, deputy chairman of Cheung Kong Holdings, Ltd. and son of the property tycoon Li Ka-shing. Cheung demanded a ransom of HK$1.38 billion. Li family paid the ransom and did not report to Hong Kong police. In November 1998, Cheung succeeded in kidnapping another property tycoon Kwok Ping-sheung, chairman of the Sun Hung Kai Property Ltd. and Kwok family paid a sum of HK$600 million to secure Kwok’s release. In Guangdong’s trial, Cheung and his gangsters were found guilty and sentenced to death by the Guangzhou Intermediate People’s Court. He appealed but failed and was executed in December 1998.

Debate

Economy Journal, 15th May 2001. It would not be wild of the mark that the “state organizations” enjoys some degree of “extra-territoriality” in Hong Kong. See also Ming Pao, 23rd June 2001.

Cheung held a Hong Kong identity card yet he was tried and executed in the mainland. There were altogether 17 Hong Kong residents among the 35 gang members. They were either executed or sentenced to various terms of imprisonment. Many people in Hong Kong demanded that Cheung should have been brought back to Hong Kong for trial; however, the pro-one country faction supported the mainland move.

Their arguments are as follows. First, the mainland courts have jurisdiction over Hong Kong residents, for the Chinese Criminal Law stipulates that “The Law is applicable to all who commit crimes within the territory of the People’s Republic of China except as stipulated by law. When either the act or consequences of a crime takes place within the territory of the People’s Republic of China, a crime is to be deemed to have been committed within the territory of the People’s Republic of China.” Article 7 of the same law stipulates that “This Law may be applicable to citizens of the People’s Republic of China who commit crimes outside the territory of the People’s Republic of China other than the crimes specified in the preceding article.” Since the PRC has already resumed sovereignty over Hong Kong, the acts (kidnapping and arms robbery) and consequences (arrest) took place in mainland China and Hong Kong. Consequently, mainland courts have the right to trial Cheung.

Secondly, there are two principles that regulate criminal control internationally, namely area principle and identity principle. The area principle states that if the offender commits crimes in a particular area or territory, he/she could be tried by the courts of the particular area or territory. The identity principle states that the area or territory is the place where the criminal resides, the courts of the place have the right to try him/her. Evidently, the trial of Cheung by mainland courts is justified on both principles.

Third, Article 19 of the Basic Law states that “The Hong Kong Special Administrative Region shall be vested with independent judicial power, including that of final adjudication.” Cheung Tze-keung committed offences both in mainland and Hong Kong. According to the Basic Law, Hong Kong is vested with “independent right” to judge all cases in the Region but it is not the “only place”
to have the right of trial. There is great difference of “independent right” and “only one”.

Fourth, Hong Kong government did not request mainland authorities to extradite Cheung to Hong Kong. Moreover, the Li and Kwok families, though being the victims of the kidnapping, did not report to the police and therefore the case cannot be established in Hong Kong. In fact, Cheung’s wife and brothers were once arrested by Hong Kong police and their banking accounts were frozen. Because of lack of evidence, they were released and their banking accounts defrozen.

Nonetheless, the pro-Hong Kong autonomy people think otherwise. Their arguments are follows. First, Article 19 of the Basic Law provides that “the Hong Kong Special Administrative Region shall be vested with independent judicial power, including that of final adjudication.” Furthermore, Article 18 of the Basic Law states that “National Law shall not be applied in the Hong Kong Special Administrative Region except for those listed in Annex III to this Law.” There are six national laws that are applicable to Hong Kong SAR and Criminal Law is not one of them.

Secondly, the crimes, in fact, mainly took place in Hong Kong and Cheung was a Hong Kong resident. The kidnappings occurred in Hong Kong and other crimes such as smuggling of arms and illegal trading of explosives were secondary offences and they were preparations to the kidnappings. Article 24 of the China’s Criminal Procedure Law states that “a criminal case shall be under the jurisdiction of the people’s court in the place where the crime was committed, it is more appropriate for the case to be tried by the People’s Court in the place where defendant resides.” In Cheung’s case, it was widely perceived that he should have been tried in Hong Kong and even his family made such a request.

Third, there were political considerations. Knowing the widespread corruption and the nature of Leninist party dictatorship in mainland, Hong Kong residents have certainly doubts over the impartiality of the judicial system. People believe that Hong Kong has independent judicial power. Hong Kong people are worried about the unlimited possible application of the PRC’s criminal code
to all Hong Kong residents, who are also Chinese citizens after the handover. The fear is that Hong Kong residents who commit offences outside the territory of the PRC may be tried and penalized under article 7 of the criminal law, particularly true for political dissidents currently residing in Hong Kong. Some suggested that, to allay this fear, within the context of article 7, Chinese citizens do not include Hong Kong residents.

The Chinese Criminal Code covers all territories of China. Hong Kong was made an exception because of “one country, two systems”. Nonetheless, from the way that the Chinese authorities interpret it, the Basic Law could not take precedence over the Chinese national laws. It is clear that Hong Kong’s “exceptionality” has limitations. It is not clear to what extent this “exceptionality” would go. It seems that a constitutional framework should be established as quickly as possible to govern the legal relationships between China and Hong Kong. Martin Lee, the leading democrat in Hong Kong, said that "This is not an isolated case... Until there is an acceptable arrangement governing the rendition of offenders between Hong Kong and mainland China, the “one country, two systems” cannot be administered."  

Ivan Tang Yiu-wing, Cheung’s lawyer in mainland, said that “It was not a death sentence for Big Spender but also for the idea of ‘one country, two systems’”. The fundamental issue in this case is that a set of clear criteria, acceptable and well understood by Hong Kong and mainland, for handling cross border crimes is lacking. The fact that Hong Kong people are reluctant to move along this direction is due to the enormous differences of the legal systems on both sides. At the end, power decides.

