SAR of Hong Kong and Macau

One Country, Two Systems Deng Xiaoping originally proposed the

idea, as part of the reunification of China, in the early 1980's. In short, it stands for allowing Chinese areas with western influences to use a capitalist system while the rest of China uses a socialist system; all this occurring under one state. The capitalist areas are called Special Administrative Regions and the responsibilities are shared with the central Chinese government.

Special Administrative Regions

These entities enjoy a high autonomous administrative division from the People's Republic of China, by having a gubernatorial Chief Executive (elected in the SAR but appointed by China) as head of the region and head of government. These local governments are responsible for domestic affairs, the judiciary system, immigration, customs, public finance, currencies, and extradition. National defence and diplomatic relations are responsibilities of the central Chinese government. Hong Kong continues using English Common Law; Macau continues using the Portuguese Civil Law System. The current Chief Executive of Hong Kong is Donald Tsang and of Macan Edmund Ho Hau Wah.

Special Economic Zones

These zones are created to promote foreign investment, stimulate domestic industry, and to experiment new economic models. The areas are listed separately in the national planning (including financial planning) and have province-level authority on economic administration; their local congress and government have legislation authority. They are located on mainland China and close to capitalist economic hubs; they are given special economic policies and flexible governmental measures. The economic policies of the zones are: tax incentives for foreign investments, greater independence on international trade activities, and the 4 principles economic characteristics (construction primarily relies on attracting and utilizing foreign capital, primary economic forms are Sino-foreign joint ventures and partnerships as well as wholly foreignowned enterprises, products are primarily export-oriented, economic activities are primarily driven by market forces).

www.gov.cm; www.wikipedia.org; various authors, Shenshen - Broder-Hong Kong, ETH STudio Basel; 2004

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