



**Beijing's New
Policies to
Further Squeeze
Hong Kong**

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Xi Jinping, President, party chief and commander-in-chief, is cracking the whip on peripheral regions ranging from Xinjiang to Taiwan & Hong Kong.

Qualitative Changes in Beijing's policy toward Hongkong

- ★ **More use of police forces, “stern laws and tough punishment” to quell protestors and other anti-party elements in the Special Administrative Region (SAR). The SAR will be folded into the mainland's 24-hour, all-weather AI-assisted police state apparatus.**
- ★ **More indoctrination of Chinese Communist Party (CCP) propaganda in Hong Kong's schools.**
- ★ **More state-owned enterprises will buy up Hong Kong firms so that local workers will have to follow the political preferences of their PRC employers.**
- ★ **No holds-barred “Sinicization” of Hong Kong as more mainland residents and “talents” migrate to the SAR.**

Enhanced participation of the mainland police in SAR affairs

The Central Political-Legal Commission (CPLC) of the CCP was in late August given a role in overseeing Hong Kong issues. The Minister of Public Security Zhao Kezhi, China's top cop, became one of five sub-heads of the Central Coordination Group on Hong Kong and Macau Affairs (CCGHKMA), China's highest decision-making body on Hong Kong.

Given that Xi Jinping has ruled out using the PLA Garrison in Hong Kong, the functions of the CPLC have become more prominent. The Commission is in charge of the police, spies, the prosecutors' offices and the courts.



Top cop Zhao Kezhi

Zhao oversees the integration of operations between the Hong Kong and Guangdong police forces; more Guangdong People's Armed Police (para-military forces) has been deployed in the SAR. SAR-based state intelligence operatives are also on the rise.

China's Police-State apparatus

The Chinese Big Brother has been aided by cutting-edge developments in areas including AI, facial recognition, mass data, cloud computing, DNA-engineering etc. **Some of these technologies come from companies in the U.S. And China has been exporting its police-state expertise to developing countries.**

Most civil society organizations including dissident groups, human-rights lawyers, labor NGOs, underground house churches are kept under 24-surveillance. **There is widespread invasion of civil rights including the collection of DNA samples first among Uighurs and then in the general public. Psychiatric drugs are routinely – and indiscriminately – administered to political prisoners.**

The wei-wen (“stability maintenance”) fee for 2019 is estimated at 1.39 trillion rmb, which is higher than the official PLA outlay of 1.19 trillion rmb.

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The AI-assisted "Perfect Dictatorship"



AI-equipped cops

**DNA pool collected
by police**

The SAR is being subsumed under the PRC's Internet-based police-state apparatus. The Hong Kong government has used the services of a PRC surveillance company in processing “smart ID cards” and in monitoring the flow of personnel through the airport. The inchoate Greater Bay Area (11 cities in the Pearl River Delta of which Hong Kong is a member) is set to adopt its own IT-aided surveillance system.



Hong Kong Education Secretary Kevin Yeung mandates more control over textbooks

Beijing commissars have blamed civics and public affairs textbooks in local high schools for fomenting democracy. The HK Education Bureau has introduced a censorship system to vet such books based partly on PRC standards.

Boosting Economic Control over the SAR: **“You don’t bite the hand that feeds you”**

There is a symbiotic relationship between the mainland-Chinese and the Hong Kong economy. For example, some 70% of the inward foreign direct investment into the country comes through Hong Kong. However, the Hong Kong economy has become increasingly dominated by PRC corporation. Chinese companies account for more than 60% of the capitalization of the Hong Kong stock market. Collectively, they are estimated to employ 100,000 people in Hong Kong.

Employees of PRC firms in Hong Kong are expected to cast their votes for pro-Beijing candidates during parliamentary elections.



Hao Peng, Director
of SASAC

In a recent meeting between Hao, the head of the State Assets Supervision and Administration Commission (SASAC), and representatives of SOEs, the former asked state firms to buy ownership of more Hong Kong companies. SASAC controls China's 95 SOE conglomerates, many of which are multi-billion dollar multinationals.

Sinicization/Mainlandization of Hong Kong (I)

For Xi Jinping, the answer to the taming of a host of peripheral entities such as Taiwan, Hong Kong, Xinjiang and Tibet is Sinicization. Encourage large-scale migration of Han Chinese into these regions and make sure the latter are dependent on the mainland for survival and prosperity. The “economics will solve everything” mind-set is responsible for the many schemes – including the Greater Bay Area – that has been pushed to integrate the Hong Kong economy into the nation’s. Said the People’s Daily: “Development is the golden key for resolving different problems in Hong Kong, and immersing itself in the state’s overall development plans is the indispensable road for Hong Kong.”

Greater Bay Area



The Sinicization or mainlandization of the Special Administrative Region: full integration with the Pearl River Delta by the late 2030s.



Tycoon Li Ka-shing
criticized by Beijing

The mainlandization of Hong Kong (II):

Beijing injecting “socialist” element into HK?