Case 3: The National People’s Congress’s Reinterpretation of Right of Abode

Background

9 South China Morning Post, 2nd November 1998.
10 South China Morning Post, 13th November 1998.
Under the British rule, the mainlanders who overstay in Hong Kong or came to Hong Kong illegally would repatriated back to mainland. Before and after the handover in 1997, there was a great influx of mainland-born children of Hong Kong residents into Hong Kong through either two-way permits or illegally. After 1st July 1997, colonial rule ended and the Basic Law became effective. These people claimed that, according to the Basic Law provisions, they have the right of abode in Hong Kong and they refused to go back to mainland China. On 3rd April 1998, the High Court decided that in the initial stage the right of abode was given to the children of Chinese nationality born to Hong Kong residents, including the children of illegitimate birth. These children could enjoy unconditional right of abode in the Territories right away while those who came after 1st July 1997 have to be repatriated back to mainland and they must apply for the Certificate of Entitlement issued by the mainland authorities before they come. Some mainlanders appealed to the Court of Final Appeal (CFA).

One 29th January 1999, Andrew Li, the Chief Justice of the CFA, issued the verdict, declaring that the following categories of people were entitled to the right of abode in Hong Kong: 1) Mainland-born children of Hong Kong residents, their parents need not to be Hong Kong permanent residents when the child was born; 2) Non-marital born children of Hong Kong residents (according to the law of equity); 3) Before 10th July 1997, Hong Kong born children by mainland wife whose husband was Hong Kong resident; 4) From the period of 1st July 1997 to 29th January 1999, children of Chinese nationality to Hong Kong residents who had claimed their right of abode from the Immigration Department of Hong Kong; 5) One way permit and the Certificate of Entitlement, both issued by the mainland authorities, became separated, which means that the potential immigrants to Hong Kong do not need the Certificate of Entitlement to Hong Kong.12

According to the Government's estimation, the potential and actual immigrants to Hong Kong would amount to 1.67 million in the next decade, if the CFA's verdict was implemented. The potential influx of immigration would bring enormous pressure on housing

planning, medical services, education provisions, and economic
development as a whole. The total expenditure for the next 10 years
would be HK$710 billion and annual expenditure HK$33 billion.
The government warned that Hong Kong economic system would
collapse. On 18th May 1999, Tung Chee-Hwa, the Chief Executive
of Hong Kong SAR government, wrote a letter to the State Council
in Beijing, requesting the State Council to ask the NPC to reinterpret
the relevant right of abode provisions in the Basic Law. On 26th
June 1999, the NPC Standing Committee (SCNPC) reinterpreted the
Basic Law’s right of abode provisions. After the reinterpretation, the
government estimated again that the potential 1.6 million immigrant
figures were reduced only to 170,000. The reinterpretation of the
SCNPC was seen to have solved the huge population influx problem
created by the verdict of the CFA.

Debate

The Article 22 (4) of the Basic Law states that “For entry into
the Hong Kong Special Administrative Region, people from other
parts of China must apply for approval. Among them, the number of
persons who enter the Region for the purpose of settlement shall be
determined by the competent authorities of the Central People’s
Government after consulting the government of the Region.” The
SCNPC interpreted that “All persons in the mainland including
those born outside Hong Kong of Hong Kong permanent residents,
imust have a Certificate of Entitlement from the relevant authorities
for entry into HKSAR. Otherwise, their coming to Hong Kong
would be unlawful.”

Article 24(2)(3) states that “(2) Chinese citizens who have
ordinarily resided in Hong Kong for a continuous period of not less
than seven years before or after the establishment of the Hong Kong
Special Administrative Region.” “(3) Persons of Chinese nationality
of Chinese nationality born outside Hong Kong of those residents
listed in categories (1) and (2).” The SCNPC interpreted the article’s
subsection as to mean that it covered only those children one or both
of whose parents were permanent residents of Hong Kong at the
time of their birth. It went on to state that the legislative intent, a

\[13\] Ming Pao, 11th June 1999.
\[14\] Ming Pao, 27th June 1999.
concept alien to common law tradition, of this sub-article as well as of the whole of article 24(2) was reflected in the Resolution of the Preparatory Committee adopted by the NPC on 10th August 1996.\textsuperscript{15}

According to the CFA's verdict, those who were born in mainland before or after one of their parents obtains the residency rights are entitled to have the right of abode in Hong Kong. Under the SCNPC's reinterpretation, only those children one or both of whose parents were permanent residents of Hong Kong at the time of their birth have the right of abode. Moreover, all the potential immigrants in China mainland must obtain the Certificate of Entitlement in line with the existing practice before coming to Hong Kong; otherwise, their presence would be unlawful. Moreover, according to the SCNPC's interpretation, the CFA has made a mistake for it failed to demarcate the internal affairs of Hong Kong and affairs between Hong Kong and mainland. If it is the latter, the CFA must seek a priori interpretation of the relevant article first before the CFA makes a decision.

A controversy arises owing to a lack of clear criteria that separate the purely internal affairs of Hong Kong and affairs between Hong Kong and mainland. The Basic Law gives only a general guideline. Article 158 (3) stipulates that “The courts of the Hong Kong Special Administrative Region may also interpret other provisions of this Law in adjudicating cases. However, if the courts of the Region, in adjudicating cases, need to interpret the provisions of this Law concerning affairs which are the responsibility of the Central People’s Government, or concerning the relationship between the Central Authorities and Region, and if such interpretation will affect the judgment on the cases, the courts of the Region shall, before making their final judgments which are not appealable, seek an interpretation of the relevant provisions from the Standing Committee of the National People’s Congress through the Court of Final Appeal of the Region. When the Standing Committee makes an interpretation of the provisions concerned, the courts of the Region, in applying those provisions, shall follow the interpretation of the Standing Committee. However, judgments previously rendered shall not be affected.” In this case, the Basic

\textsuperscript{15} Ibid.
Law was violated because the verdict of the CFA was completely overturned. The SCNPC pronounced its reinterpretation of the Basic Law on 26 June 1999.\textsuperscript{16}

