

## Book Reviews

***The Economic Roots of the Umbrella Movement in Hong Kong: Globalization and the Rise of China.*** By Louis Augustin-Jean and Anthea H.Y. Cheung. London: Routledge, 2018. 160 pp. Hardcover. ISBN: 9780815368236.

Reviewed by Cheang Kai-hang

Hong Kong Studies is experiencing a publication bloom. In the Anglophone world alone, there are more than ten new books centered on the Umbrella Movement (UM), from Ho Ming-sho's comparative study *Challenging Beijing's Mandate of Heaven: Taiwan's Sunflower Movement and Hong Kong's Umbrella Movement* (2019)<sup>1</sup> to Francis L. F. Lee and Joseph M. Chan's analysis of the use of technology in *Media and Protest Logics in the Digital Era* (2018).<sup>2</sup> As these texts suggest, scholars working from across disciplines and around the globe are keen to analyze the unprecedented scale and effects of Hong Kong civil disobedience, and are eager to speculate on the implications of the UM for the future of Hong Kong and the rest of the world in what looks likely to become the Chinese Century. Many of the recent publications will be of interest to a wide range of audiences, including those who have participated in or closely followed the protests in Hong Kong as well as those who are drawn to the subject matter because of prior engagement with the studies of social movements. In terms of their form and content, these new publications take an approach typical in the composition of ethnography to mull over particular details about the UM that may be foreign to some readers, all the while offering insight on the dynamics of contemporary Hong Kong politics. The early chapters of Lee and Chan's work, for instance, specifically examine the contested

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1. Also reviewed in this issue—Editor's note.

2. Reviewed in Volume 2, No. 1—Editor's note.

meaning of universal suffrage in Article 45 of the Hong Kong Basic Law, while writers like Ho, among others, provide further analyses on the tactics of movement organizing, including their ambiguity and contingency, to debate the implications of ad-hoc formations for sustainable civil resistance.

One standout in the recent flowering of UM books is Louis Augustin-Jean and Anthea H.Y. Cheung's *The Economic Roots of the Umbrella Movement in Hong Kong: Globalization and the Rise of China*, in part because the work seeks to make sense of the UM not through cultural analysis, but through a study of the macroeconomic causes behind the movement. In contrast to other recent UM monographs like Pang Laikwan's *The Appearing Demos: Hong Kong During and After the Umbrella Movement* (2020)<sup>3</sup>—which strikes a hopeful note by exhorting both the ruled and the ruler to commit to an intersubjectivity for the greater good of preserving the city as a free polity—Augustin-Jean and Cheung offer a top-down solution to the problem that they see as the cause of the young people's discontentment with the government: namely, the wealth gap in Hong Kong. The authors argue that tax reform will alleviate social unrest by satisfying the needs of Hong Kong's young people.

Augustin-Jean and Cheung draw their inspiration from Thomas Piketty's magisterial *Capitalism in the Twenty-First Century* (2014), a sharp critique of uneven wealth concentration in Europe and the US since the eighteenth century. Building on Piketty's proposals for reducing income inequality, the authors propose the implementation of a progressive income tax in Hong Kong, which according to their calculations, would redistribute wealth from Hong Kong's aging rentiers to its young people, thereby returning purchasing power and financial agency to those who have been most disenfranchised by the "oligopolistic" market (3) that has been favoring

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3. Also reviewed in this issue—Editor's note.

entrenched interests since the foundation of the harbor as Britain's business outpost in the far East.

To make that case, Augustin-Jean and Cheung employ four chapters—plus the introduction and conclusion—to lay out the distant and immediate socioeconomic issues that gave rise to the recent unrest in Hong Kong. They note that 75% of the protest participants were between the ages of 18 and 39 (1). The prevalence of young protesters throws into relief what the authors call “the disenchantment of the youth” (43), with the majority of them feeling unsupported by the government in the face of an economy dominated by established elites. While acknowledging that protesting has long been a common behavior among young people in the city, from the grassroots revolts in the 1970s to the annual June 4 vigils organized since 1989, the authors argue that overgeneralizing young people as inherently civilly disobedient occludes the socioeconomic factors that motivate their current agitation.