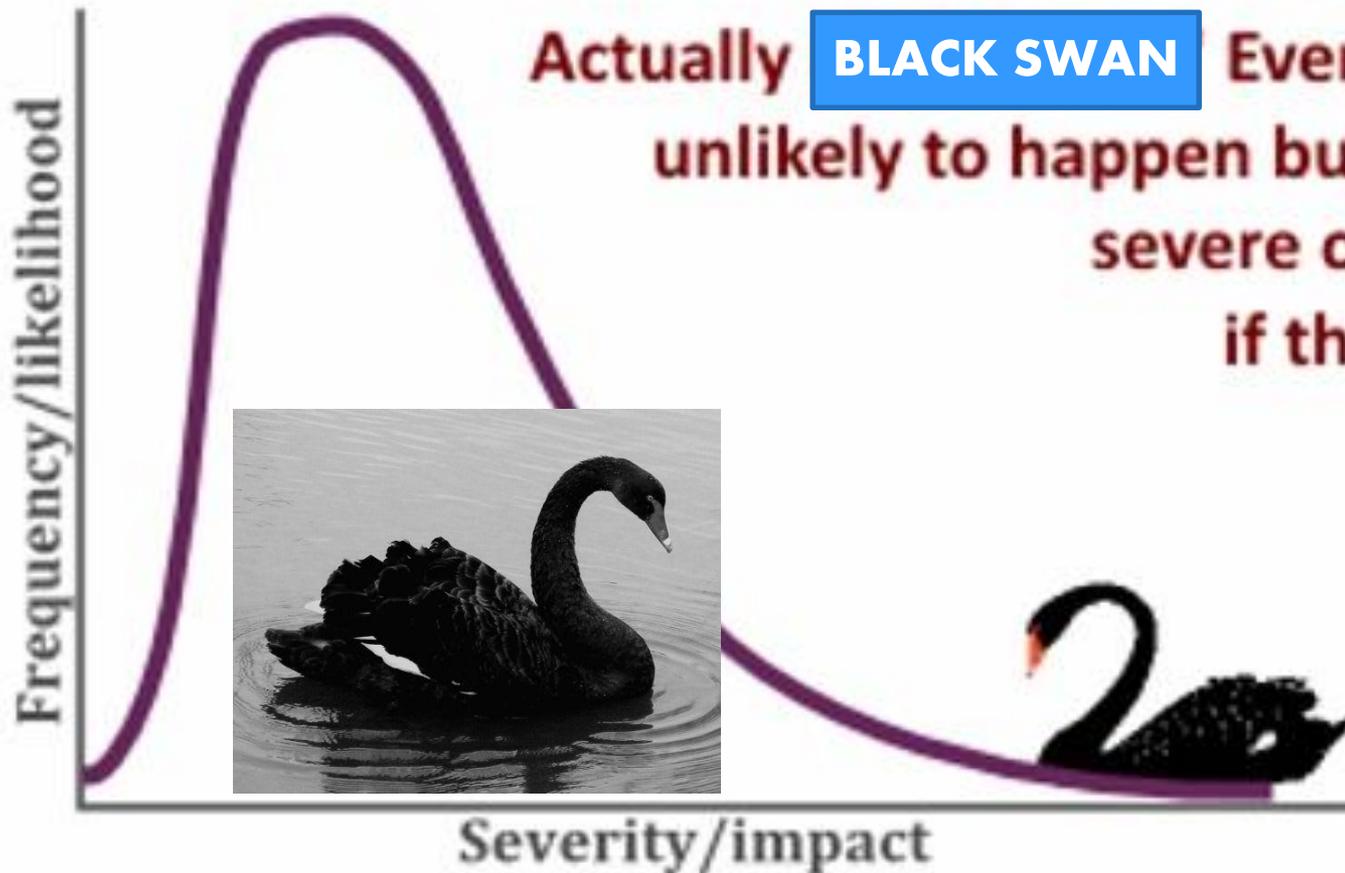
The Xi leadership thinks Hong Kong youths are unhappy about unaffordable housing, not undemocratic politics. Beijing has criticized Li Ka-shing and other tycoons for “hoarding land and profiteering” by selling flats at inflated prices. Yet reining in capitalism in the SAR and boosting role of SOEs could stifle competition and breed corruption.

The mainlandization of Hong Kong (III)

The crudest and most effective form of the Sinicization of Hong Kong is to encourage mainlanders to settle in the SAR. **Even before 1997, the Hong Kong government has to accept 150 emigrants to the SAR per day. After 22 years, this category has swelled beyond 1.2 m people.** Then there are migrants who qualify because of their investment or talents. Since 2003, an estimated 230,000 mainlanders have been allowed into the SAR through these channels. Statistics show that while the Western-educated among these migrants might pick up Hong Kong values after settling here for several years, the majority still favors the “China model” as the best deal for the SAR.

The Black Swan Event

Actually **BLACK SWAN** Events are highly unlikely to happen but would have severe consequences if they happened



In early 2019 Xi urged party cadres to raise their guard against “black swan” events, adding that the party faced “seven major risks, including politics, ideology, economics, technology, society, the external environment & party construction.”



Xi administration has been taken aback by unexpected rebellion in Hong Kong since early June

THE BLACK SWAN EVENT IN HONG KONG HAS SHOWN UP THE VULNERABILITY OF XI'S 'PERFECT DICTATORSHIP'



Tsinghua's Xu Zhangrun thanks Hong Kong's 7 million people for sending message of freedom to the mainland. It seems improbable that the "HK virus" could engulf the police state. But the black swan event has tested the Xi regime to its limits.