The move engendered hot debates. The legal field was divided— the Bar Association strongly against and the Law Society for Ronny Tong, the then chairman of the Bar Association, rejected the move and argued that the move was against the Basic Law and “unconstitutional”.\textsuperscript{17} The Lawyers Committee for Human Rights strongly criticized the move and argued that it appeared to be a “clear violation of the principles of judicial independence and the power of final adjudication provided by Articles 2 and 82 of the Basic Law.”\textsuperscript{18}

Elsie Leung, the Justice Secretary, naturally defended the reinterpretation as constitutional. The SCNPC has the right to reinterpret the verdict of the territory’s highest court. Furthermore, the move was for the benefit of Hong Kong society as a whole as Hong Kong simply could not afford to spend so much on the potential new immigrants in ten years if the verdict of the CFA was carried out. She pointed out that the critics did not understand how the Basic Law operated after the handover. The SCNPC’s reinterpretation shows that the Basic Law could be applied to solve emergent problems.\textsuperscript{19}

There was support from overseas academic institutions. Professor Paul, Gewirtz, director of the Law School in Chinese Law at Yale University, supported the move, stating that when any court declared any decisions, far-reaching consequences of the verdict on society was one of the considerations. When the right of abode involved the central-local relationships, the NPC should reinterpret the details of the immigration laws. In almost all the countries in the

\textsuperscript{16} Margaret Ng, 1999. \textit{Ming Pao}, “29\textsuperscript{th} January as demarcation day is not fair and unconstitutional”, 30\textsuperscript{th} June.
\textsuperscript{17} \textit{Ming Pao}. Ronny Tong. “Amending the Basic Law is the only constitutional move,” 17\textsuperscript{th} May 1999.
\textsuperscript{18} Quoted from Margaret Ng, (1999). “Wrapped up in secrecy”, in \textit{South China Morning Post}, 4\textsuperscript{th} June.
\textsuperscript{19} \textit{Ta Kung Pao}, 28\textsuperscript{th} February, 2000.
world, the court would not deal with the issue of the right of abode. Instead, the administrative branch would take up the issue.20

In general, Hong Kong residents supported the reinterpretation of the SCNPC. Before the reinterpretation, the consequences of the large amount of immigrants was not announced, a public opinion was conducted. At that time only 32% of the interviewees supported the NPC. However, after the government’s estimation of the potential influx of new immigrants was publicized, the supporting rate for the reinterpretation shot up to 60.1% to its heel.21

Aside from the legal niceties, what is at stake here is the political impact on the implementation of “one country, two systems”. Most importantly, the SCNPC’s reinterpretation of the right of abode has set a precedent for the NPC’s intervention into Hong Kong internal affairs. Albert Chen Hung-ye, dean of the law faculty of Hong Kong University, expressed the worry that the reinterpretation failed to spell the mechanisms under which the reinterpretation would be sought. This would surely undermine the foundation of the rule of law.22

Moreover, this also set a precedent for the executive’s intervention in the otherwise independent judicial process. According to the Article 158 of the Basic Law, it should be the CFA that would seek reinterpretation of the relevant provisions from the SCNPC, not the executive branch. This has set up a precedent whereby the executive branch could intervene in the verdict of the CFA if it loses legal battles by requesting the SCNPC to reinterpret. In fact, the SCNPC’s reinterpretation was a political move which brought the taming of the CFA of Hong Kong.23

Case 4: Sally Aw Sian’s Prosecution

20 Hong Kong Economic Daily, 29th April 2000.
21 Wen Hui Pao, 1st May 1999.
22 South China Morning Post, 19th May 1999.
Background

Sally Aw Sian is a media tycoon in Hong Kong. In mid-1997, the Independent Commission Against Corruption (ICAC) started to investigate a fraud case involving three top executives of the Hong Kong Standard, one of the newspapers owned by Sally Aw Sian, the chairperson of the Sing Tao Holdings, Ltd. It was found that the three executives had deliberately inflated the circulation figures of the newspaper. Henrietta So Shuk-wa, the general manager of the Hong Kong Standard Newspaper, David Wong Wai-shing, a circulation director and Tang Cheong-shing, a finance manager, all conspired to create the fraud.

Circulation figures are of vital importance to advertisers, which provide much of the revenue for the newspaper. The Audit Bureau of Circulation (ABC) in the United Kingdom would issue a certificate of figures for the circulation if the newspaper used its service. ABC was given false documents and inflated circulation figures.

The three defendants were convicted and sentenced to jail from 4 months to 6 months. Despite the fact that Sally was mentioned in the prosecution documents of the ICAC, the Department of Justice of Hong Kong SAR decided not to prosecute her on the grounds that Elsie Leung, Secretary of Justice, declined to reveal. The Legco Councils were angry, legal experts were shocked and society in general was confused. On 4 February 1999, after the first two rejections, Elsie Leung finally consented to be present to be inquisitioned about the reasons or lack of reasons for not prosecuting Sally.

Elsie Leung raised firstly a “public interest” argument. She said that from 1996 to 1998, several Hong Kong newspapers were closed down, and Sing Tao Holdings was facing financial difficulties. The company was negotiating with banks to regroup restructuring, even selling. If the company had been sued, the Group might have stopped operation and cost several thousand of jobs. Legal experts were shocked by her thesis, for this thesis amounts to argue that the rich and the powerful enjoy legal immunity because they usually own factories or companies.
In a move to quell criticism from society, Crenville Cross, director of public prosecution, wrote letters to the judicial departments of 13 countries and asked them if they would take into consideration workers’ unemployment and bankruptcy of companies as “public interest” in the prosecution process. Out of eleven responding countries, seven replied that they would, three countries would not consider and one country refused to comment. Margaret Ng, the legislator from the legal constituency, was angered by the explanation so that she moved to motion a vote of no confidence in Elsie on 10 March 1999. The motion was defeated by 20 to 31. However, later on, Elsie offered the second reason not to prosecute Sally: lack of evidence.