The authors offer three specific reasons for young people's discontentment in Hong Kong: the rise in inequality, the difficulty of obtaining property, and the lack of upward mobility. They further assert that these factors are the culmination of China's increasing integration into global capital markets, a development which has gradually eroded Hong Kong's role as mercantile middleman between China and the West. This, Augustin-Jean and Cheung contend, has thrown the city's commercial identity into crisis and indirectly exacerbated economic inequality. Historically speaking, Hong Kong has had a simple tax system with a low rate, designed to facilitate investment in the city, which is supposed to be the portal for global investors to enter the greater Chinese market. However, since the onset of the Handover, many Chinese, Western, and even local investments have departed Hong Kong for the Mainland; as such, the low tax system intended to attract new businesses now only benefits a few major players that dominate the oligarchic local economy.

Chapter 1 traces the current pattern of income inequality in Hong Kong all the way back to the Treaty of Nanking. Augustin-Jean and Cheung observe that when the British first arrived in Hong Kong, they did not have great expectations for its prospects beyond using the Victoria Harbor and its neighboring peninsula as a trading hub. The Qing government was also in no haste to take back the territory; their *laissez-faire* attitude was indicated by their decision to lease the New Territories to the British for ninety-nine years. Consequently, control of Hong Kong fell into the hands of the colonial government, which then went on to sell the city's acreage to real estate developers at a discount, a practice that the current Hong Kong Special Administrative Region (HKSAR) government continues. This historical fact may seem unrelated to the UM, but it is useful in explaining why the HKSAR government's legitimacy is so often questioned by the protesters. The chapter's historical review is related to the UM and its aftermath in that many members of the Election Committee that vote for the Chief Executive are businesspeople, old-time financial elites with businesses long established in the city. Candidates who run for local office tend to seek to win the favor of these elites by promising policies that are conducive to corporate interests and against the interests of the un-propertied young.

After making explicit the connection between the electoral committee and economic elites, Chapter 2 of the monograph explains why the recent rise in Hong Kong's GDP has not been enough to satisfy the needs of the city's young people. GDP in Hong Kong has "increased over 46 percent in real terms from 2004 to 2014" (33), a fact which would seem to complicate the argument that the protests are economic in origin. Yet the authors argue that factors like the rise of Hong Kong rents in tandem with its GDP and the increase in low-wage service jobs have prevented these gains from trickling down to younger people. Since its beginning, the Hong Kong dollar has been pegged to the US dollar, a monetary connection that continuously promotes business transactions and inflation, which

caused the high price of apartments to go up even further. Additionally, since 2012, the year that President Xi Jinping began the anticorruption campaign in mainland China, the investment environment in Hong Kong has become more cautious and conservative. What carried the Hong Kong economy through is tourism, a major industry that created “100,000 jobs between 2002 and 2012” (41), although most of these are “low-skilled positions” (68) with less wage. In the face of a real estate market that deliberately “keep[s] flats empty and wait[s] until optimal market conditions arrive before releasing them” (94), the authors make clear why lowly paid young people would feel demoralized by the lack of opportunity to better themselves and their lives. The case is worsened by the HKSAR government’s strict adherence to “positive non-intervention” (16) in the market because of the Basic Law’s commitment to a liberal economy.

