

Testimony before the House of Commons' Special Committee on Canada-China Relations

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URL link to the webcast of [Parliamentary Testimony](#).

I am grateful for this opportunity to appear before the Committee.

Let me begin with a statement of positionality. My perspectives on the situation in Hong Kong are shaped by my work *in* and *on* China, first as a consultant and later as an academic, since the late 1990s. I have been based at the University of Toronto for the last 14 years, the first and only academic position I have ever held.

The National Security Law has potential widespread consequences. As a China scholar, I think about delivery of content over online platforms, and preservation of the rigor and integrity of the courses I teach. I think about the safety of my students participating online either in Toronto or from their home countries. I think about the feasibility of sustaining my own research agenda. I also think about my Hong Kong-based colleagues who are at the forefront of the battle against erosion of academic freedom.

The law's *potential* impact on the wider academic community who engages with Hong Kong and China is profound. But, we should also be mindful that this is *not* the first time the mettle of the China scholarly community has been tested: the last time was in 1989. And yet, we endure, we adapt, and eventually we continue to thrive.

When the Law was first proposed, my initial assessment was it would merely legalize the underground repression that Beijing has applied on Hong Kong for over a decade. My own research suggests covert repression through proxy or those taken out of the public eyes have been ongoing for some time, such as kidnapping of banned booksellers and the Yuen Long attack in July 2019.

However, recent events suggest that the law has actually emboldened and legalized further crackdown on freedom of speech and civil liberties. Furthermore, due to the law's deliberately vague wording, it has produced a chilling or deterrent effect on Hong Kong society and beyond. It is a clear violation of the "one country, two systems" principle in the Basic Law.

However, moving forward, the situation in Hong Kong may go in *one of these two* directions. One, Beijing may intensify its crackdown, further eroding Hong Kong's autonomy and the space for civil society to operate. Two, the repression may taper off after the initial round of harsh crackdown. One could argue that because the law is so new, its

first application was deliberately harsh in order to set a precedent for as well as to produce demonstrative effect on any “would-be” violators.

In my view, which of these two ways the situation evolves depends on the value of Hong Kong to the Chinese Communist Party elites. Despite rising competitiveness of Chinese cities such as Shanghai and Shenzhen, the Hong Kong Stock Exchange remains the most favorable venue for Chinese companies to raise capital. Further, a recent NYT investigative report suggests families of the Party elites own more than US\$50 million worth of luxury homes in Hong Kong. This is an indication of the political and personal vested interests of Beijing’s top elites in the continued prosperity of Hong Kong. These elites form the core support base of President Xi’s leadership. Losing this critical support will render the leadership vulnerable.

In many respects, Hong Kong and the new National Security Law are a double-edged sword for the CCP leadership. On the one hand, they want to introduce the law to stop violent protests from wreaking havoc on the economy, which will hurt their interests. On the other hand, the law will invite sanctions, which it has from the US, that will erode Hong Kong’s attractiveness as an international capital center and a regional business hub.

So far, the evidence on Hong Kong’s economic competitiveness has been mixed. In the past six months, Chinese companies have raised more capital in the HKSE, and deepened its investment in the territory. However, revoking Hong Kong’s special trade status has raised the tariff levels that goods coming into and out of HK are subjected, to the same levels as those from mainland China. A recent poll by the American Chamber of Commerce suggests four out of ten companies are planning to move their regional headquarters away from Hong Kong.

This brings me to my next point, which is what actions Canada should or should not take. Overall, Canada should condemn the repression on Hong Kong unequivocally. We should also send a strong message to the world that we stand by the people of Hong Kong. In my view, whatever punitive measures we come up with need to pay careful consideration to the *dual nature* of Hong Kong to the CCP leadership: Hong Kong is a goose that lays the golden eggs, as well as a rebellious child who needs to be disciplined. If we impose measures that further erode the function of the goose, Hong Kong’s value will diminish to that of a rebellious entity that we have seen examples of, and the consequences of that is obvious. To put it plainly, if we killed the goose, we may end up hurting Hong Kong’s quest for freedom and autonomy more than helping it.

I support Canada opening its door to immigration and talents from Hong Kong. I also support the Canadian government and the university sector offering scholarships to students from Hong Kong.

In the short-run, we should be under no illusion that freedom of expression will return to Hong Kong or the people of Hong Kong will be given universal suffrage as promised by the Basic Law. Upon the signing of the Sino-British Joint Declaration in 1984, many Western

observers had hoped that Hong Kong offers a beacon of hope that democracy will one day arrive in China through Hong Kong. This has proved to be a pipedream thus far.

We should also be under no illusion that maintaining trade with China will push the country to become more open, as many had hoped when they supported China's entry to the WTO in 2001. Nor should we fool ourselves that if we afford China the respect the size of its country deserves, the respect will be reciprocated. The fate of Mr. Kovrig and Mr. Spavor who have been detained by China for more than 600 days suggest that it is *not* a country that plays by the rules. The collateral damage of the pandemic that no country has managed to escape further illustrates the externalities of China's authoritarian political system.

I believe that we cannot properly tackle the situation in Hong Kong without addressing how we should cope with the rise of China, with its growing assertiveness both domestically and internationally. These two problems are deeply intertwined. I am pessimistic in the short-run.

In the medium- to long-run, however, I believe the resilience of Hong Kong as a city, and its people, shaped by the fiercely entrepreneurial, creative and industrious migrant culture will prevail. I remain hopeful that a vibrant and free Hong Kong will eventually return.

Thank you for the opportunity to share my perspectives.