Debate

Many thought that the non-prosecution involved political consideration. Elsie Leung was a founding member of the pro-CCP political party Democratic Alliance for the Betterment of Hong Kong (DAB). Before the appointment of the Secretary of Justice, she was a deputy of the NPC. Sally had long standing relationships with Elsie Leung as well as Tung Chee-Hwa, the Chief Executive. Most important of all, Sally has been a deputy of Chinese People’s Political Consultative Conference (CPPCC) for many years, and her close relationship with the CCP dates to the 1960s.

Ronald Arculli, the legislator and then chairman of the Legco Bills Committee, said that the element of “public interest” would be considered only if there was sufficient evidence. Now Elsie Leung offered the “public interest” thesis first, and only provided the

24 The DAB is widely regarded as the underground CCP in Hong Kong. Tsang Yok-shing, the current chairman of the DAB, refused to answer when asked if he was a communist party member. His brother Tsang Tak-shing once the chief editor of Ta Kung Po in Hong Kong, serves as a research staff in the Central Policy Unit, the think tank of the Hong Kong government.

“insufficient evidence” later when the first reason was heavily attacked. This shows how confusing the mind of Elsie Leung was.\textsuperscript{26}

Margaret Ng lamented that Elsie Leung’s explanation of “public interest” called into question the most important concept of the rule of law: equality before the law. It gave international community the impression to whether you would be prosecuted depended not on whether you have broken the law, but on who you are. She questioned whether Elsie Leung was qualified for the job as Secretary of Justice. Her motion of no-confidence was defeated.\textsuperscript{27}

In a survey conducted by the Baptist University, the dissatisfaction rates for both Elsie Leung and Tung Chee-hwa were 56%, while the rates for Anson Chan, the former Chief Secretary and Donald Tsang, the incumbent Chief Secretary were respectively 16% and 11%.\textsuperscript{28}

The figures show how unpopular Elsie Leung was.

**Case 5: The Resignation of Cheung Man-yee**

**Background**

In July, 1999, Taiwanese president Lee Teng-hui proposed a “two state” theory regarding the international status of Taiwan to a German Weekly (Voice of Germany) journalist. In the theory, Lee explained that the status of Taiwan towards mainland China should not be regarded as one central government, one local government or one legitimate government, the other rebellious group. Rather, two entities should be treated as equal status in a state to state relationship.\textsuperscript{29}

On 17th July 1999, Cheng An-kuo, the de facto Taiwan official representative in Hong Kong, was invited to deliver a Hong Kong Letter in a radio programme of the RTHK. In the letter he defended the notion of “two state” theory. The letter triggered strong reaction from local pro-CCP groups. Ma Lik, a NPC deputy and the

\textsuperscript{26} Yeung C. *South China Morning Post*, 5th February 1999.

\textsuperscript{27} Yeung, C. *South China Morning Post*, 6th February 1999.

\textsuperscript{28} Baptist University, the Transition Project, *Apple Daily*, 8th September 2000. The number of interviewees was 1329.

\textsuperscript{29} *Ming Pao*. “Lee Teng-hui explains the meaning of the two states theory”, 21st July 1999.
secretary-general of the DAB attacked Cheng's speech as spreading the idea of Taiwan independence and urged the Hong Kong government early legislation of the article 23 of the Basic Law on subversion.

On 19th August 1999, Qian Qichen, vice premier responsible for Hong Kong affairs, stated publicly that Hong Kong should not promote "two state" theory as it contravenes Beijing's seven principles which has governed the Taiwan and Hong Kong relationships since 1997. In October 1999, Cheung Man-yee was transferred from the post of Director of Broadcasting to the post of the principal representative of trade and economic affairs in Tokyo. Incidentally, in November 1999, while Cheng was waiting for the renewal of his working visa, Taiwan government announced that he would be transferred back to Taiwan to be promoted as the second vice-chairman of the Mainland Affairs Council under the Executive Yuan.

Debate

There were speculations as to why Cheung was removed. In fact, the seeds of discontent had long been sown in 1986 between Cheung and pro-Beijing factions when she became the Director of Broadcasting. In the same year, the then Hong Kong government tried to corporatize the Radio Television of Hong Kong (RTHK). Nonetheless, because of the strong resistance from the Chinese government the corporatization went to the coffin before the handover. In March 1998, Xu Simin, the standing member of the CPPCC, attacked the RTHK as anti-government and anti-Tung Chee-Hwa, despite being a government department. Cheung was attacked by Xu that "She was still following the style of Chris Patten." 31

Because of the historical hostility towards Cheung, it was strongly suspected that the transfer of Cheung to Tokyo was due to

---

30 The gist of the seven principles is that non-governmental exchanges between Hong Kong and Taiwan could be preserved after the handover. All governmental exchanges between the two places must be approved by Beijing. The Taiwan representatives in Hong Kong must adhere to "one China" principle.

political considerations for several reasons: First, Cheung was criticized by Xu many times and Xu’s criticism had a receptive ears in Beijing. Secondly, the Hong Kong SAR government offered no convincing argument to justify Cheung’s removal. In fact, Cheung had expressed the desire to stay on as Director of Broadcasting until retirement before the handover. There was no reason for her to move to other posts before the retirement. Third, the incumbent principal representative Paul Leung was removed to make way for Cheung without announcing where he moved to. This was highly abnormal in a government reshuffle.

Journalists and academics were worried over Cheung’s removal and her departure was seen as a threat to the freedom of press. Cheung was a public figure and was widely perceived as a staunch defender of press freedom. Many believed that her removal signified Beijing’s intolerance over the “two Chinas” standpoint promoted by a government radio and TV station. Many fear that article 27 of the Basic Law would become void. The provision states that “Hong Kong residents shall have freedom of speech, of the press and of publications, freedom of association, of assembly, of procession and demonstration; and the right and freedom to form and join trade unions, and to strike.”

