

## U.S. Policy Choices: Don't Let Hong Kong Drift

By Randall G. Schriver

At a recent conference on U.S. foreign policy strategy, a distinguished group of Americans consisting of seven former cabinet level officials, three current members of the U.S. Congress and many notable Asia-hands, spent five days discussing U.S.-China relations. Virtually every aspect of the relationship was addressed in great depth – trade, military-to-military relations, energy security, environment & health, and Taiwan, to name but a few. It wasn't until the last hour of the last day – during the wrap-up, no less – that someone finally offered “we haven't mentioned Hong Kong once during our conference.” This observation was met with bemusement rather than any great concern. Those who reflected on the comment noted that Hong Kong would have been much more prominent if the same conference had been held in July 1997 or 2003. Some further noted that failure to mention Hong Kong is probably a good thing in that Hong Kong only appears on our radar screens when there are major problems with which to wrestle.

The experience at that conference is increasingly common. When so-called China experts in the United States gather to discuss internal developments in the PRC, or U.S.-China relations, Hong Kong is often an afterthought. “What about Hong Kong?” is most commonly heard when the more pressing business has been thoroughly reviewed and dispensed with. And it is also now a well-known refrain that its omission from an agenda is evidence that things are going well in Hong Kong.

So what about Hong Kong? Is it a good thing that our in-boxes and discussion agendas are otherwise occupied? Is this the best argument of all that Hong Kong is succeeding and policy makers in the United States can confidently switch on the autopilot and commit attention to other matters?

I believe Hong Kong should remain prominent on our scope at this juncture, and that there are important reasons for the United States to stay actively engaged with Hong Kong, its government and its people. Irrespective of China, Hong Kong remains a valuable bilateral relationship in its own right for the United States. As a like-minded participant in multilateral fora, Hong Kong also may represent opportunities for the United States to shore-up a regional strategy for the Asia Pacific region that promotes economic liberalism, basic human freedoms and political liberalization. It is also important to remember that Hong Kong can still play a role in promoting progress in mainland China if Hong Kong's unique qualities are preserved and there is no backsliding on basic freedoms currently enjoyed in Hong Kong. And finally, Hong Kong may provide new opportunities to foster positive U.S.-PRC interactions.

When testifying as a U.S. government official in 2004, I stated before the Senate Foreign Relations Committee that “the underlying goal associated with U.S. policy toward Hong Kong before and after the 1997 reversion has been consistent: it is based on our desire to help the people of Hong Kong preserve their prosperity and way of life.” Looking ahead, I suspect this goal is not ambitious enough. An underlying goal of “preserving” what one

already enjoys suggests a conservative, reactionary and almost defensive posture from Washington. Hong Kong represents numerous opportunities for the United States. But opportunities need to be acted upon and nurtured in order to materialize into real gains.

It has seemed practical and expedient since at least 1997 to think of Hong Kong as a sub-set of the U.S. bilateral relationship with China. But given Hong Kong's unique autonomous status, creative policy makers in Washington might also see wisdom in treating Hong Kong as a bilateral relationship that stands apart and is worthy of attention on its own merits. The most obvious and perhaps compelling rationale is the significant trade relationship between Hong Kong and the United States over which the PRC exercises almost no control. Hong Kong hosts more than 1,000 American firms, 600 of which have regional operational responsibilities and employ a quarter of a million people. Hong Kong remains a welcome and hospitable place for American direct investment. And as a separate customs territory, Hong Kong has consistently ranked in the top fifteen of America's global trading partners.

Too often in Washington, the discussion starts and ends with Hong Kong's economy and our trade. But in truth, Hong Kong is a bilateral partner that "punches above its weight", to use a boxing phrase. There is vital bilateral cooperation with Hong Kong authorities that greatly enhances America's security. Hong Kong joined the Container Security Initiative in September 2002 and made its program operational eight months later in May 2003. By most accounts, Hong Kong is the model program on which other international collaboration is based. More importantly, as the single largest source of U.S.-bound sea containers, Hong Kong's steps to improve port and container security makes a tangible and direct contribution to U.S. security in what remains a high terrorist threat environment. Law enforcement cooperation, across-the-board, has been excellent and targeted at protecting the safety and well-being of the people of Hong Kong and America alike. And Hong Kong continues to be a valued port-of-call for visits by American ships, including U.S. aircraft carriers. While the U.S. Navy touts Hong Kong as a high quality of life port-of-call, thus useful in recruitment and retention of sailors, Hong Kong is also strategically located for refueling and replenishment for Pacific Fleet vessels transiting from home ports to the Persian Gulf and back again.

