Transcultural Management Series Vol. 4

Josef Wieland, Ross Cheung,
Julika Baumann Montecinos (eds.)

Hybridity and Transculturality

Learning about the Case of Hong Kong

metropolis

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Learnings about the Case of Hong Kong

Transcultural Management Series

Edited by Josef Wieland

Volume 4

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Preface

This book is the result of research carried out since early 2017 by Zeppelin University's Leadership Excellence Institute Zeppelin (LEIZ) in the form of a Transcultural Student Research Group (TSRG) led by Ross Cheung and consisting of seven young researchers from different cultural and disciplinary backgrounds. The intention of this study is to identify transcultural cooperation and the relating determinants and processes in Hong Kong, assessing which, or whether, local organizations, everyday practices and social spaces can be understood to deepen the understanding of transculturality and to contribute to recording a comprehensive picture of Hong Kong on the 20th anniversary of sovereign handover to China.

This book is, first and foremost, the product of a collective effort by the TSRG members who replied to Ross Cheung's call to become his co-learners about transculturality in Hong Kong and who conducted their respective research projects under the supervision of academic advisers from different departments at Zeppelin University. We would like to express our gratitude to them for becoming part of this pilot and thus enabling the establishment of a new format of teaching and research at Zeppelin University.

For their outstanding support to the project along its way, our thanks go to Tim Schleicher, Lukas Törner, Vanessa Meyer and Nils Geib. From the early set-up of the project and the coordination and administration before and during the group's trip to Hong Kong until the completion of this publication, they have contributed a great deal to the success of this endeavour.

Furthermore, we would like to thank our supporters and experts in and from Hong Kong. The whole group thanks Dr Vivien Wai-wan Chan for providing academic advice and kind support to the young researchers at different stages of this project, and for contributing a chapter to this book. The group is also grateful to the French Centre for Research on Contemporary China (CEFC) for arranging the 'Transcultural Research Group Symposium', to the German Consulate General in Hong Kong and the

Hong Kong Goethe Institute for receiving the group and sharing their experiences, to the M+ team for providing access to its exhibition and the introduction to West Kowloon Cultural District, to the Independent Commission Against Corruption (ICAC) and the Legislative Council of Hong Kong (LegCo) for the guided tours, and to the CUHK C.W. Chu College for providing the group with access to its dormitory. Without the generous support and input of so many local experts in Hong Kong, this transcultural learning journey would not have been possible.

On behalf of the TSRG Hong Kong and as editors of this book

Josef Wieland
Ross Cheung
Julika Baumann Montecinos

October 2019

Contributors

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Dr Wai-wan Vivien Chan is a sociologist. Currently she works as Lecturer at the Institute for Advanced Studies in Social Sciences and Junior Fellow at Society of Fellows in the Liberal Arts, Southern University of Science and Technology, China. She received her PhD from the School of International Studies, University of Technology Sydney. Two of her co-authored books on Chinese entrepreneurs and immigrant professionals in Hong Kong have been selected for "The Hong Kong Oral History Special Collection" by Hong Kong Central Library. Dr Chan's forthcoming monograph entitled *Female Chinese Bankers in the Asia-Pacific: Gender, Mobility and Opportunity* will be published by Routledge. Her current research interests are transnational migration, urban studies, female entrepreneurship and families in Chinese societies.

Ross Cheung is an Erasmus Mundus Masters student in Global Studies from the University of Vienna, Macquarie University, Australia, and the University of Leipzig, Germany. Currently he is working as a Coordinator in the Office of International Affairs of the Asian Institute of Technology. He started his career in corporate finance and then conducted research into social entrepreneurship, voiceless groups, and university graduate entrepreneurship. In addition, he has volunteered at the Beijing Olympic Games, conducted a tour at the Shanghai World Expo and worked at the International House of the Chinese University of Hong Kong. His current research interests are transnational migration, higher education, internationalization and mega events.

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Elisabeth Jung has a degree in Communication, Culture and Management from Zeppelin University, Friedrichshafen, Germany. Throughout her studies she has focused on issues surrounding mass communication and media culture as well as gaining practical experience working with different journalists. Elisabeth's fascination for new media and contemporary journalism led to her contribution to this volume. Currently, she is part of the communications team of Merck's Innovation Center.

Max Röcker is currently pursuing a dual master's degree in International Affairs and Governance at the Institut d'Etudes Politiques de Paris (Sciences Po) and the University of St. Gallen (HSG). He has a first degree in Sociology, Politics and Economics from Zeppelin University, Friedrichshafen, Germany and previously studied law at the University of Freiburg, Germany. His strong interest in East Asian politics and cultures took him to Japan for an exchange semester. Professionally, he has focused on the intersections of public policy and business and has worked with companies in the US, Germany and Switzerland.

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Prof Dr Josef Wieland is Professor of Institutional Economics – Organizational Governance, Integrity Management & Transcultural Leadership, Director of the Leadership Excellence Institute Zeppelin and Vice-President (Research) of Zeppelin University, Friedrichshafen, Germany. He is the author of, *inter alia*, the theory of 'Relational Economics', as well as the founder and Academic Director of the 'Transcultural Caravan'.

Part I

Transcultural Research in and about Hong Kong

Pioneering Transcultural Research

Josef Wieland and Julika Baumann Montecinos

Our transcultural student research journey started at the first Transcultural Leadership Summit in 2016, focusing on China and titled "East and West – West and East". Retroperspectively, this new format can be traced back to three major impulses that emerged from that conference, which was hosted by Zeppelin University's Leadership Excellence Institute. Firstly, the Transcultural Leadership Summit was organized by a group of students who showed outstanding initiative and commitment during almost one year of preparation. Apart from the topic itself, the students' role as organizers of the event and as hosts of the international experts, sponsors, professionals and fellow students is one characteristic that made and continues to make this conference unique; at least this is the feedback we have received. Secondly, the results of an essay competition on transcultural leadership were presented at the summit as part of a book publication. The authors of the selected essays, students from different countries and disciplines, attended the conference and the best essay was selected, although all of the essays were acknowledged with much applause. This experience showed us that the relatively new concept of transculturality not only appeared to be an approach that attracts young researchers' attention, but it also proved itself to be accessible for representatives of manifold cultural and disciplinary backgrounds. Thirdly, after two days of conference with keynote addresses, workshops, panel discussions and informal exchange on different aspects of transcultural leadership within and with China, during the concluding plenary session, a young attendee raised his question: "I am an Erasmus mundus student from Hong Kong, and I wonder what would happen if we considered the history and the realities of Hong Kong through the lens of the transcultural approach?" This student was Ross Cheung, and we spoke to him

after the session and immediately invited him to follow up this promising idea of researching Hong Kong as a microcosm of transculturality. In this way, he became the lead of the first Transcultural Student Research Group and finally the co-editor of this book.

The format of the Transcultural Student Research Groups (TSRGs) has been established and developed further since then as one pillar of the Transcultural Caravan's major activities[1], aiming to provide an arena for interdisciplinary learning, exchange and project cooperation on questions of transculturality and leadership in a globalized world. In this chapter, we briefly outline the conceptual foundations and reflect on some relevant ideas behind the Transcultural Caravan and its TSRGs.

1. Transculturality as a learning process

The elaboration of the transcultural approach is still in its infancy. Nevertheless, our recent conceptual work has led to some clarity on the concepts of transcultural leadership and transcultural competence (Wieland & Baumann Montecinos 2019a), particularly in terms of analysis of the underlying learning processes (Wieland 2019), of the cross-fertilizing coexistence of cultural diversity and cultural commonalities (Baumann Montecinos 2019), of the practical significance of this approach (Wieland 2019; Baumann Montecinos et al. 2019), as well as of the relevance of these considerations in the context of global value creation (Wieland & Baumann Montecinos 2018). In this manner, the development of an informed, well-grounded understanding of the transcultural approach is part of the research agenda towards a comprehensive theory of relational economics (Wieland 2018) and aims at providing significant insights into the determinants of successful global cooperation.

In order to distinguish the transcultural approach from traditional intercultural concepts, it can be observed that both derive rather different implications from the diagnosis of cultural diversity. Whereas the intercultural approach focuses on the potentials for conflict and on corresponding strategies of conflict resolution and reconciliation of differences, the transcultural concept puts cooperation and commonalities at

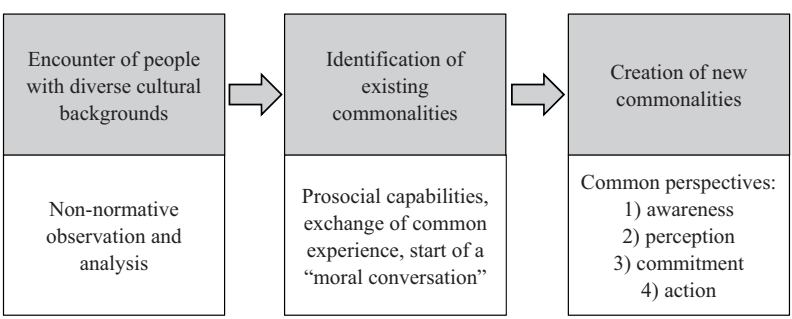
[1] For an overview on the Transcultural Caravan and its projects, see Wieland & Baumann Montecinos 2019c and Transcultural Caravan 2019.

the heart of its understanding and calls for a non-normative attitude as a basis for joint learning processes at eye level. The corresponding foci of both approaches can be traced back to their respective units of analysis:

> "From a transculturally oriented point of view, a rather problematic starting point of the considerations that the intercultural approach undertakes is to look at national cultures. The decision for this subject of analysis inevitably goes hand in hand with a focus on conflicts [...], and this lies not least in the fact that a national culture can only be conceived as a contrast to another national culture from the point of view of belonging, of identity. Contrary to that, the research program of transcultural leadership considers not the nation but a specific transaction as its conceptual starting point." (Wieland & Baumann Montecinos 2019b: 12)

This focus on specific transactions allows the transcultural concept to integrate various dimensions of cultural diversity, for example, by looking at regional cultures, professional cultures, corporate cultures and individually determinant cultural factors, thereby aiming to provide a more comprehensive understanding of the complex and dynamic setting of real-life cooperation. Against this backdrop, existing commonalities, in particular pro-social skills, as well as those commonalities that evolve through common practice come to the fore of the transcultural approach's considerations (Wieland 2019), completing a three-step model of transcultural learning as presented in figure 1.