Case 6: The Wang Fenzhao Incident

Background

Wang Fengzhao is a deputy director of the Central Liaison Office in Hong Kong (formerly Xinhua News Agency). The incident started with the second Taiwan direct presidential election in March 2000. The Democratic Progressive Party (DPP) ticket Chen Shu-bian and Annettee Lu Hsin-lien won the election by beating Guomindang (GMT) candidates Lien Chen and Siu Wan-cheung, and independent candidates Soong Chuo-yu and Cheung Wing-fa. On 29th March 2000, Hong Kong Cable Television interviewed Annettee Lu, the vice-president elected. The Cable TV broadcast half part of the interview the next day, and the remaining

---

32 *South China Morning Post*, 20th October 1999.
half the day after. On 2nd April the Hong Kong Cable TV broadcast
the whole interview once more. As was well known, the DDP
advocated Taiwan independence and sovereignty. Annette Lu
reiterated the DD’s official position and added that Taiwan people
did not want to reunify with Mainland.

The interview triggered strong reaction from Beijing, in
particular Taiwan Affairs Department of the State Council. People
Daily published special commentators article attacked the
independence views aired by Annette Lu and the broadcasting of the
interview. On 11 April, Xu Simin, the veteran CPPCC member,
again served as vanguard of the communist orthodox, warned the
Hong Kong press, particularly the electronic media, to be cautious
about disseminating Taiwan’s independence views. On 12th April,
Wang Fengzhao delivered a speech entitled “The principle of One
China and the Taiwan Issue” in a seminar organized by the Hong
Kong Journalist Association.

At the outset, Wang excluded reunification with Taiwan from
normal news items information. He said that reunification with
Taiwan is a most sensitive and utterly important national issue and
therefore, it is the responsibilities of the Hong Kong journalists “to
uphold the integrity and sovereignty of the country and not to
advocate “two states” theory and independence of Taiwan. This has
nothing to do with press freedom.” Wang even hinted that the
article 23 of the Basic Law on the treason and subversion should be
enacted as quickly as possible.

In response to Wang’s speech, the Hong Kong Journalist
Association issued a statement immediately, insisting that the press
should have editorial independence, subject to no external pressure.
As journalists, their responsibility is to report events as they happen,
and to be as objective as possible. The reports are not tools to
disseminate national policies. Anson Chan, the then Chief
Secretary for Administration, spoke to the press, four hours after
Wang’s speech that the Hong Kong SAR government adhered to the
“one China” principle but she also emphasized the importance of the

33 South China Morning Post, 13th April 2000.
34 “Wang’s Remarks Seriously Damaging to Press Freedom” (online),
press freedom and publication of the impartial news reporting were vital for Hong Kong. In the article 23, she stated that there had not been a fixed schedule for legislation.

**Debate**

The key issue here is: which one is more important: national policies or press freedom? Despite the article 27 in the Basic Law, China seems to prepare to trample the Law whenever it found it was in conflict with its national policies. There seems to be two conflicting schools of thought about news reporting in the PRC and Hong Kong. Like their Western counterparts, Hong Kong journalists believe in genuine press freedom subject to no external pressures whatever the sources. They also believe in the impartial report is an inherent value in itself. Moreover, government policies cannot be taken at face value. Criticism rather than applause is more important in maintaining democratic values of a society. China’s view is just the opposite. Its theory is called “mouthpiece” theory in which the press basically is a government machinery or department. The reporting is tightly controlled by the Central Propaganda Department specially on the political sensitive issues such as Taiwan’s reunification, China’s US foreign policy, political reform and democratization, etc. On these issues, dissenting voice views are completely forbidden.

**Analysis of Implications**

The analysis summarizes the implication for the practice of “one country, two systems”. All six cases have different nature and their implications are different. In case 1, Emily Lau attempts to test if the Xinhua is above the laws of Hong Kong. The result shows that the answer is positive. Secretary Elsie Leung did not prosecute the Agency and gave no reason, unlike the case of Sally Aw. Furthermore, the Adaptation of Laws Ordinance has already exempted the “state organizations” from legal immunity for about 500 Ordinances. But the Privacy Ordinance is not one of them. Clearly, the Agency had made an offence under the existing laws.

Case 2 shows that there lacks a constitutional framework whereby cross-border crimes would be satisfactorily dealt with and
extradition of criminals could be made. However, there exists tremendous differences in legal philosophy and legal systems in Hong Kong and PRC, such as the presumed innocence, jury system, fair trial etc. The mainland authorities believe otherwise. What is more disturbing is the way that mainland interpreted the Chinese Criminal Code, which practically overrules the Basic Law. Any residents of Hong Kong would be subject to be repatriated back to mainland if they commit an offence either in Hong Kong or outside Hong Kong.

Case 3 has the most important impact on Hong Kong, in particular as an independent judiciary. The incident practically deprives Hong Kong of the final adjudication power of the CFA. The reinterpretation of the NPC has abrogated the power bestowed upon the CFA even on the internal affairs of Hong Kong. It practically puts the CFA at the mercy of two executive branches, namely the Hong Kong SAR government and PRC’s NPC. To be sure, the CFA would be left alone in dealing with non-sensitive issues, but the Hong Kong government has the power to overrule the verdict if it is unfavorable to it by asking the NPC to reinterpret. The reinterpretation case has set a precedent for the NPC to intervene. Potentially the NPC could reinterpret every case submitted to the CFA.

Case 4 shows that the rule of law that Hong Kong has been so proud of before the handover has been losing the luster. Every one is equal before the law; however, some are more equal than the others. The incident shows that those who have long-standing relationship with China are now less likely to be prosecuted. As mentioned previously, Sally’s friendship with China can be dated back to the 1960s. Besides, the Chief Executive is had been a director of her Sin Tao Holdings, Ltd. We do not know the friendship between the Secretary of Justice Elsie Leung and Sally. They must be friends since both of them had been deputies of the NPC and

35 A simple introduction of the Hong Kong system, see Peter Smith, (1993). An Introduction to the Legal System of Hong Kong. Hong Kong: Oxford University Press.
36 A Chinese perception of the difference of the Mainland and Hong Kong system, see Xiao Weiyun, ed. Ibid, chapters 1-3.
37 The Chinese NPC is not only a legislative body, it is also a power decision-making body for the Chinese Constitution stipulates that the NPC is the highest power organ in the country (Article 57).
CPPCC, both official establishment of the PRC. It is obvious that Elsie’s “insufficient evidence” and “public interest” theses excuses for non prosecution.37

