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## Opinion: The New Hong Kong National Security Law Is Just One Piece of an Alarming Puzzle

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# **Opinion: The New Hong Kong National Security Law Is Just One Piece of an Alarming Puzzle**

**Nikhil Pandeya & Bitu Pejam**  
**August 14, 2020**

On June 30, 2020, the Standing Committee of China's National People's Congress passed the "Law of the People's Republic of China on Safeguarding National Security in Hong Kong," what is now popularly known as the Hong Kong Security Law. Despite being passed unanimously and bypassing Hong Kong approval as a decree, the implications of this new piece of [legislation](#) affect far more stakeholders than merely the Hong Kong government and its citizens. Becoming a topic of heated controversy within the international community, many national leaders are voicing their concerns regarding how this new law will impact future foreign relations with Hong Kong as well as various industries that operate within Hong Kong.

## *Background*

To properly understand the nature of the Hong Kong Security Law and the nation's relationship with China, the historical ties between the two countries must be highlighted. Prior to 1997, Hong Kong was under British authority. However, sovereignty was transferred to China on July 1, 1997. During this time, it was agreed that Hong Kong could maintain its civil liberties, as well as its judicial and legislative autonomy, until 2047 – undertaking a "[one country, two systems](#)" structure. The 2020 law bypasses this historical agreement, however, as the law gives exclusive and sweeping powers to Beijing and Chinese officials, allowing them to execute any measures they deem necessary within the Hong Kong territory to ensure compliance with the law. This extends beyond previous legal systemic powers and challenges previous statutes.

The [law](#) itself criminalizes secessionist activities, as well, any subversion against the Chinese government, terrorist acts, and collusion of any kind with foreign forces. The provisions also permit mainland security personnel to operate legally in Hong Kong with impunity. Consequences for violating any of the provisions include severe penalties enforced by the government, such as life in prison.

While many of the traits of the National Security Law are under severe scrutiny, Article 38 of the law has gained widespread attention and controversy, as it states that the law is applicable to all individuals, whether inside of Hong Kong or not.

## *Erosion of Hong Kong Democracy*

Some critics are concerned that this new legislation not only threatens the civil liberties of Hong Kong residents, but that it might also be part of a larger erosion of the democratic principles that have become embedded within Hong Kong life and culture. For these critics, the new legislation represents a response to the months-long [2019 protests](#) of a since-withdrawn Hong Kong-Beijing extradition agreement, which saw widespread and persistent political and physical devastation in the region. Some critics have interpreted this new law as retaliatory and worry that it will give

Beijing the authority to silence this kind of dissent. To that end, the central government has [described the new law](#) as simply a mechanism to maintain order. The worries of critics were realized on Monday, August 10, after authorities arrested prominent media tycoon [Jimmy Lai](#) for allegedly contravening the new law and “colluding with foreign powers.” Lai has been outspoken regarding his position on this matter views since May, when he [criticized](#) the proposal of this new legislation on Twitter.

Also puzzling was the recent [postponement](#) of the Hong Kong Legislative Council election, which cited COVID-19 concerns in spite of the fact that elections have safely been conducted in South Korea, Japan, and Singapore within the past few months. Critics of this act, who include [U.S. Secretary of State Mike Pompeo](#), argue that this postponement is yet another attempt by Beijing to fend off opposition, as it comes the day after authorities [disqualified](#) several pro-democracy candidates from contesting leadership positions in the since-postponed election. To these critics, this postponement is the latest installment in the series of actions aimed at eroding democracy in Hong Kong.

### *Impact on Tourism*

The new security law, and the broader pattern of democratic erosion, both present consequences to the tourism industry in Hong Kong. In response to the law, several countries around the world including the United States, the United Kingdom, Canada, and Australia have issued [updated travel advisories](#) to caution citizens of the escalating risks of travelling to Hong Kong. According to these new advisories, citizens should be cautious of the imposition of measures such as arbitrary detention, surveillance, and deportation.