Figure 1: Transcultural learning model



Source: Wieland 2019: 38.

At the same time, the distinction between the levels of thin and thick description as elaborated by Michael Walzer (1994) forms an important backbone of the transcultural approach (Wieland & Baumann Montecinos 2018: 28ff.). By recognizing that commonalities may initially exist on a rather thin, abstract level and that their application in concrete interactions requires local and situation-specific adaptations, the acknowledgement of diversity when it comes to the thick level represents an integral insight of the transcultural concept, again supporting its call for an attitude of non-normative observation and analysis in order to assess the specific setting of a given transaction. To assess the complexity of real-life interactions and the requirement of the corresponding competencies for successful transcultural leadership further, thick cooperation constellations can be described as being shaped by polycontextuality, polycontexturality and polylinguality (Wieland 2018: 12, 25f.; Wieland & Baumann Montecinos 2018: 22): Polycontextuality describes "the circumstance that various interdependent systems are integrated within [...] networks, which requires the actors involved to adapt to, and act within, different contexts, whereas the concept of polycontexturality focuses on the different rationalities, systems of meaning and logics of decision that need to be interlinked in the course of the management of transcultural relations" (Wieland & Baumann Montecinos 2018: 22). Against this backdrop, polylinguality then refers to "the communicative ability to understand and reconstruct polycontextuality and polycontexturality in order to integrate them into one's own systems of reference and eventually enable new patterns of communication and meaning" (ibid.). These conceptual deductions not only provide categories for the description of reality, but they also offer an arena for transcultural learning and for corresponding research and teaching formats in university education.

2. Practice what you preach

If the conceptual assumptions on transculturality and transcultural learning as presented in the previous section are combined with the theory of relational economics' call for focusing on practical transactions as a unit of analysis, this entails manifold consequences for conducting empirical research in this field, and for educating young researchers. First of all, the recognition that the answers to practice-based questions are always local

and temporary is a result of the call for the non-normative attitude that lies at the core of the transcultural approach, as does the reference to the differentiation between the levels of thin and thick descriptions. To analyze concrete transactions in their real setting requires the researchers to be on site to observe the local realities and to learn from local expertise on their particular research questions. To include researchers from different cultural and disciplinary backgrounds may lead to a thicker description of the polycontextual and polycontextural environment of a given transaction, this at least is the assumption. Accordingly, the combination of different perspectives may, through the joint process of research, of exchange and of discussion within the group, as well as through the objective of elaborating on a joint and coherent outcome in the form of publications such as this one, enable the creation of new insights that would not have been possible if each group member had worked on his or her project in isolation.

In this way, the Transcultural Student Research Groups not only work on topics that address issues of transcultural leadership, but they use the transcultural approach as a method in itself, as the backbone of the group's composition and working mode. Building a community of practice for discussions about the research topic and for the development of a joint publication requires all the members of the group to display transcultural competence, an ambition that lies at the very core of the Transcultural Caravan as a hub for global thinking.

3. Educating tomorrow's transcultural leaders

In times of global value creation and manifold opportunities and necessities of organizations and individuals to be exposed to interaction with partners from diverse backgrounds, the ability and willingness to cooperate across borders is a key competence. The description of leadership as a voluntary and mutually accepted relationship to others entails organizational and individual implications that deserve special attention when recognized and analyzed in their global dimension. The requirement of dealing with polycontextuality, polycontexturality and polylinguality, with which leaders and followers are confronted, presents a complex and dynamic setting for decision-making, for cooperation, and for learning.

Against this backdrop, the Transcultural Student Research Groups aim to provide an opportunity to experience the relevance of the transcultural approach in practice. Being part of such a project makes students and instructors experience the potentials and challenges of a transcultural community of practice firsthand. According to our teaching strategy, to become involved "in such formats of transcultural learning [...] opens up the possibility of achieving new dimensions in acquiring competence and in managing the realities of globalization and global value creation" (Wieland & Baumann Montecinos 2019c: 225). If we have succeeded in contributing to the education of transculturally competent future leaders by involving them in our groups, then the Transcultural Caravan's learning journey has been worthwhile. We hope that the publication of this pilot book of a Transcultural Student Research Group will be a promising sign in this direction.

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Background and Composition of the Research Project

Ross Cheung and Julika Baumann Montecinos

The formation of Transcultural Student Research Groups (TSRG) is a research format that has been developed by Zeppelin University's Leadership Excellence Institute as a project under the auspices of the Transcultural Caravan platform. TSRGs offer a learning arena to young researchers from diverse cultural and disciplinary backgrounds, each of them making a particular contribution to a joint research question. Like a mosaic, the different group members' cultural and disciplinary affiliations as well as the specific perspectives of the institutions involved provide various aspects to compose the overall picture.

Transcultural Caravan and Hong Kong

Source: Provided by Ross Cheung.

The Transcultural Student Research Group on the topic "Transculturality and Hybridity. Learnings about the Case of Hong Kong" was established as a spin-off activity from the discussions at the Transcultural Leadership Summit 2016. Following the question of "What if Hong Kong were a microcosm for transculturality?" raised during the Summit's final session, the group began its work in 2017, when the 20th anniversary of Hong Kong's sovereignty handover from Great Britain to the People's Republic of China offered an opportunity to review the role of Hong Kong under "One Country, Two Systems" and the transculturality and hybridity among locals, migrants, foreigners, businesses and politics since the handover. Nevertheless, it is not only since 1997 that Hong Kong has been a microcosm for issues of cultural diversity and transculturality. It has a long-standing history of being a meeting point for different cultures and a hotspot for exchange, for economic cooperation and for convergence.

As a migrant society, Hong Kong can be considered a city where East meets West (Hughes 1963; Chan & Chan 2010), which leads to a mixture of both. It can be described as an "island" where people with their different cultural backgrounds share a sense of belonging and continuously interact in daily life – they are all part of Hong Kong. Literature offers various concepts to analyze these phenomena in Hong Kong. To integrate the perspectives of the two, supposedly complementary, concepts of transculturality and cultural hybridity were expected to allow the group to assess the realities of Hong Kong in a comprehensive manner.

The transcultural approach (Wieland 2016; Wieland & Baumann Montecinos 2019) refers to the processes of relating and creating commonalities between different cultural identities and of the corresponding institution building. In this context, research addresses the identification of elements and cooperation techniques that facilitate transcultural interaction. Against this backdrop, and particularly in the case of Hong Kong, the theory of hybridity may provide important contributions to understanding transcultural phenomena. Referring to Hong Kong through the lens of hybridity, neither cultural assimilation nor cultural diversity are emphasized, but an advent, a happening, an emergence of cultural form(s) is stressed. Accordingly, cultural hybridization (Chan 2005) could cause essentializing, alternating, converting, hybridizing, and innovating. In this manner, learning about approaches that address 'Hybrid Hong Kong' (Chan 2012) using the case for examining phenomena of hybridization provided relevant insights to the research group.

Hong Kong as a meeting point of the East and the West

Source: Provided by Ross Cheung.

To specify the Transcultural Student Research Group's research target, the intention of this study is to tackle questions of transcultural cooperation and the related determinants and processes in Hong Kong through field study and observation, partly based on qualitative interviews with international migrants and local citizens, assessing which, or whether, the local organizations, everyday practices and social spaces analyzed in this case study on Hong Kong might deepen understanding of transculturality.

The following core research questions of the Transcultural Student Research Group on Hong Kong have been formulated:

1. How can the concepts of transculturality and hybridity be applied to the case of Hong Kong?
2. How do international migrants and locals in Hong Kong experience transculturality? What are the skills and competencies that are required to act in a transcultural context such as that of Hong Kong?
3. Using the example of Hong Kong, what are the criteria for a conducive transcultural environment? Which polices or business practices enhance transcultural cooperation?

In order to answer these overall research questions from different angles, the Transcultural Student Research Group brings together seven students, the perspectives of six countries, five disciplines, and four study programs offered at Zeppelin University.

The group aims to analyze features and determinants of transculturality in the context of politics, arts, communication, migration, behavioral ethics, as well as business and entrepreneurship in today's Hong Kong. Each of the students elaborated on one of these aspects within the scope of his or her Bachelors or Master's thesis or so-called Humboldt research projects, thus contributing individual jigsaw pieces to create the overall picture on "Transculturality and Hybridity. Learning about the Case of Hong Kong".