Case 5 and Case 6 are similar for they are related to Taiwan issue. Undoubtedly, reunification with Taiwan is the most important and sensitive issue of Chinese external affairs. Wang Fengzhao incident, in fact, is the first overt intervention by Beijing as the Central Government into the internal affairs of Hong Kong government. The reinterpretation of the NPC is an “invited intervention” by the Hong Kong government. The NPC’s reinterpretation has at least a constitutional basis. While Wang’s intervention is purely policy oriented and has no legal basis at all, the case shows that freedom of various kinds is subsumed under China’s national policies. They could be sacrificed if they are against national policies. Case 6 shows that the Hong Kong SAR government’s broadcasting station must not spread “splittist” view and must conform to the seven principles enunciated by Qian Qichen.

“One Country, Two Systems” and Federalism

The “one country, two systems” principle is supposed to serve a demarcation line between one country and two systems. It is a political arrangement by which the power of the central government and regional governments is properly separated. Furthermore, even if there are conflicts of interest or political friction, there are constitutional mechanisms whereby conflicts could be solved peacefully. Nonetheless, there is no such constitutionally defined line of jurisdiction in the principle of “one country, two systems”. The regional governments/state governments are very powerful vis-a-vis the central/federal governments. There are two reasons that guarantee the functioning of federalism. Firstly, historically, states or regions emerged first and then the local governments united to form a federal state. Secondly, both Australian and American

37 There are other recent examples which show that guanxi has become increasingly important in the considerations of whether to prosecute for the Justice Department of Hong Kong. For example, a son of the former prosecution director who now is a judge of a high court was found to possess flings in a rave party. The young man studies in the USA and spent vacation in Hong Kong. Elsie Leung decided not to prosecute him. An assistant director of a government department was found shoplifting but later the charges were dropped.
political systems are Western democracies. Different levels of direct elections are held regularly. The constitutions are supreme in resolving any conflicts.

On the contrary, China has been a highly centralized monolithic state for more than two thousand years. Centralization has reached an unprecedented stage during the ideocracy reign of Mao Zedong. Not only until the reform era in the late 1970s did the CCP begin to loosen the grip over Chinese society as a whole. "One country, two systems" seems to be a notion intended as an expedient concept for negotiations with the British government in the early 1980s. The principle satisfied China, Britain and Hong Kong people. For China, it could restore the sovereignty of Hong Kong. For Britain, China promised to maintain the capitalist system and British legacy could be preserved. For Hong Kong people, China promised that the lifestyle and various social and political freedoms could be preserved. At that time, facing the Hobsonian choice, the principle indeed diminished the resistance of Hong Kong people. The principle is a void concept and its connotation is decided by the forces that try to influence the events or incident at a particular juncture.

**Conclusion**

From the analysis of the above six cases, implementation of the "one country, two systems" constitutes the following statements in the light of the practice after the handover:

1) Indeed, there has been very few overt intervention from Beijing which has exercised self restraint. The NPC's reinterpretation of the right of abode and the Wang Fengzhao incident remain the only two cases of direct interference.

2) There lacks a constitutional mechanism to limit or demarcate the power of the central government and Hong Kong. Hong Kong is allowed to run its internal affairs but the definition of internal affairs remains at the mercy of Beijing.

---

3) One country always take precedence over the two systems, as one senior NPC official publicly claimed.\textsuperscript{39}

4) The Basic Law seems to regulate or restrict Hong Kong but not Beijing. The provisions of the Law are put under the policies of Beijing, in particular the nationally sensitive policies such as reunification with Taiwan and US policies.

5) Policies are subject to changes and obviously there is no constitutional guarantee that the principle of “one country, two systems” would remain until the mid-twenty first century.

\textsuperscript{39} According to Qiao Xiaoyang, vice-chairman of the NPC Legislative Affairs Commission, see \textit{South China Morning Post}, 26\textsuperscript{th} June 1999.
Research Fellows

Centre for Asian Pacific Studies
Professor Kueh, Yak-yeow, Director
Professor Bridges, Brian, Professor
Dr. Chan, Che-po, ATP
Dr. Cheung, Kui-yin, AEP
Dr. Fan, C. Simon, ATP
Dr. Harris, Paul, AEP
Dr. Hiroyuki, Imai, AEP
Dr. Kwok, Hong-kin, ATP
Dr. Lee, Keng-mun, William, AEP
Dr. Lei, Kai-cheong, ATP
Dr. Leung, Kit-fun, Beatrice, AEP
Dr. Li, Pang-kwong, AEP
Dr. Ma, Yue, AEP
Dr. Ren, Yue, ATP
Dr. Voon, Thomas, AEP
Dr. Wei, Xiangdong, AEP
Dr. Wong, Yiu-chung, AEP

Centre for Public Policy Studies
Professor Ho, Lok-sang, Director
Dr. Fan, C. Simon, ATP
Dr. Harris, Paul, AEP
Dr. Law, Wing-kin, Kenneth, ATP
Dr. Lee, Keng-mun, William, AEP
Dr. Leung, Kit-fun, Beatrice, AEP
Dr. Li, Pang-kwong, AEP
Dr. Lin, Ping, AEP
Dr. Ma, Yue, AEP
Dr. Siu, Oi-ling, AEP
Dr. Voon, Thomas, AEP
Dr. Wei, Xiangdong, AEP

All the Research Fellows listed above are staff of Department of Economics, and Department of Politics and Sociology. Interested staff from other academic departments of the University and other institutions are welcome to join the Centres as Research Fellows or Research Associates. Please contact Dr. Raymond Ng (Tel. 2616 7427) for further information.

