

Hong Kong 1997 and all that

THE FATE OF HONG KONG. By Gerald Segal. *Simon & Schuster*; 256 pages; £16.99. To be published in America by *St Martin's Press* in September

IN HIS admirable study of Hong Kong, Gerald Segal sees the 19th-century agreement that commits Britain to return the New Territories to China in 1997 as a unique concept in imperial history. Because of this agreement, and because of China's near monopoly on the supply of food and water to the colony, independence—the consequence of decolonisation elsewhere—has not been available to Hong Kong. With its grievances about “unequal treaties” and the “wrongs of history”, China would not have stood for it.

In these circumstances, there has never been much demand from the people of Hong Kong for a fully democratic government, especially as their economy has flourished without one. They have been content to prosper from Hong Kong's role as an entrepot for China, as an employer of Chinese labour, and as a source of information and contacts. And China for its part has made no serious attempt to overthrow British rule in Hong Kong before the lease on the New Territories expires in 1997.

Nonetheless, Chinese nationalism, and the nervousness of foreign moneymen, meant a deal needed to be struck well in advance on the post-1997 arrangements. When these negotiations opened, it soon became clear that no worthwhile talks on the desired peaceful transition could take place without Britain ceding sovereignty.

After failing to retain sovereignty or administrative powers, Britain was determined to ensure a smooth transition. Hong Kong's future now depends on how far it retains its separate identity and how far it achieves “convergence”, nominally with the central government but actually with Guangdong and Fujian, which are more committed to reform than Beijing. And this, in turn, depends on China.

Mr Segal, who is a regular reviewer for *The Economist*, hopes for modified convergence between Hong Kong and southern China under Beijing's umbrella—“modified” because unchecked reform and regionalism might also be steps towards the break-up of China, even civil war. He sees China relying on its coastal zones to drag it into the “Pacific century”, but gradually: “the small but fast-whirling cog that is Hong Kong” must adapt to some degree to the larger, slower cog called China.

There are precedents for disunity in China and it is unfortunately true that, without democracy at the centre, even Mr

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Segal's preferred solution is not without risk. But it is a plausible outcome and, if there is goodwill in Beijing, has less potential for harm than any other. But slowing the Hong Kong cog will take some doing.

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