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Why Hong Kong?

Ross Cheung

1. Introduction

When Hong Kong Island first became a British colony in 1842, it had become the meeting point of Chinese culture and Western culture where hybridization started to happen. It soon formed 'a nexus of five overlapping trade networks with China, Southeast Asia, India, Britain and thus Europe, and the Americas' (Carroll 2007: 35). During the last century, 'Hong Kong served as the center of an informal global framework for Chinese who moved in from China and out to different parts of the world as well as those who returned through Hong Kong' (Wang 2016: 1). Especially during the Cold War, Hong Kong was a window for the West to monitor what was happening in China and an outlet for China to stay in indirect touch with the outside world. Hong Kong attained a pragmatic tradition that bridged the capitalist camp and the communist camp and maintained an indirect connection between China and the rest of the world (Roberts & Carroll 2016).

Hong Kong became an important base for the dissemination of Western culture to the East. At the same time, although under British rule, the local Hong Kong Chinese have kept the fundamental spirit of Chinese culture (Lo 1963). Hong Kong as a city of 'cultural hybridity' and 'occupation and immigration' (Ingham 2007), the British global outlook not only shaped the lives of Hong Kong Chinese, but also established the global links between and among China and overseas Chinese through Hong Kong. Zoroastrianism, a Persian religion, has been in Hong Kong since the 18th century through the British colonial trade network and the Zoroastrianians once contributed to the city's development, for example Star Ferry (2019) was established by the Parsee in 1880 (the 'star' is a Zoroastrian

symbol) and Hormusjee Naorojee Mody, an Indian born Parsee merchant, sponsored the foundation of Hong Kong University in 1910. According to the HKSAR Protocol Division Government Secretariat (2019) and Hong Kong Trade and Development Council (2019a), there are 62 Consulates-General, 57 Honorary Consulates, 29 foreign Chambers of Commerce and 6 officially recognized bodies in Hong Kong. Some of the countries do not have diplomatic relations with the Chinese government, but they are willing to set up their offices in Hong Kong, for example Kwang Hwa Information and Culture Center as an agent of the Republic of China (Taiwan) and Bhutan.

Table 1: Ten facets of Hong Kong.

1842: British occupation
- Hong Kong Island (1842): Treaty of Nanking
- Kowloon (1860): The First Convention of Peking
- The New Territories (1898): The Second Convention of Peking

Victoria City: Ethnic separation
- East Point (the east point of Victoria City)
- Sai Wan (the west point of Victoria City)
- Sheung Wan (the upper part of Victoria City)
- Central (the ring core of Victoria City)

Sun Yat-sen: Father of the Country
- Sun Yat-sen (1866-1925) and Three Principles of the People
- Hong Kong College of Medicine for Chinese
- The Chinese Revolution (1911)
- Establishment of the Republic of China (1912)

Hong Kong and Shanghai Bank Corporation (HSBC)
- Scotsman Sir Thomas Sutherland founds HSBC (1865)
- An official banknote printing bank in Hong Kong
- Considered to be a major driver of globalization

Made in Hong Kong
- Import substitution industrialization
- Garment and textile industries
- Cinema, Cantopop and the media

Migration: Inflow and outflow of people
- Inflow: Mainland China, South East Asia
- Outflow: USA, Canada, Australia and Taiwan

1997: Transfer of sovereignty
- Establishment of the People's Republic of China (1949)
- Deng Xiaoping meets Margaret Thatcher for negotiations (1982)
- Sino-British Joint Declaration (1984) (**see Annex 1**)
- Transfer of sovereignty over Hong Kong (1997)

2003: Emergence of civil society
- SARS outbreak
- Recorded high unemployment rate (7.9%)
- Stock and property prices plummet
- Article 23 (anti-subversion law) legislation
- Demonstrations involving 500,000 people

2014: Umbrella movement
- Hong Kong electoral reform for 2016/17
- White Paper on "The Practice of the 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region"
- Occupy Central with Love and Peace
- Occupied Admiralty, Mong Kok, Causeway Bay for 79 days

2017: A year of no significance?
- 20th anniversary of transfer of sovereignty
- Carrie Lam elected as the New Chief Executive with 777 votes

The community in Hong Kong bears the dual qualities of British and Chinese cultural practices and traditional values. While Hong Kong citizens absorb Western culture and values, they also manage to keep Chinese traditions and practices in their daily lives. Speaking Cantonese with a mixture of English vocabulary is another typical example. According to Lo (1963), the popularity of football among the general public, the ballot in Chinese chambers and clansmen associations, and Sunday worship and workshop in Confucian associations can be considered to be transcultural practices that evidence cultural interflow between China and the West. Another example is Cantopop, which is a hybrid of Chinese and Western

music with lyrics in Cantonese and standard written Chinese (Chu 2017). All these are the results of cultural hybridization and entanglement.

Today, Hong Kong still acts as a 'microcosm of globalization' (McDonogh & Wong 2005) or an 'edge of an irresistible globalization' (Wang 2016). It has served as a global agent between China and overseas markets for the last 150 years; indeed 46.3% of the inflow of Foreign Direct Investment (FDI) was from Hong Kong in 2018, and Hong Kong contributed 54.2% of the Chinese total outflow of FDI in 2017 (Hong Kong Trade and Development Council, 2019b). That is why, after London and New York, Hong Kong was ranked 3rd in the Global Network Connectivity Index (Taylor & Derudder 2016). Hong Kong is also a global frontier (Duara 2016). In 2017, Hong Kong International Airport (2018) handled 72.9 million passengers and more than 4.9 million of cargo, which was more than the volume of Frankfurt or Singapore. The total volume of container throughput in Hong Kong ports was 20 million in 2017 (Marine Department 2018) which exceeded that of Rotterdam or New York. In terms of foreign exchange international settlements, Hong Kong Dollar was one of the 20 most exchanged currencies between 1995 and 2016 in the world (Bank for International Settlements 2018).

Why is Hong Kong a suitable case study? Hong Kong and Macao are special cases in colonial history. When the Europeans and Americans ended their colonial occupation in the 20th century, a lot of the territories either returned to be a sovereign state (e.g., Okinawa and Taiwan) or became independent themselves (e.g., India and South Africa). There are not many cases like Hong Kong, where both the Chinese (although the Chinese states changed 2 times) and the British still remain (Macao is another case in point, since Portugal still exists). Although most of the non-European countries in the world have colonial experiences, the hybridity of Hong Kong or Singapore is a special case (India can be considered another special case). For example, after the colonial period, both Vietnam and Myanmar established their own nation states. But Hong Kong and its people did not establish their own country and Hong Kong is adopting its British systems under the Chinese state with an extraordinary mix of colonial history and Chinese energy (Patten 2007). The TSRG HK team was set up in 2017 on the 20th anniversary of Hong Kong's handover of sovereignty from Great Britain to the People's Republic of China. It was time for us to review the implementation of the Sino-British Joint Declaration (see Annex 1) and the role of Hong Kong

under ‘one country, two systems’ which have continued Hong Kong’s transcultural sphere and transculturality among locals, migrants, and foreigners since the handover.

“One country, two systems”: the Guiding Principle of Drafting the Hong Kong Basic Law

> “One country, two systems” is the fundamental policy of the Chinese Government for bringing about the country’s reunification. In line with this policy, the Chinese Government has formulated a series of principles and policies regarding Hong Kong. The main point is to establish a special administrative region directly under the Central People’s Government when China resumes its sovereignty over Hong Kong. Except for national defense and foreign affairs, which are to be administered by the Central Government, the Hong Kong Special Administrative Region will exercise a high degree of autonomy; no socialist system or policies will be practiced in the Region, the original capitalist society, economic system and way of life will remain unchanged and the laws previously in force in Hong Kong will remain basically the same; Hong Kong’s status as an international financial center and free port will be maintained; and the economic interests of Britain and other countries in Hong Kong will be taken into consideration. The Chinese Government has written the above principles and policies into the Sino-British Joint Declaration on the Question of Hong Kong and proclaimed that all the principles and policies regarding Hong Kong will remain unchanged for 50 years, which is to be codified in the Basic Law. The concept of “one country, two system” and all the principles and policies regarding Hong Kong formulated on the basis of this concept provide the fundamental guarantee for the resumption of China’s sovereignty over Hong Kong and the maintenance of Hong Kong’s stability and prosperity; they also conform to the basic interests of the Chinese people, particularly those of the Hong Kong compatriots.”

Source: Explanations on “The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (Draft)” and Its Related Documents (Addressing the Third Session of the Seventh National People’s Congress on March 28, 1990).

2. Unfolding the TSRG Hong Kong Trip

As a project of the Zeppelin University's Leadership Excellence Institute, the Transcultural Student Research Group (TSRG) on Hong Kong was formed, and the group visited Hong Kong during a field trip from 7 to 13 January 2018. The team resided in the Chinese University of Hong Kong and travelled to Hong Kong Island, Lantau Island, Kowloon, etc. for seminars, site visits, and expert meetings. The aim of the trip was rather not to fulfill all the curiosity in mind or to take those 'answers' for granted. The intention of the visit to Hong Kong was for the research team to address their specific research question(s), to experience the ambiguity of social reality, and to identify what is unknown to Hong Kong Studies and to our team. For example, typical questions could be whether or not Hong Kong is a hybrid city or whether most of Hong Kong's citizens are transculturally competent?