Even more is possible in the bilateral relationship. One area worthy of consideration is to embark upon joint training in the area of counter-terrorism. Hong Kong offers an outstanding urban environment for training, and its elite Police Special Duties Units can share expertise and know-how from which U.S. domestic law enforcement units and U.S. military special forces could both greatly benefit.

Treating Hong Kong as a mere sub-set of the relationship with Beijing may also lead one to miss the fact that Hong Kong stands apart from China in some of the critical multilateral fora (WTO, APEC and FATF to name a few). In doing so, Hong Kong displays the potential to be a like-minded partner with the United States and others in shaping the agenda for the Asia-Pacific region. And this is a critical juncture for the future of Asia's agenda, to be sure.

As the second largest financial market in Asia, Hong Kong has worked closely with the United States and others through the premier global institution for attacking money laundering, the Financial Action Task Force which Hong Kong chaired in 2003, to find ways to cut off terrorist access to financial sources. With global trade in goods at well over \$400 billion, Hong Kong has a vital interest in liberalizing trade internationally and has consistently been in lock-step with the United States in arguing for open market principles. Hong Kong is also increasingly vocal on vigorous protection of intellectual

property rights – a position that risks direct confrontation with Beijing. And of growing importance, Hong Kong has been a pace setter for regional and international cooperation on fighting infectious disease and environmental degradation.

Again, policy makers in the United States should not miss a chance to further leverage the relationship with Hong Kong to support our broader regional strategy. The United States is facing new challenges in Asia, and in particular in South East Asia. China's rapid economic development over the past two decades has stirred considerable debate over how the political landscape in the region may change. While it is nonsensical to contemplate a strategy that would ask Hong Kong to stand with the United States against China, it is nonetheless very reasonable for Washington to look for like-minded partners as the various players in the region maneuver to create an appropriate architecture for the management of regional affairs. In most respects, the region's agenda is just as important as who sits at the table. The United States should increasingly look to Hong Kong as a partner who can help advance an agenda that supports rule of law, basic human freedoms and modern norms for internal regime behavior. A regional architecture will incrementally take form. Shaping the outcome of this untidy process can be beneficial to people in Hong Kong and Washington alike.

No less than the future of the whole China may also be at stake when one measures the value of engaging with Hong Kong. Prior to 1997, it was fashionable to discuss the hypothesis that Hong Kong's impact and influence on mainland China after reversion might be greater than the reverse. This was the "tail wags the dog" theory. What can be said just shy of a decade later of this theory? Clearly, China has benefited from Hong Kong's economic openness. Hong Kong has played a key role in helping alter the landscape in China, especially in South China, where 10 million workers or more in at least 65,000 Hong Kong-run factories are gainfully employed and learning how to do business with an international focus and according to free market principles. Hong Kong provides access to capital markets and listings on the Hong Kong stock exchange for PRC companies that are also becoming more international in their orientation everyday. And Hong Kong institutions such as the Independent Commission Against Corruption are a model for the PRC government's own efforts in dealing with corrupt practices.

The Reversion of Hong Kong, however, has had no apparent impact on China's political institutions, nor on Beijing's attitude toward press freedoms, basic human rights and religious freedom. In fact, due to reasons that extend well-beyond the scope of any impact July, 1997 may have had, China's human rights record has degraded over the last few years.

Chinese leaders see a variety of potential threats to stability and to the absolute control by the Communist party that is so treasured. The sheer number of domestic disturbances seems to be on the rise. We must hedge a bit in saying so with great certainty because the data is imprecise. But even the figures released by Chinese authorities suggest that "public disturbances" are registering at enormous rates in China – over 87,000 individual incidents in 2005 alone. In addition to traditional activists, China has to occasionally contend with discontent among the middle class. As the old Bob Dylan song goes, "when you ain't got nothing, you got nothing to lose." But private land ownership, business ownership and greater awareness of global standards regarding labor and health standards make for the stuff worth fighting for. Religion may also play a role -- attendance in house churches is reportedly exploding in China and the Falun Gong has not been completely eliminated. China's Muslim population in Xinjiang may also feel emboldened to seek greater freedoms. And despite recent talks between the Special Envoy of the Dalai Lama and the Chinese authorities, there is little progress in basic

religious freedoms for the people of Tibet.