Researchers are anticipating a [significant decrease](#) in tourism as a result of these advisories. In spite of the fact that most of Hong Kong’s tourism arrivals come from mainland China, this new law presents consequences for Hong Kong’s reputation as a tourist destination. Professor Benjamin Iaquinto of the University of Hong Kong [noted to reporters](#) that it is Hong Kong’s reputation of openness that distinguishes it from nearby tourist hotspots such as Thailand and Sri Lanka, and that this new security law will likely adversely impact this reputation among international tourism markets.

### *Impact on Local and Foreign Businesses*

Critics, scholars, and analysts have been debating whether or not this new law will impact the business sector since its informal proposal months ago. Some argue that the new law is [not likely](#) to impact businesses, as the proposal appeared to present other legislative intent. These debates might now be moot, however, as the impact of this law’s implementation on local and foreign business relations has already begun.

After failing to express support for the proposed national security legislation, the former Hong Kong Chief Executive, Leung Chun-ying, took to Facebook to [condemn HSBC](#) for their silence, cautioning that the affairs conducted by HSBC in China could easily be funnelled to local

businesses. More recently, the New York Times announced plans to [shift its operations](#) from Hong Kong to South Korea, naming the “new era under Chinese rule” as a contributing factor to the decision. In addition, Facebook and Google have [halted](#) data requests from Hong Kong in response to a provision in the new legislation granting local police forces broad powers to intercept virtual communications and inspect content. These decisions provide evidence for the critics of the new law, who are concerned about the consequences that this legislation will present to Hong Kong’s international business relations.

For some observers, this act is representative of a pattern, as China has previously been in conflict with businesses who have opposed Beijing’s recent trajectory towards expanding their scope of powers. Last year, Beijing became [embroiled](#) in a dispute with the Big Four accounting firms PwC, Deloitte, KPMG, and Ernst & Young, urging them to fire employees who were alleged to have funded a [pro-democracy advertisement](#) in the Hong Kong news publication *Apple Daily*. Each of the four firms released separate [statements](#), all distancing their companies from the ad, with many urging the government to engage in meaningful dialogue and respect the “one country, two systems” arrangement. After this initial dispute, 30% of American and international firms operating in Hong Kong indicated that the possibility of relocating was being discussed, according to a [poll](#) conducted by the American Chamber of Commerce.

This erosion of democracy had also already begun to impact local businesses before the national security legislation was introduced. Last summer’s weeks of protests and unrest saw the [resignations](#) of prominent economists for discussing the economic impact of Beijing’s actions and possible American retaliation, and the [employment termination](#) of journalists and writers for reporting on the political climate. More notably, last year the CEO and Chief Commercial Officer of Hong Kong’s flagship airline [Cathay Pacific](#) announced their resignations after employees at the company had been involved in politically contentious activities related to the protests of the summer of 2019.

It is important to recall that these domestic resignations and terminations occurred before the introduction of this new legislation, when the motivations behind them were purely political. With a robust mandate in place under the new national security law, which many critics describe as a retaliation to the protests of 2019 that prompted these terminations and resignations, it is hard to ignore the anxieties of Hong Kong citizens and organizations with affiliations to the region. To them, like to many critics, this new legislation represents a legitimization of the practices that were already operating in Hong Kong, by Beijing.

So, it appears that the larger erosion of Hong Kong democracy is coming to fruition through this new national security law. The impact of this erosion on the future of tourism and businesses can be predicted by looking to the past, where Beijing’s actions have presented adverse implications for Hong Kong’s business relations. Now that there exists a legally protected mechanism through which police forces can cease dissent against mainland China, even if authorities [assure](#) the public that only a narrow scope of individuals will likely be found to contravene the legislation, concern is high in Hong Kong. Citizens and businesses alike fear that the law will be used as a tool for more things than simply maintaining order and will exacerbate the consequences already being experienced by citizens and local and foreign organizations. Further, if the assurances from authorities that this law will not target all dissenters and that this law exists simply to maintain

order are to be considered, so must be the warnings of critics that the actions of Beijing appear to be moving in a direction that indicates just the opposite.