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# What Is China up to in Hong Kong?

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On May 27, the U.S. Department of State formally assessed that Hong Kong is no longer autonomous from mainland China. At issue was the Chinese Communist Party's (CCP) recent decision to circumvent the island-city's Legislative Council by promulgating controversial legislation that targets "separatism," CCP-speak for democracy. If passed by Beijing's National People's Congress, a near certainty, the legislation would effectively ban the protests that have persisted in the city since last year.

America's economic policy and cultural exchanges with Hong Kong are premised on the city maintaining a "high degree of autonomy," as guaranteed by the internationally recognized Sino-British Joint Declaration of 1984. In the years since, autonomy from the People's Republic of China (PRC) enabled Hong Kong to emerge as a global financial hub where Chinese citizens have thrived in a rare enclave of freedom. Sadly, in recent months, this legal guarantee has proved insufficient to protect Hong Kongers from Beijing's increasingly aggressive leadership.

The episode is tragic, but also curious. Why would the CCP announce national security legislation for Hong Kong, knowing that doing so would tie Washington's hands and force it to withdraw or downgrade the special treatment of Hong Kong that greatly benefits mainland elites? The CCP also knowingly incurred significant reputational cost for breaking a treaty, which will pale in comparison to the condemnation it will receive for the inevitable final crackdown on protestors.

Moreover, these actions dovetail with aggressive behavior along China's Indian border and throughout the region. Taken in total, these actions suggest a coordinated offensive by the CCP. But to what end? Policymakers in Washington must wrestle with this question by considering China's broader calculus, which could fall into one of four scenarios—each with different implications for U.S. foreign policy.

The first posits that the CCP had run out of leverage to de-escalate the Hong Kong protests on favorable terms. All else equal, the CCP would have preferred for Hong Kong to retain its status as a global financial hub, but events proved unmanageable for Beijing. Cutting its losses and passing national security legislation would incur blowback in the short term, but would eventually free diplomatic and police resources for other priorities.

But China's actions could have a very different motivation: that of stoking nationalism during a time of trouble. In the wake of the coronavirus pandemic, the Chinese economy shrank for the first time in nearly 50 years (by official estimates). Economic growth and job creation constitute the core of the CCP's claim to political legitimacy. As China's economy stumbles, the CCP could be looking for other sources of legitimacy—specifically, tapping into nationalist sentiments and, in effect, destabilizing the region in order to stabilize its internal politics. Scrapping "one country, two systems" for Hong Kong plays to popular sentiment about China's unity and freedom from foreign interference.

A third scenario would explain China's actions as an attempt to buy time. At the CCP's 16th Party Congress in 2002, then-President Jiang Zemin forecasted a 20-year window, or "strategic opportunity," for China to exploit America's preoccupation with the War on Terror and significantly increase its relative wealth and power. On paper, this window is set to close in two years—but in reality, it began to close with President Obama's Asia pivot, and especially with President Trump's more confrontational China policy. At the start of the 21st century, buying time was an overriding strategic necessity for China, which lacked the requisite capabilities and relationships to contest America's presence in Asia. Now, even as China grows closer to parity with America, it still needs more time, particularly to permit its "One Belt, One Road" (OBOR) initiative to fully mature.

Imposing national security legislation on Hong Kong could imperil critical OBOR projects throughout Europe, but China could be counting on Europe's economic equities to prevail against human rights sensibilities. The muted response from Germany and France to the Hong Kong situation thus far suggests that this calculation could be correct. That, in turn, would provide Chinese policymakers with precious time to seek economic stability and consolidate political power.

A final explanation for China's actions can be found in the idea of proactive offense. By all accounts, the coronavirus is a dire development for Beijing's global ambitions. The fundamental premise of its grand strategy is to siphon off America's partners in Europe, Asia and the Middle East. The CCP's initial cover-up of the pandemic, and its subsequent combative public diplomacy, has jeopardized this plan—perhaps beyond rehabilitation. If the CCP truly believes that its plan to split America's alliance network is now largely a lost cause, while also facing a dire economic outlook at home, Beijing's risk tolerance could now be dangerously high. In that case, its pressure on Hong Kong could indicate a new phase of deeply dangerous adventurism and militarism.

Which of these scenarios is most accurate? A great deal depends upon Washington finding out. If it hopes to understand the Chinese Communist Party and, in the words of the newly released White House China strategy, "prevail against the challenges the PRC presents," the United States needs to devote far greater resources to accurately determining where China currently stands—and where it is heading.

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