China's response is largely unimaginative. Internet arrests are up, crackdowns on house churches are routine and response to unfavorable press stories is usually swift and harsh. To be sure, the magnitude of these challenges must be almost overwhelming. But China's preparations for future problems appear aimed mostly a "political damage control", not real-life damage control. Legislation under consideration in China today very specially prohibits news organizations from reporting on so-called sudden events.

Can we cite the aforementioned trends as evidence that Hong Kong's more liberal attitude toward basic human freedoms is not having a positive impact on China? The most accurate answer is probably "too soon to tell." But we can say with total confidence that if Hong Kong were to suffer setbacks in basic human rights and freedoms, there would be diminished hope for Hong Kong to serve as a progressive model for China, and to have the anticipated positive impact so many hoped for a decade ago.

Thus there should be added interest on the part of the United States in seeing Hong Kong not only "preserve its way of life," but also make real progress toward democratization and universal suffrage. Progress in political liberalization is in the interest of the seven million people of Hong Kong, but also represents hope that China can learn from fellow Chinese to see Democracy as a pathway to greater national strength.

Events of the last several years have amply demonstrated the desire of the people of Hong Kong to advance the democratization process, as is their right under the Basic Law. The people of Hong Kong have taken to the streets and the airways to speak eloquently and peacefully of their desire for a more democratic, more responsive government. As the Hong Kong government and representatives in the Legislative Council give consideration to issues such as the voting system, domestic elements of national security and press freedoms, it is important that they listen to the public with regard to enlarging Hong Kong's democratic experiment.

The United States still has a role to play in supporting freedom in Hong Kong, and promoting political progress. Leading by example is the first order of business, which requires self-awareness and vigilance on our part. But much more is possible in supporting Hong Kong's cause. The United States can also raise concerns about the state of political reforms in Hong Kong with the capable leaders of the autonomous region, and with leaders in Mainland China, while respecting Chinese sovereignty at the same time. Washington can and should continue to lend support to those political actors in Hong Kong who continue to apply steady pressure to advance political rights. And the United States can continue to support the institutions such as the press, organized religion and non governmental organizations that form the robust civil society of Hong Kong, as well as the foundation for a strong democracy.

Finally, the United States should see Hong Kong as a vehicle for creative engagement with Mainland China. We are at a critical juncture in the U.S.-China relationship, and addressing a growing trust deficit between Washington and Beijing may require the assistance of other parties. Hong Kong may be the best positioned of all comers to serve in such a capacity. In many ways, this is an old-fashioned notion that should be re-visited. When China was a closed society for several decades, Hong Kong was seen as a window for the world onto Mainland China. But there is still value in this fundamental framework even now that China has become a much more open society.

While the Chinese military continues to refuse to conduct joint exercises with the United States, even in politically benign areas such as peacekeeping and disaster relief, Hong Kong can provide a venue for the PLA and the U.S. military to participate in search and rescue exercises alongside one another. As the Chinese resist transparency from international health organizations, Hong Kong researchers and clinicians can lead collaborative efforts to combat infectious disease along with official counterparts from China and the United States. And Hong Kong can serve as more hospitable grounds for discussions on how to best protect intellectual property and copyrights, as opposed to the more politically-charged environments of Washington and Beijing. Surely there is much creative engagement between the United States and China that can be facilitated successfully by Hong Kong.

The United States needs such assistance. Strategic uncertainty -- trending toward strategic distrust -- and a sustained values gap can perhaps best be thought of as the “overlay” for the management of Sino-U.S. bilateral relations. Steady drift toward a great power global rivalry, if not outright adversarial relations, should be noted as a real potential future of ours. Whether we can arrest current trend lines and steer relations onto a more benign course remains to be seen. Certainly the answer to this challenge will rest in large part on whether we can create appropriate venues to build mutual confidence.

At the best of times, the United States is seen by many Asians as a capricious power, too often driven by narrow domestic interests and ideological imperatives. But even worse in the minds of many is a tendency for prolonged inattention to Asia. Arguably, the United States presently suffers from a strategic pre-occupation with another region of the world. But for Hong Kong and U.S. policy toward Hong Kong, there is an additional culprit – complacency, firmly rooted in the belief that no news is good news for Hong Kong. The United States should not let Hong Kong drift, and should seek the many opportunities potentially available for more robust political involvement in the people and the government of Hong Kong. ■

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