AEP = Associate Professor
ATP = Assistant Professor
<table>
<thead>
<tr>
<th>No.</th>
<th>Topic</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 (16/97) CPPS</td>
<td>Filial Piety and Caregiving Burden in Shanghai, People's Republic of China</td>
<td>Professor William T. Liu, Professor Elena S. H. Yu, Professor Shang-Gong Sun and Professor Yin Kean</td>
</tr>
<tr>
<td>61 (17/97) CPPS</td>
<td>How to Help the Rehabilitated Drug Abusers Not to Relapse to Drugs Again? A Successful Case - Hong Kong</td>
<td>Dr. Wai-kin Che</td>
</tr>
<tr>
<td>62 (18/97) CPPS</td>
<td>The Value of Time and the Interaction of the Quantity &amp; the Quality of Children</td>
<td>Dr. Chengze Simon Fan</td>
</tr>
<tr>
<td>63 (19/97) CPPS</td>
<td>Generational Dependency and Elderly Care: A Psychological Interpretation of Cultural Norms and Exchange</td>
<td>Dr. Ying-yi Hong and Professor William T. Liu</td>
</tr>
<tr>
<td>64 (20/97) CPPS</td>
<td>Living Arrangements and Elderly Care: The Case of Hong Kong</td>
<td>Professor Rance P. L. Lee, Dr. Jik-Joen Lee, Professor Elena S. H. Yu, Professor Shang-Gong Sun and Professor William T. Liu</td>
</tr>
<tr>
<td>65 (21/97) CPPS</td>
<td>The Social Origin of Alzheimer's Disease: A Path Analysis</td>
<td>Professor William T. Liu and Professor Shang-Gong Sun</td>
</tr>
<tr>
<td>66 (22/97) CAPS</td>
<td>Country of Origin Rules: Its Origin, Nature and Directions for Reform</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>67 (23/97) CAPS</td>
<td>A Long Term Monetary Strategy for Hong Kong and China</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>68 (24/97) CPPS</td>
<td>Are Union Jobs Worse? Are Government Jobs Better?</td>
<td>Professor John S. Heywood, Professor W. S. Siebert and Dr. Xiangdong Wei</td>
</tr>
<tr>
<td>69 (25/97) CPPS</td>
<td>Restructuring the Party/state Relations: China's Political Structural Reform in the 1980s</td>
<td>Dr. Yiu-chung Wong</td>
</tr>
<tr>
<td>70 (26/97) CPPS</td>
<td>Estimating British Workers' Demand for Safety</td>
<td>Dr. Xiangdong Wei</td>
</tr>
<tr>
<td>71 (27/97) CPPS</td>
<td>Managerial Stress in Hong Kong and Taiwan: A Comparative Study</td>
<td>Ms. Oi-ling Siu, Dr. Luo Lu and Professor Cary L. Cooper</td>
</tr>
<tr>
<td>72 (28/97) CPPS</td>
<td>Teaching Social Science in the East Asian Context</td>
<td>Professor William T. Liu</td>
</tr>
<tr>
<td>73 (1/98) CPPS</td>
<td>Interpreting the Basic Law with Chinese Characteristics</td>
<td>Professor James C. Hsiung</td>
</tr>
<tr>
<td>No.</td>
<td>Topic</td>
<td>Author</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>74 (2/98) CPPS</td>
<td>Worker Participation and Firm Performance: Evidence from Germany and Britain</td>
<td>Professor John T. Addison, Professor W. Stanley Siebert, Professor Joachim Wagner and Dr. Xiangdong Wei</td>
</tr>
<tr>
<td>75 (3/98) CPPS</td>
<td>The Nature of Optimal Public Policy</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>76 (4/98) CPPS</td>
<td>Symbolic Boundaries and Middle Class Formation in Hong Kong</td>
<td>Ms. Annie H. N. Chan</td>
</tr>
<tr>
<td>77 (5/98) CPPS</td>
<td>Urbanization in Sha Tin and Tuen Mun - Problems and Coping Strategies</td>
<td>Mr. Hong-kin Kwok and Mr. Shing-tak Chan</td>
</tr>
<tr>
<td>78 (6/98) CAPS</td>
<td>Coping with Contagion: Europe and the Asian Economic Crisis</td>
<td>Dr. Brian Bridges</td>
</tr>
<tr>
<td>79 (7/98) CAPS</td>
<td>New World Order and a New U.S. Policy Toward China</td>
<td>Professor James C. Hsiung</td>
</tr>
<tr>
<td>80 (8/98) CPPS</td>
<td>Poverty Policy in Hong Kong: Western Models and Cultural Divergence</td>
<td>Dr. William Lee and Professor John Edwards</td>
</tr>
<tr>
<td>81 (9/98) CAPS</td>
<td>The Paradox of Hong Kong as a Non-Sovereign International Actor</td>
<td>Professor James C. Hsiung</td>
</tr>
<tr>
<td>82 (10/98) CAPS</td>
<td>Political Impacts of Catholic Education in Decolonization: Hong Kong and Macau</td>
<td>Dr. Beatrice Leung</td>
</tr>
<tr>
<td>83 (11/98) CAPS</td>
<td>The Rise and Fall of the HK Economy</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>84 (12/98) CAPS</td>
<td>中國貿易保護代價的測算：方法、結論和意義</td>
<td>張曙光教授</td>
</tr>
<tr>
<td>85 (13/98) CAPS</td>
<td>中國居民收入差距的擴大及其原因</td>
<td>趙人偉教授、李實教授</td>
</tr>
<tr>
<td>86 (14/98) CAPS</td>
<td>The Labor Income Tax Equivalent of Price Scissors in Pre-Reform China</td>
<td>Dr. Hiroyuki Imai</td>
</tr>
<tr>
<td>87 (15/98) CPPS</td>
<td>Complementarity, Investment Incentives, and Evolution of Joint Ventures</td>
<td>Dr. Ping Lin and Dr. Kamal Saggi</td>
</tr>
<tr>
<td>88 (16/98) CPPS</td>
<td>A Theory of Health and Health Policy</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>89 (1/99) CPPS</td>
<td>Towards a New International Monetary Order: The World Currency Unit and the Global Indexed Bond</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>90 (2/99) CPPS</td>