The TSRG HK team group picture
in Legco together with local young people

Source: Provided by Ross Cheung.

The TSRG Hong Kong Trip was designed to explore the historical, social, cultural, and aspects of Hong Kong. The itinerary was designed so as to further review and address the following issues:

1. Hong Kong Museum of History: What is the 'Hong Kong Story'? How does colonial history shape modern Hong Kong? What is not described in the exhibit (relating to Hong Kong in 2017 when it was the 20th anniversary)?
2. Legislative Council of Hong Kong & Central-Western District: Why is the location of Central so important to Hong Kong? How are power relations identified when one walks from the International Financial Centre to Government Headquarter? How was the Legislative Council of Hong Kong (Legco) transformed from 1843 until 2017?
3. Seminar on 'Hong Kong Studies: Methods and Multiculturalism': What does it mean for Hong Kong (Studies) as a method? How does multiculturalism affect local Hong Kong society and its culture? What is the perspective of these local researchers towards Hong Kong's transculturality? How do Hong Kong pop drama and Cantonese music act as a product of hybridization?
4. Kowloon (walled) City: Between the Chinese state(s) since the 1800s and British colonial occupation, what is reflected in this case? Why did the Kowloon Walled City end in the early 1990s? What is the recent development in Kowloon City?
5. Goethe Institute: What is the foreign cultural diplomacy practice in Hong Kong? How is the collaboration between Goethe Institute and the local organizations/participants like? What is the role of German culture and institution in Hong Kong?
6. German Consulate to Hong Kong: What observations on Hong Kong can be concluded from the meeting with the staff in the German Consulate? What is the perspective of the German Consulate? Who is Mrs. Anson Chan?
7. The French Centre for Research on Contemporary China (CEFC) & speech on "Local, Non-local and Trans-local Politics": What is France's cultural diplomacy of in Hong Kong? Why does locality matter? What are the implications for transculturality?

8. M+ & West Kowloon Cultural District: What is M+? How can we view the West Kowloon Cultural District (WKCD) project as a result of transcultural practice? What is the future of WKCD?
9. Independent Commission against Corruption: When was the Independent Commission against Corruption (ICAC) founded? Are there any transcultural practices at the ICAC?
10. Campus tour of the Chinese University of Hong Kong (CUHK): Why was a Chinese University founded during the British colonial period? Who established it and with what mission? What is the teaching medium in CUHK? What is the role of CUHK in connecting Chinese scholars and the world?
11. Hong Kong Monetary Authority (HKMA): When was Hong Kong Dollar first minted? How has Hong Kong Dollar played a role in Asia since the 1800s? Which banks issue banknotes in Hong Kong? What is the linked exchange rate of Hong Kong Dollar since 1983?

Five recommended sites for visits and observation

1. Kowloon city is known as a migrant settlement as well as a popular place for Southeast Asian culture and food in Hong Kong. The famous Kowloon Walled City was located at the heart of the district that was an enclave for local triads, illegal migrants, refugees, and traders. Currently, it is undergoing urban renewal.
2. Wan Chai is a place where ordinary Cantonese life thrives, and western nightlife vibrates. It is a well-developed urban area and its population is the highest educated, the third oldest, has the highest income disparity and is the most ethnically diverse population in Hong Kong.
3. Central is regarded as the seat of colonial power in Hong Kong with very colonial landscapes (i.e., British/western architecture and urban styles). It is a hub for international finance, trade, and professional services. It has also been described as having multiple layers of urban space with lots of commercial and consumer landmarks such malls and shops.

4. Tai O or the 'Oriental Venice' is known for its sea culture. A lot of residents here have fishing experience, even owning boats as second homes. It is also home to four kinds of Chinese religious belief each with its own temple, such as Hung Shing Temple, Kwan Tai Temple, Tin Hau Temple and Yeung Hau Temple.
5. Sai Kung is a diverse topographical area. There are several dams to be found here as well as one of UNESCO's Global Geoparks. Sai Kung is a mountainous area but is also home to several beaches and villages as well as abandoned farmlands. Churches have special significance in Sai Kung and their distribution gives an indication of the widespread influence of Catholicism in over the centuries.

3. The views among French, German, Hongkongers and other missing angles

Hong Kong is a migrant society which has always been known for its 'openness' and 'fluidity'. Due to the historical migration flows and business exchange, Hong Kong provides a convenient meeting place for people from China and from the West who want to be engaged with one another (Sinn 2018; Wang 2016). It is an interesting challenge to maintain these diverse migration influences so as to sustain a delicate equilibrium of the economy, demography and society (Ng 1996).

Based on our meetings in the German Consulate to Hong Kong, Goethe Institute and The French Centre for Research on Contemporary China, the team discovered French and German views about Hong Kong. What is most relevant to the TSRG project is to understand how these perspectives give rise to the transcultural sphere in Hong Kong. This is a summary of the meetings into 2 questions for further reviewing and answering.

- What are these perspectives and assumptions? What topics and details were chosen for discussion and what angles were ignored?
- When Westerners in Asia talk about 'western values' such as democracy, human rights and liberty, do they include global capitalism, consumerism, and some other western ideas/practices?

What does it mean for the British characters in Hong Kong?

Niall Ferguson (2004)'s *Empire: How Britain made the modern world* lists the distinctive features of the British Empire:

1. The English language
2. English forms of land tenure
3. Scottish and English banking
4. The Common Law
5. Protestantism
6. Team sports
7. The limited or 'night watchman' state
8. Representative assemblies
9. The idea of liberty

We also met local Hong Kong professors, researchers, artists, and officials and the team discovered learnt the local view of Hong Kong from different perspectives. Based on these views, there are also unanswered problems regarding the TSRG HK project as listed below:

- What is the difference between Hong Kong and China?
- Why do we take it for granted that the difference exists? Can Hong Kong have its own value/perspective?
- How do we justify the fear of 'mainlanderisation' by Hong Kong citizens? Should we reconsider it after the 20th anniversary of the establishment of the Hong Kong Special Administrative Region (HKSAR)?
- If Hong Kong as a method, which values or perspective of Hong Kong should be considered and ignored?

What's more, there are several missing pieces in the program, e.g., the team did not meet the Chinese government's agencies, international agencies or European Union representatives in Hong Kong. Not only the West's influence in Hong Kong and then further spread in China, but also the Hong Kong agencies all over the world promote Chinese business practices, ideas, and capital to the world. Due to lack of time and resource constraints, the missing angles are yet to be represented in the

TSRG Hong Kong field study and these are probably the transcultural elements that need to be examined in future research.

The swing metaphor

Source: Provided by Ross Cheung.

4. What is this swing taking Hong Kong to?

The 'one country, two systems', developed in the 1970s and 1980s and finalized in 1990 as the *Hong Kong Basic Law*, has been an experiment since 1997. This chapter would like to end with some questions about the metaphor raised by the westerners whom the TSRG Hong Kong team met. If Hong Kong is swinging from the 'Western/British' side to the 'Chinese' side, what is this swing taking Hong Kong to? What are the implications for Hong Kong's transcultural sphere, transcultural business practice, and the transcultural competence of its local citizens?

The TSRG Hong Kong team would like to also further question what if we switch the spectrum from 'British-Chinese' to 'HK-Chinese'? Would it be a more appropriate swing metaphor? Can Hong Kong play a role in changing the direction of the swing? Shall we see the recent social movements in Hong Kong are taking back its movement? No matter what, the swing metaphor is pretty much a good way to describe the situ-

ation of Hong Kong over the last 200 years. From history, Hong Kong is the ball swung by the external forces, either the UK, China, Japan or the US. Hong Kong has swung from a Chinese or Cantonese society into a British colony since 1842. The Japanese occupation and the subsequent Cold war changed Hong Kong demographically, economically, and culturally. From the 1970s, Chinese reform pumped opportunities and capital into Hong Kong for transforming it into a global financial hub. After the Sino-British Joint Declaration, Hong Kong entered another swing politically. Duara (2016) regards the period of the Cold War until the handover of Hong Kong as a 'liminal space' with openness and indeterminacy whereas, during the post-handover period, Hong Kong might be 'seen as the relegation of its role to a territorial periphery' (Duara 2016: 211). Besides, the global capitalism expansion after the fall of the Berlin Wall together with China's Open Door Policy is another swing. And how do we define the last 20 years of swing(s)? Will it be another cultural hybridization or transcultural transformation? What will Hong Kong be like after 2046 when 'one country, two systems' might come to an end?

What is the future of Hong Kong?

Source: Taken by Ross Cheung.

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Some Reflections on Transculturality and Case Study Methods

Ross Cheung

1. Introduction

Theory and research have a dialectic relationship. Theory provides us with the way of seeing, the act of interpretation, and the tool for analysis (Berger & Kellner 1982). Theory usually contains a set of concepts, assumptions, typology, core questions, and relationships. A good theory is deemed to help us to understand the interrelatedness of data and its implications. Theory also guides researchers how to link a single piece of research to the broad knowledge that other researchers in the field have contributed, from seeing a tree to the forest.

