

Institutional Contradictions and Social Change: “One Country, Two Systems” and reforms in the Greater Bay Area

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Abstract

The theory of institutional logics argues that the contradictory practices and beliefs inherent in the institutions can play a key role in explaining institutional and social change, yet the mechanisms of how institutional contradiction leads to institutional change could be further explored. This study suggests that the constitutional principle of “One Country, Two Systems” in the Chinese Constitution has created, and sustained, divergent institutional logics between the mainland and Hong Kong systems. The contradiction and competition between the systems have instilled tension but also constitute a source of innovations to drive the further institutional reforms and social change in China. Based on archival research, interviews and field observations, this study looks into the case of Qianhai a free trade zone in Shenzhen charged with a mission of piloting innovative institutional reforms. We find that its experiments with legal reform and construction project management reform were partly propelled by contradictions between the preexisting institutional arrangement at home and the logics of the market and the professionals in neighboring Hong Kong. The institutional contradictions serve as a driving force of reform, but also limit its scope and efficacy. Our study highlights how institutional change could come from the learning practice of the distinctive institutional settings in each entity.

Keywords:

Institutional Logics and Contradictions; Reform; One Country, Two Systems; Hong Kong; China; Greater Bay Area