<td>Age Differences in Work Adjustment: A Study of Male and Female Managerial Stress, Coping Strategies and Locus of Control in Hong Kong</td>
<td>Dr. Oi-ling Siu, Professor Paul E. Spector, Professor Cary L. Cooper, Dr. Kate Sparks and Dr. Ian Donald</td>
</tr>
<tr>
<td>No.</td>
<td>Topic</td>
<td>Author</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>91 (3/99) CAPS</td>
<td>A Comparative Study of Managerial Stress in Greater China: The Direct and Indirect Effects of Coping Strategies and Work Locus of Control</td>
<td>Dr. Oi-ling Siu, Professor Paul E. Spector, Professor Cary L. Cooper, Dr. Luo Lu and Dr. Shanfa Yu</td>
</tr>
<tr>
<td>92 (4/99) CPPS</td>
<td>Implementing Efficient Allocations in a Model of Financial Intermediation</td>
<td>Professor Edward J. Green and Dr. Ping Lin</td>
</tr>
<tr>
<td>93 (5/99) CPPS</td>
<td>R &amp; D Incentives in Vertically Related Industries</td>
<td>Dr. Samiran Banerjee and Dr. Ping Lin</td>
</tr>
<tr>
<td>94 (6/99) CAPS</td>
<td>Testing for a Nonlinear Relationship among Fundamentals and Exchange Rates in the ERM</td>
<td>Dr. Yue Ma and Dr. Angelos Kanas</td>
</tr>
<tr>
<td>95 (7/99) CPPS</td>
<td>Health Care Delivery and Financing: in Search of an Ideal Model - Reflections on the Harvard Report</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>96 (8/99) CPPS</td>
<td>A Structural Equation Model of Environmental Attitude and Behaviour: The Hong Kong Experience</td>
<td>Dr. Oi-ling Siu and Dr. Kui-yin Cheung</td>
</tr>
<tr>
<td>97 (9/99) CAPS</td>
<td>Hong Kong’s Inflation under the U.S. Dollar Peg: The Balassa-Samuelson Effect or the Dutch Disease?</td>
<td>Dr. Hiroyuki Imai</td>
</tr>
<tr>
<td>98 (1/00) CAPS</td>
<td>Structural Transformation and Economic Growth in Hong Kong: Another Look at Young’s “A Tale of Two Cities”</td>
<td>Dr. Hiroyuki Imai</td>
</tr>
<tr>
<td>99 (2/00) CAPS</td>
<td>Corporatism and Civil Society in the People’s Republic of China: Empirical Evidence and Theoretical Implications</td>
<td>Dr. Wong Yiu-chung and Dr. Chan Che-po</td>
</tr>
<tr>
<td>100 (3/00) CAPS</td>
<td>Globalization and Sino-American Economic Relations</td>
<td>Professor C. Fred Bergsten</td>
</tr>
<tr>
<td>101 (4/00) CPPS</td>
<td>Government Expenditures and Equilibrium Real Exchange Rates</td>
<td>Professor Ronald J. Balvers and Dr. Jeffrey H. Bergstrand</td>
</tr>
<tr>
<td>102 (5/00) CPPS</td>
<td>A Case Study of Economic Ecology: The Hong Kong Economy’s Plunge into a Deep Recession in 1998</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>103 (6/00) CPPS</td>
<td>Incentives and Corruption in Chinese Economic Reform</td>
<td>Dr. Chengze Simon Fan and Professor Herschel I. Grossman</td>
</tr>
<tr>
<td>104 (7/00) CPPS</td>
<td>Safety Climate and Employee Health Among Blue Collar Workers in Hong Kong and China: Age and Gender Differences</td>
<td>Dr. Oi-ling Siu, Dr. Ian Donald, Professor David R. Phillips and Mr. Billy Kwok-hung She</td>
</tr>
<tr>
<td>105 (8/00) CPPS</td>
<td>The Political Economy of Hong Kong SAR’s Fiscal Policy</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>No.</td>
<td>Topic</td>
<td>Author</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>106 (9/00) CPPS</td>
<td>A Two-wave Trend Study of Organizational Climate and Psychological Distress among General and Psychiatric Nurses in Hong Kong</td>
<td>Dr. Oi-ling Siu</td>
</tr>
<tr>
<td>107 (1/01) CPPS</td>
<td>Realistic Exchange Rates: A Post-Asian Financial Crisis Perspective</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>108 (2/01) CPPS</td>
<td>Health Care Financing and Delivery in Hong Kong: What Should Be Done</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>109 (3/01) CPPS</td>
<td>The World Currency Unit: Can it Work?</td>
<td>Professor Lok-sang Ho</td>
</tr>
<tr>
<td>110 (4/01) CPPS</td>
<td>Strategic Spin-Offs</td>
<td>Dr. Ping Lin</td>
</tr>
<tr>
<td>111 (5/01) CPPS</td>
<td>Downstream R&amp;D, Raising Rivals’ Costs, and Input Price Contract</td>
<td>Dr. Samiran Banerjee and Dr. Ping Lin</td>
</tr>
<tr>
<td>112 (6/01) CPPS</td>
<td>Ecology and Foreign Policy: Theoretical Lessons from the Literature</td>
<td>Dr. John Barkdull and Dr. Paul G. Harris</td>
</tr>
<tr>
<td>113 (7/01) CPPS</td>
<td>Evolving Norms of North-South Assistance: Will They be Applied to HIV/AIDS?</td>
<td>Dr. Paul G. Harris and Dr. Patricia Siplon</td>
</tr>
<tr>
<td>114 (8/01) CPPS</td>
<td>“One Country, Two Systems” in Practice: An Analysis of Six Cases</td>
<td>Dr. Wong Yiu-chung</td>
</tr>
</tbody>
</table>

Center for Public Policy Studies
Institute of Humanities and Social Sciences
Lingnan University
Tuen Mun, Hong Kong

Tel: (852) 2616 7432
Fax: (852) 2591 0690