Theory guides research, vice versa. Theory is always temporary and falsifiable. The scientific community expands and modifies theory with the results of empirical research. Although certain theories are built by collective effort and series of study, their explanation and generalization power may still be limited. To make a social theory more accurately and completely able to describe and explain the social world, continuous research is needed to refute, expand, or modify theory based on the conclusion of new studies. Given that research obtains opposite findings, the researchers either revise some of the theoretical propositions or reject them. As researchers continue to conduct empirical research to test theories, they develop confidence in certain parts of the theory. Put differently, the way to make theoretical advancement is to have constant interaction with the latest research findings.

The next section of this chapter discusses the reasons why the case study method has been chosen for the Transcultural Student Research

Group Hong Kong team and its relevance to the theory of transculturality. Then it offers a definition of collective case study, outlining its advantages to social inquiry and theory building, suggests why Hong Kong is suitable as a unit of analysis and concludes with a highlight related to the implications of the seven case studies in the book.

2. *Case study method and theory building*

A case study is a research method designed to answer specific research questions, which seeks a range of different kinds of evidence in a case setting, and which has to be abstracted and collated to get the best possible answers (Gillham 2000; Ragin & Becker 1992). The importance of adopting the case study method is to evaluate whether or not a theory matches the reality. If it is true, a theory would be supported by the fact. If not, researchers should carefully examine the case and find out why the expected outcomes did not occur. Is the hypothesis wrong? Or is there an amendment that needs to be rectified? Perhaps, it is just an ad hoc theory? The case study method not only grasps different facets of a case, but also puts the details into a broader context for examination.

'Case study is not a methodological choice but a choice of what is to be studied' (Stake 2008: 119). The case study method is applied when the phenomenon is not distinguishable from its contexts and backgrounds. The case study design is able to 'address a wide range of questions that ask why, what, and how of an issue and assist researchers to explore, explain, describe, evaluate, and theorize about complex issues in context' (Harrsion et al. 2017: 15). It also helps to illustrate or exemplify a concept that would be difficult through using merely theoretical language and a single discipline (Yin 1994, 2003; Stake 2008). Some critics believe that case studies can only be applied to interpretive research for generating future research hypotheses (De Vaus 2001). Actually, the case study method is extremely important to Social Sciences for theory building as well.

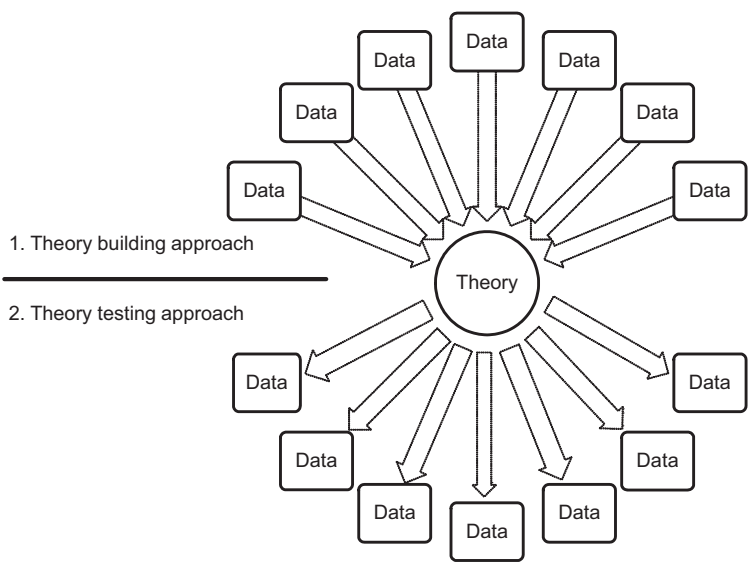
There are two possible objectives of adopting case study method, either theory testing (deductive reasoning) or theory building (inductive reasoning) (De Vaus 2001). On the one hand, case study research can illustrate a concept or a theory which would be impossible to describe without social context.

> 'The case to be studied is a complex entity located in a milieu or situation embedded in a number of contexts or backgrounds. Historical context is almost always of interest, but so are cultural and physical contexts. Other contexts often of interest are the social, economic, political, ethical, and aesthetic' (Stake 2008: 127).

On the other hand, the case study method is also deemed to be useful when researchers start to investigate a new research area in which there is little information available, and thus the case study provides a rich source of ideas and hypotheses for future research.

> 'Case studies are of value in refining theory, suggesting complexities for further investigation as well as helping to establish the limits of generalizability' (Stake 2008: 141).
>
> 'We identify four strong advantages of case methods that make them valuable in testing hypotheses and particularly useful for theory development: their potential for achieving high conceptual validity; their strong procedures for fostering new hypotheses; their value as a useful means

Process of Building a Theoretical Framework



Source: Adapted from De Vaus 2001: 6.

> to closely examine the hypothesized role of causal mechanisms in the context of individual cases; and their capacity for addressing causal complexity' (George & Bennett 2015: 19).

The Transcultural Student Research Group (TSRG) focuses on theory testing and building with regard to transculturality. According to Glover et al. (2015), the scientific study of culture is fundamentally necessary for developing valid and reliable perspectives (theories) and approaches (methods): (a) identifying prerequisites for understanding culture; (b) using appropriate conceptual frameworks designed for making culture operational; and (c) developing methods that permit the collection and analysis of data. Case study research design is probably one of the few social research methods that could serve both objectives. The following section will introduce why the case study method has been adopted to analyze the transculturality of Hong Kong.

3. Casing Hong Kong

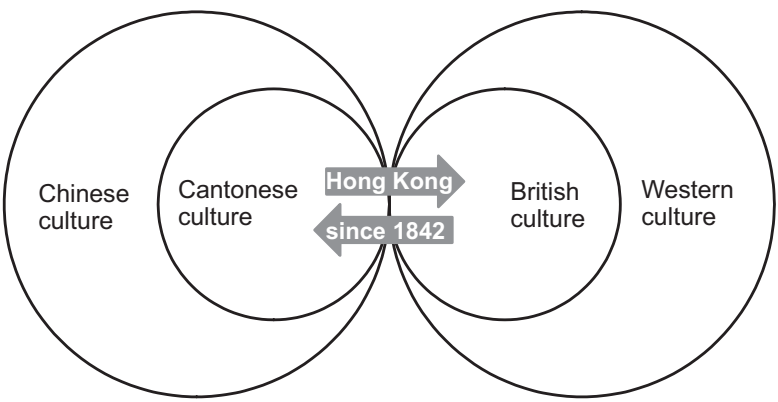
'Casing' is to link ideas and evidence in social inquiry (Becker 1992). Since 'Hong Kong remains wrapped in an enigma' (Meyer 2000: 1), casing Hong Kong means that the team wants to investigate social or cultural patterns deeply rooted in the structure and the history of Hong Kong which give rise to its transcultural sphere, practice, ideas and competence. Although scholars call it 'Hybrid Hong Kong' (Chan 2010) to reaffirm its cross-cultural essence, another study finds that, due to social exclusion and a lack of multiculturalism policy, the plight of ethnic minorities in Hong Kong condemns 'Asia's World City' (Law & Lee 2012). In other words, casing Hong Kong is to link concepts of hybridity and transculturality to the empirical findings from Hong Kong.

'What can be learned about the single case?' (Stake 2008: 120). The key contribution of the case study method is its detailed inquiry through a unit of analysis, a well-defined case, within its context, space, and time (Harrsion et al. 2017). In case study design, this unit is the object that we want to understand as a whole. Social scientists can choose different forms of case study and units of analysis. Usually, the study object is not an individual. A marriage, a clan and a company can be the unit of analysis. Places such as a street, a village, a community, a market, and even a

country can be studied using the case study method. Time periods can sometimes be the unit of analysis, for example, the years of 1968 and 1989 are the most common topics in contemporary history.

A good design of case study usually avoids examining only a particular part of the object. Instead, it should absorb different aspects of the object and it is expected that different parts release different layers of information and differentiated qualities. For example, Lewis (1959) studied different members of poor families in South America to discover the meaning of poverty culture from the voices of fathers, mothers, daughters, sons, etc. to provide comprehensive and in-depth insight across a number of disciplines (Harrison et al. 2017).

Hong Kong as a marginal man since 1842



Source: Own representation.

Hong Kong is the units of analysis/the case which is the 'object' of the research unit for data collection and analysis. Hong Kong is 'the marginal man – where the changes and fusions of culture are going on – that we can best study the processes of civilization and of progress' (Park 1928: 893). It is a place with people with 'mixed blood', giving rise to a mixture of British and Chinese cultures. Hong Kong citizens since 1842, especially the waves of immigrants to Hong Kong, can be considered 'at

the margin of two cultures and two societies, which never completely interpenetrated and fused' (Park 1928: 892). Since then it has succeeded in transforming itself and being reborn, becoming the jewel of the East and 'China's most critical link to the rest of the world since the Silk Road and the Mongols' (Carroll 2007: 3).