Chapters 3 and 4 shift from a diagnosis of the economic problems in Hong Kong to a critique of the city’s attempts to address these challenges. Referencing Richard Wong Yue Chim’s *Fixing Inequality in Hong Kong*, Augustin-Jean and Cheung write that “selling some public housing stocks or expanding access to higher education” alone are hardly enough to narrow the gap between the rich and the poor, given that “[t]he wealthiest 10% of its population owned as much as the poorest 77.5%,” according to data in 2014 (124). With the aim of alleviating the city’s economic inequality, the Hong Kong government tried handing out HK\$6,000 cash to residents in 2011, which the authors dismiss as “ex post corrections” (60) that only addressed the symptoms but not the causes of the problem. The authors also question other welfare practices and programs, including raising the minimum wage and subsidizing the education sector. They argue that these wage increases had little impact because they were diluted by inflation. The authors add that funding four-year college programs may not be the right expenditure, since four-year degrees cannot provide social mobility within an economic system whose odds are stacked against graduates. The authors add that a specific type of

education program can offer a short-term relief to the tension between young people and the government: namely, “sub-degree” programs (71). Basing off of surveyed participants’ income, the authors make the case that holders of sub-degrees, which include associate degrees and higher diplomas, experienced an increase in salary in tandem with Hong Kong’s rising GDP from 2003 to 2008, and again from 2008 and 2014. Meanwhile, salaries of bachelor’s holders remain stagnant in 2008 and even a decrease in 2014. Without fully endorsing investment in sub-degree programs as a way out of the current political quagmire for the HKSAR, Augustin-Jean and Cheung end their discussion with the caveat that even though sub-degree holders receive numerous job offers, they are for entry-level positions, so creating more of them is not the answer to enhancing young people’s opportunities to climb up the social ladder either.

To truly facilitate social mobility for young people, the authors make the recommendation in their conclusion that the HKSAR government must end its many policies that advantage its economic elites. Measures that the government should take, according to the authors, include implementing a progressive income tax, introducing more market competition, taxing goods and services, and aggressively taxing revenue gains that mostly accrue to economic elites (such as capital gains from the stock and housing markets, and profits earned overseas). The authors note that none of these policy changes will be easy to implement since they are in diametrical opposition to the market policies that made Hong Kong a tax haven for investments in the first place. Nonetheless, their recommendations should be taken seriously by Hong Kong policy makers: substantial economic redistribution is required in order to satisfy the needs of the broad swath of educated youths who feel neglected by the government.

As well-thought-out as Augustin-Jean and Cheung’s argument is, it might have been strengthened by a deeper engagement with Sinophone scholarship, especially scholarship centered on generational differences in the studies of the UM. For example, Fan Keung-hung’s “Four

Generations of Hongkongers” (an article in response to Liu Tai-lok’s infamous book that bears the same title as the article points to cultural differences caused by the generational gap as the reasons for myriad conflicts in Hong Kong society. Rather than a purely economic analysis, Fan calls attention to the rise of social media and the contrarian essence of being a Hongkonger (which has become more salient in the face of hegemonic integration into China) as the potential reasons that led to the deep level of youth commitment in resistance. Another point that suggests that the economy is not the only factor in young people’s discontentment is that students from the city’s sub-degree programs also joined in recent protests, even though, according to the authors, students from that group are likely to have received salaries that are congruent with their expectations.

The questions that remain unanswered about the relationship between young people’s financial frustrations and other cultural concerns suggest the need for a sequel to the current monograph with simultaneous attention paid to the youths’ psyche, including their political desires and collective identifications, as they intersect with the city’s socioeconomic realities during its period of transition. Still, for now, Augustin-Jean and Cheung’s application of Piketty’s work to Hong Kong offers a convincing explanation for the role of income inequality in denying opportunities to Hong Kong’s young people and encouraging them to participate in the Umbrella Movement.

***The Appearing Demos: Hong Kong During and After the Umbrella Movement.*** By Pang Laikwan. Ann Arbor, MI: University of Michigan Press, 2020. 228pp. Paperback. ISBN: 9780472037681.

Reviewed by Ann Gillian Chu

With the Anti-Extradition Legislation Amendment Bill protests of 2019 and the direct introduction of the national