4. Hong Kong as a marginal man

There are at least four cultures entangled in Hong Kong (Chinese and Cantonese cultures; British and Western cultures). The Chinese culture of Hong Kong has at least a mixture of Cantonese/Lingnan (southern Chinese folk) culture, Confucian and Daoism ideas, Hakka customs, and the fisherman's way of life. The colonizers brought their British culture together with European and American ways of life and practices backed by Christianity. These contents are embedded in the humanistic sphere which creates an atmosphere directly and indirectly affecting an individual, a social group, and an institution here from thinking, ideology, and decision making. Hong Kong is a free entrepot. For more than one century, Hong Kong was the outlet for the re-export of Chinese products and for the (indirect) import of western products to mainland China. In the first half of the twentieth century, Governments of the East and the West from varied political ideologies and systems-imposed protectionism and its related trade policies. These factors gave rise to Hong Kong as a window between two worlds, similar to Venice and Istanbul in history.

Hong Kong as a city of convergence. Hong Kong is a migrant society which is also a hub of overseas Chinese connecting Chinese, Chinese diasporas, and foreigners. Waves of Chinese migrants bring new blood into this island city and later contribute in both Chinese and western arenas, for example, the Chinese national father Sun Yat-sen and the 'godfather of broadband' Nobel laureate Charles Kao Kuen. Hong Kong not only allows Chinese, mainly young men and women, from different provinces to pursue their dreams and improve their socio-economic conditions; they bring their local practices and cultures and contribute them to Hong Kong. One obvious example is the varied food available in a dim-sum restaurant. After learning, working, and staying in Hong Kong, they receive internationally recognized professional qualifications, understand western business practices, master the use of English, and connect China

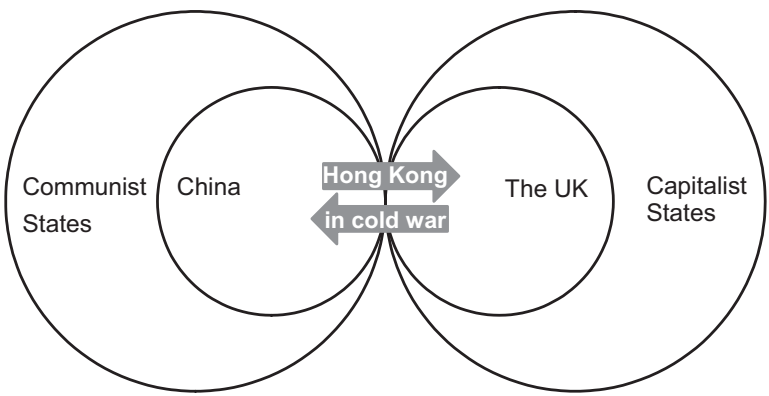
and the rest of Asia, through formal and informal networks, to Hong Kong. Another typical example is that, from 1999, higher education institutions in Hong Kong have been allowed to increase their non-local annual intake. Hong Kong became the gateway for thousands of Chinese students per year with hyper-mobility to first gain human capital and social networks in Hong Kong and work in a multi-national companies (MNCs) and then move on to the next stage in their careers in other global cities.

Hong Kong as a city of contagion. Since 1842, there has been a 'parasitism' (Crossley 2008) relationship between Imperialism and Hong Kong, e.g., the Chinese slavery trade through Hong Kong to the US in the mid-19th century (Carroll 2007; Sinn 2012). It is also due to the lack of natural resources, the output of Hong Kong is not always enough to be self-sufficient, local residents need to trade necessities between the British colonists and Chinese merchants. Also, the dynamics of exploitation and the survival of the Great Britain's global power (Ferguson 2004) gave rise to Hong Kong traders and arbitrageurs, the middlemen of material and cultural exchanges, which had made Hong Kong 'a nexus of five overlapping trade networks with China, Southeast Asia, India, Britain (and thus Europe), and the Americas' (Carroll 2007: 35). In this sense, we may probably interpret the transfer of sovereignty in 1997 as the end of 'parasitism' with the United Kingdom, e.g., the pro-UK elites in Hong Kong have either changed their position or migrated to other countries since the mid-1980s. Since Hong Kong is a pioneer of Chinese society, China's political and economic system, and the modernization of Chinese culture, the new 'parasitism' between Hong Kong and the mainland has become an interesting research area, especially at a time of a trade war between the US and China.

Hong Kong as a city of divergence. At the brink of China, Hong Kong has been connected to the world through the ocean and its unique position in Great Britain for 150 years, for example, the United States has had a consular presence in Hong Kong since 1843 (US Consulate General Hong Kong and Macau 2019). Its openness and free access to information, capital, and global networks are the advantages of being a British colony. During the Cold War, Hong Kong became distinct and crucial in its relations with China and the rest of the world (Robert & Carroll 2016). Hong Kong was at the frontier between the two major political camps, communism and capitalism, where both sides established channels to indirectly communicate, exchange and compete. For example, the New

China News Agency has had a branch in Hong Kong since 1947 (before the establishment of the People's Republic of China in 1949) to spread the ideas of the Chinese Communist Party. Moreover, the University Service Center (2019) since 1964 and American Chamber of Commerce in Hong Kong (2019) since 1968 are examples of how western organizations developed an agent in Hong Kong to observe contemporary China and develop outreach to the Asia-Pacific region. Other examples are Hong Kong being a member of the General Agreement on Tariffs and Trade (GATT) since 1986 as well as a founding member of the World Trade Organization (WTO) since 1995 (Trade and Industry Department, 2019). The Sports Federation & Olympic Committee of Hong Kong (2019) has, since 1950, allowed qualified Hong Kong citizens to participate in Olympic Games independently of the British/Chinese national teams.

Hong Kong in the cold war



Source: Own representation.

Hong Kong as a city of hybridity. Hong Kong is the first Chinese society under the rule of law and the British administration. Public, private and civil organizations uphold modern Western standards such as human rights, liberty, property rights, and business ethics. Hybridization is a process of a mixture of two or more varieties. Hong Kong provides the space to communicate, challenge, and integrate different conflicting ideas,

identities, and assumptions. On the one hand, the local is westernized, for example, the Hong Kong education and examination systems are learnt and localized from the British counterparts. On the other hand, western culture is localized in Hong Kong, for example, the emergence of Canto-pop by composing western musical instruments, pop styles and Cantonese lyrics. Also, new products such as milk tea, egg tarts, and Chinglish have been created. Hong Kong integrates a structural and cultural system of Sino-Western, Sino-British, and Chinese northern-southern. These resources include language, business practices, political and economic law, values and lifestyles. Those resources facilitate the exchange between China and the West, the process of China's modernization, and the implementation of 'one country, two systems'.

In summary, Hong Kong is on the margin of at least two different worlds: China and the West. The convergence, contagion, divergence (Crossley 2008; Vanhaute 2013) and hybridity (Chan 2005) of four cultures are the vessels to its transculturality.

5. The TSRG HK as a collective case study

We aim at using the case of Hong Kong to deepen our knowledge about 'transculturality' through typological theories and process-tracing.

> "[w]e recommend for developing typological theories also foster the integration of within-case analyses and cross-case comparisons, and they help researchers opportunistically match up the types of case studies needed for alternative research designs and the extant cases that history provides" (George & Bennett 2015: 7).
>
> "In process-tracing, the researcher examines histories, archival documents, interview transcripts, and other sources to see whether the causal process a theory hypothesizes or implies in a case is, in fact, evident in the sequence and values of the intervening variables in that case" (ibid.: 6).

There are three types of case study: intrinsic, instrumental, and collective (Stake 2008):

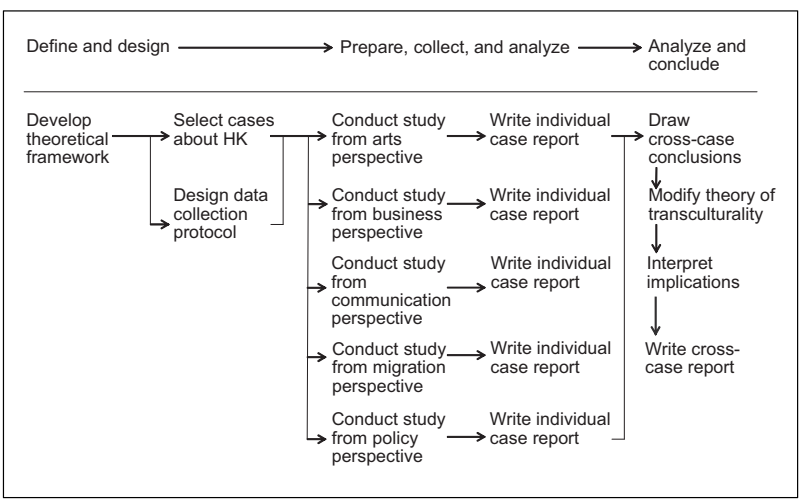
- Intrinsic cases lead to 'thick description' of the particular situation
- Instrumental cases induce generalization of theory

– A collective case study is used when the researchers start to investigate a new area.

In short, the development of this collective case study is to cumulatively build on the theory of transculturality and the understanding of Hong Kong.

> "When there is even less interest in one particular case, a number of cases may be studied jointly in order to investigate a phenomenon, population, or general condition. I call this multiple case study or collective case study" (Stake 2008: 123).
>
> "Individual cases in collection may or may not be known in advance to manifest some common characteristics. They are chosen because it is believed that understanding them will lead to better understanding, and perhaps better theorizing, about a still larger collection of cases" (Stake 2008: 123).

Research procedure



Source: Adopted from Yin 2014: 60.

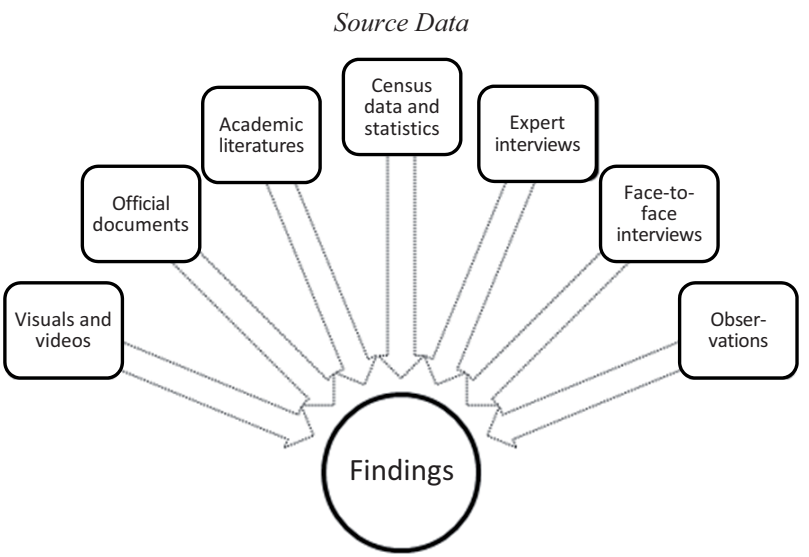
How we explain or theorize a problem determines how we solve the problem. It is always easy to describe the surface of an issue, such as what the general public can read and understand about an issue from news reports and memes. For example, the association of AIDS and

LGBT is still 'common-sense' to the public. The association of Hong Kong and transculturality is also apparently logical, something that the TSRG Hong Kong team has to carefully examine. On the surface, each of the case studies is merely related to a particular problem. There is no denying that an international activity, a transnational connection, and one person's intercultural skills in Hong Kong can be seen as a singular issue. But if this kind of activity, connection or skill has been repeated time and again, we should figure out the underlying background and the explanation. Our study is to discover the fundamental theory of transculturality criteria which would not be directly observable. The collective case study of Hong Kong is rather not to investigate the singular and instant explanations. It is likely to discover and interpret plural and remote causes. Although there are a lot of obvious, shallow, and personal perspectives, we rather have to go further to debunk the hidden patterns, deep-rooted causes, and social phenomenon. In short, as social scientists, we do not see everything that glitters as gold (German proverb: *Es ist nicht alles Gold was glänzt*).

A collective case is needed '(w)hen the case is too large for one researcher to know well or for a collective case study, teaming is an important option' (Stake 2008: 132). The TSRG Hong Kong team aims at completing a collective case study which teams up with seven student researchers from different arts, business or entrepreneurship, media, migration and political science perspectives. Collective case study means 'a number of cases may be studied jointly in order to investigate a phenomenon, population, or general condition' (ibid.: 123). Our collective case study attempts to arrive at a comprehensive understanding of the transculturality and hybridity of Hong Kong after the 20th anniversary of the handover of sovereignty by systematically gathering information from different angles. Every single case study can either understand the complexity of the context, refining theory based on evidence, suggesting complexities for further investigation, and generalizing the principles of transculturality.

6. Choice of data

This research team attempted to collect multiple sources of evidence (Yin 2014) and reviewed relevant academic publications, local history, statistics, and policy documents. The team approached foreigners and local citizens in Hong Kong for meetings and semi-structured qualitative interviews to see things through their eyes (Kvale 1996; Silverman 1993; Weiss 1994). After field study and data collection, the team worked closely with their supervisors to analyze all the data collected and coded. Also, this research adopted a collective case study approach, which means 'a number of cases may be studied jointly in order to investigate a phenomenon, population, or general condition' (Stake 2008: 123). We have composed a transcultural and transdisciplinary team to conduct a collective case study of Hong Kong. We keep the texts in social media, email records, or handwritten notes which will be later useful for our report writing (Becker 1986/2007). The team keeps the images and visuals for chapter writing and presentation.



Source: Adopted from Yin 2014: 121.

7. *Culture and transculturality*

According to Hofstede (2010), culture is software of the mind. It is a set of shared products of a society or a human group including values, norms, language, knowledge and material objects. There are unique cultures based on historical, geographical, and climatic differences. A culture of a particular social group might transform when it encounters another culture, a new geographic environment, a group of strangers, a technical breakthrough, an advancement of knowledge, and any other major incident(s). For example, Chinese culture is a long-standing tradition which has been shaped by its agricultural economy, dynasty and monarchy system, Confucianism, and waves of strangers. It is considered to be an 'ultra-stable structure' (Jin & Liu 1993).

Usually, people would take it for granted that their own culture and everyday life as 'natural', 'self-evident' and 'real' (Berger & Luckmann 1966) and people may tend to see other cultures as abnormal and strange. They may forget that things that have been done in one way can be done in another way, especially when 'everybody lives in a world of some sort' (ibid.: 27). A common cultural blunder is to use one's own cultural assumptions and norms to unfavorably compare against other cultures and to induce prejudice, bias and discrimination. Imagine if someone comes across a stranger from another culture/subculture, for example, in *E.T. in the Extra-Terrestrial* when Elliott first meets the alien (later named E.T.), when the stranger introduces new ideas, behaviors, and artifacts, the first reaction could be 'this is a joke' or 'perhaps I didn't see/hear it right'. If this person eventually responds to this stranger, he or she must have to expand their 'cognitive map to incorporate this new item of social reality' by relating the old in someone's own experience to understand the new (Berger & Kellner 1982: 20).

If culture is understood as a way of life and development shared by members of a society, what do we mean by transculturality? The word 'trans-' is originally a prefix occurring in loan words from Latin. According to the English Dictionaries of *Merriam-Webster* (2019) and *Oxford* (2019), there are three main definitions of 'trans-' found in this common expression:

- Across; beyond; on or to the other side of: e.g. transatlantic
- So or such as to change or transfer
  - Into another state or place: e.g. 'transform', 'translate'
  - Surpassing; transcending: e.g. 'transfinite', 'transonic'
- Referring or relating to people whose sense of personal identity and gender does not correspond with their birth sex: e.g. 'transgender'

In this sense, transculturality is the act of an individual, the practice of organization and the pattern offer a social group the opportunity of transcending their own cultural boundary. It means to think across one's normal state of culture, to change someone's own natural position towards another culture, and to surpass the original cultural norms and values so as to create a common understanding among one or more cultures. Put differently, it is like the renowned 'E.T. finger scene' when two fingertips touch between Elliot (human) and E.T. (alien) in the movie. To make the transculturality happen, an individual, an organization, and a society may first absorb the new ideas (assimilation of new culture) and practices and then may or may not change its original stance and behavior (accommodation of new culture) (Piaget 1999). In other words, it is not possible to interpret another's meaning without changing your own meaning system (Berger & Kellner 1982). If we go back to the example it is when, before his departure, E.T. says, 'I'll be right here', and simultaneously touches Elliot's forehead, which indicates the intercultural communication and connection has gone through memory, thinking and emotion.

The development of our case study is to cumulatively build on the theory of transculturality. Our focus includes testing the existing transculturality theory and generating new hypotheses from the case of Hong Kong. Culture links us to the past and guides us to the future. If culture is the software of the mind, transculturality is like blockchain, Ethernet, internet of things, router and server, wire, highway, market, and bridge to connect individuals and social groups across time and space. The TSRG Hong Kong team sees 'one country, two systems', which means the socialist economic system would not be imposed and Hong Kong will enjoy a 'high degree of autonomy' in all matters except foreign and defense affairs between 1997 and 2046 (The World Factbook 2019), and the British colonial legacy as transcultural policy and practice. This background and its history since 1842 create a transcultural sphere for transcultural

communication, business management, cultural event, and transcultural competence development.

8. The implications of the TSRG Hong Kong case

The following chapters in PART II are written by seven students and address issues of arts, business or entrepreneurship, media, migration and political science in Hong Kong and transculturality's theoretical implications. 'Casing' is an essential part of linking the empirical to the theoretical (Becker 1992). We have tried to either drive theoretical meaning from the perspective or let 'thick description' speak for itself. We see values, beliefs, and individual cases are actually mirrors to 'social facts' (Durkheim's expression). We see them as a shallow reflection to a deep social structure. The case study in Hong Kong would help us to understand the organizations, social groups or cultures in Hong Kong by applying the concepts of transculturality and hybridity.

The outcome of this collective case study provides an in-depth understanding of social processes, business practices, and individual behaviors in context (Harrsion et al. 2017; Stake 2008). It accommodates qualitative and quantitative data collection and analysis to generate greater insights. This collective case study is instrumental (Stake 2008), as it examines and provides insight into Hong Kong's temporality and hybridity, and the cases facilitate our understanding of transculturality. First, the team conducts the research to make the concept of transculturality more descriptive and precise. Second, we adopt the theory of transculturality to guide the deductive research design and illustrate the particular case. Third, inductive theorization process also applies to the study. After data collection and analysis, the relationships among variables and concepts has become clear and the team hopes to weave the knowledge gained from the different cases into theory. Thus, our collective case study would probably be able to provide a rich source of ideas and hypotheses on 'transculturality' for the future research of the Transcultural Research Group at Zeppelin University, and the study of transculturality as a whole. In short, the team has reviewed Hong Kong from six perspectives and also provides remarks on the pros and cons of the implementation of 'one country, two systems' in the context.

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Part II

Transculturality or Hybridity? Interdisciplinary Perspectives on the Case of Hong Kong

The History and Transformation of Hong Kong's Elites

Max Röcker

1. Introduction

When in the night from 30 June to 1 July 1997 the Union Jack was lowered in Hong Kong, British rule came to an end.

What did not come to an end was the colonial governance system of the territory. In the interest of preserving the prosperity and stability of one of the world's major financial hubs, the Chinese leaders in Beijing had agreed to allow Hong Kong to keep its semi-autonomous administration, free market economy and civil liberties for another 50 years beyond the handover. The concept that was termed "one country, two systems", provided for what many observers saw as the extraordinary co-existence of a democratic territory within a communist state. However, the People's Republic of China (PRC) was, at this point, not a completely communist country, nor was Hong Kong a full-fledged democracy. The destiny of the territory had always been decided by an institutionalized alliance between the colonial administration and the business elites and that was there to stay.

What the two decades after the handover have shown, however, is that this alliance appears to be increasingly dysfunctional and unable to deal with the challenges it faces.

And this is not just because the world's freest economy has also one of the highest rates of inequality, but because the disconnection between the ruling class and the wider population could not be starker. While there is a nascent young civil society taking to the streets to protest for the preservation of Hong Kong's autonomous system and their way of

life, there appear to be several efforts to precipitate integration with the mainland, long before the 2047 deadline.

The question is just how far that transformation process has already progressed and how far it also applies to Hong Kong's ruling class. Therefore, in order to better understand the hybrid political system of Hong Kong and its transformation as part of China, this chapter will examine the city's elites and what may underlie their transformation.

Starting with a definition of the term 'elite' and a short introduction to elite theories, followed by an overview of the history of Hong Kong and its elite, we will then look at the state of transformation of the city's elites 20 years after the handover to China.

2. *Definition of Elite*

Interpretations of the term 'elite' can vary substantially: For some, it signifies people who simply excel at what they are doing, such as ingenious scientists, competent leaders, successful athletes or high-achieving students. For others, it has more negative connotations. It stands for a secluded group of people in the higher echelons of power and wealth who are meticulously guarding admission to their circles, thereby ensuring their status and the continued reproduction from within their own group. This dichotomy makes it necessary to define the term diligently when using it scientifically, building upon its conceptual history.

However, it must be stated that there is to date neither a universally accepted definition, nor interrelated concepts and propositions that are widely agreed upon (cf. M. G. Burton & Higley 2001). The dichotomy depicted above therefore reappears at many points in the theoretical literature regarding elites.

Originally, the term derives from the Latin verb *eligere* (to select/choose/elect), therefore, in its original sense describing a chosen or select group of people. It first came to wider use in the aftermath of the French Revolution, when *l'élite* was used by the emerging bourgeoisie to describe people attaining positions of higher influence in society not because of their lineage, such as the case in nobility or clergy, but because of their merit or qualification. However, the use of the concept later shifted from stating a merit-based recruitment system to merely creating a terminological differentiation between the ruling class and the 'masses' (Hartmann 2004: 9).

One of the most prominent concepts of the elite was offered by C. Wright Mills (1959). In a development of classic elite concepts by Vilfredo Pareto (1935) or Gaetano Mosca (1939), he described them as the group of people at "the strategic command posts of the social structure, in which are now cantered the effective means of the power and the wealth and the celebrity which they enjoy" (Mills 1959: 4f.). Mills further described this power elite as "a set of overlapping 'crowds' and intricately connected 'cliques'" (ibid.: 11), consisting of like-minded people from similar origins bound together by a network of informal connections. They differentiate themselves and their network from the wider public in a "qualitative split" and guard access to it meticulously to make sure that they retain their position of power and to reproduce among their peers.

Not quite as impermeable is the view of the elites by the functionalist elite theories put forward by, among others, Karl Mannheim (1967) and Suzanne Keller (1968). They see heterogeneous, functional part-elites at the helm of the most important social areas, such as industry, politics, science and culture, which are all competing with each other. According to them, elite recruitment is mostly merit-based and thus accessible to descendants of lower social classes through education. The reason why there are still many members of the upper class among the elites is due to their better access to higher education. This is again in line with Pierre Bourdieu's observations of the French system of the *grandes écoles* (Bourdieu 1989): Theoretically, everybody would have access to higher education and the qualifications needed for higher posts in the merit-based system, but the economically affluent ruling class has an advantage due to their means and the traits that descendants already receive in their families from an early age. Thereby the established elite constantly reproduces itself.

2.1 Hong Kong's elite

Examples for all of these theories can be found in Hong Kong's elite, especially for C. Wright Mill's power elite concept. There may be functional differentiation within the elites, but the lines are blurred. The political elites are interconnected with the business elites, both during colonial times and still after the handover (Ho, Lee, Chan, Ng, & Choy 2010).

The most obvious influence that business leaders wield on policy is through the functional constituencies (FC's) in the Legislative Council (LegCo). 30 of the 70 LegCo seats are elected by interest groups representing different professions, having a varying degree of transparency and sometimes even just corporate bodies as electors (Young & Law 2004).

What would further support Mills' or Bourdieu's theories of the reproduction of elites is that this influential business elite of Hong Kong has, over the years, been dominated by the same families of successful property magnates, and the sons and daughters of top business leaders often also take influential positions in the same companies (Mok, Lam & Cheung 1992). However, the notion that, as in the dominant business elite, the recruitment for other sectors is not entirely merit-based, does not seem to hold true. Hong Kong has prided itself in its independent and efficient civil service, law enforcement and judiciary and recruitment and promotion into these sectors are said to follow long established merit-based systems (Scott & Gong 2014: 24).

We can thus indeed characterize Hong Kong's elite as a power elite that, nevertheless, has traits of functional differentiation in some sectors and merit-based recruitment for some positions. To consequently determine who forms part of the ruling elite in Hong Kong, this work uses the position held by an individual as determinant for his or her elite status. Positions that are usually considered by functionalist elite research are the incumbents of the highest offices in politics, administration, business, judiciary, media, science, military and trade unions (Hartmann 2004: 10f.). For the case of Hong Kong's hybrid political system, the lines between politics and administration are blurred and often just viewed as one (cf. Chui 2000; Ho et al. 2010). Nevertheless, despite the many overlaps, one can clearly distinguish the members of the administration as career officials, while members of political bodies are usually just elected or appointed for a certain period. Hence, the administrative elite are defined as career officials in the highest-ranking positions in government, while the political elite is defined as members of the legislative and statutory bodies with most influence on policy formation.

For the sectors of science and trade unions, the latter being some of the staunchest pro-Beijing organizations, we also take into account those included in those statutory bodies with influence on education policy or other issues. The influence of the media is also very difficult to determine and its independence from big business in Hong Kong has been very

much called in question. Hence, this leaves us with the administrative, political, judicial and the business sector, as the control over the military stationed in Hong Kong lies with the mainland authorities.

The elite in Hong Kong, for the purpose of this work, are therefore defined as the incumbents of the highest offices in government, members of the political bodies deemed to have most influence on policy formation, the judges of the High Court and above and the directors of the major companies listed in Hong Kong.

Notwithstanding the risk that this definition omits a lot of influential figures in Hong Kong's society who do not hold any official posts, such as *éminences grises*, political activists, or even the heads of organized crime syndicates like the triads, who are still considered to hold some power in Hong Kong (Chu 2005).

Another power player that is left out is the Liaison Office of the Central People's Government in Hong Kong (LOCPG): to some observers the real center of power and alternative government of Hong Kong (Chou 2013: 33). However, as this work is focusing on transformations within the established elite in Hong Kong, it makes sense to just focus on official office holders in Hong Kong's political and economic system to have a feasible sample for research, bearing in mind that this approach might have its shortcomings.

To understand what the greater driving forces of Hong Kong and its elite are and how it all came about, we need to take a look back into history.

3. History

3.1 Founding of the colony

Hong Kong's history certainly did not begin with the first British person setting foot on the island and it was far more than a "barren rock with hardly a house upon it", as it was dismissively qualified by Lord Palmerston in 1841. However, it is fair to say that the territory would not be the place it is today, were it not for its unique position as a British colony on Chinese soil, which, over the years, attracted many different groups of people and enabled its special economic and social development.

That is why we begin our observations in the early 18th century, when the merchants of the British East India Company sailed up the Pearl River

Delta to reach the city of Canton, or Guangzhou. It was the only Chinese port open to foreign trade at the time. Some of the so-called "*hongs*", the foreign trading houses established in Canton, still exist today and have meanwhile become multinational companies such as, for instance, Jardine Matheson. Over time, those *hongs* gained a lot of power; indeed to the extent that some of them could demand the acquisition of a British colony in the region to provide them a safe operating base (Fong 2015: 77). Hong Kong Island appeared particularly suitable due to its central location at the entrance to the delta and because it provided a secure natural harbour.

That is why the colonial and trade power Britain laid eyes on Hong Kong as a strategic hub for the opium trade in East Asia and forced its cession in humiliating unequal treaties with the Qing Empire after prevailing in the First Opium War. Hong Kong Island formally came under British rule in 1842, when it was indefinitely ceded in the Treaty of Nanking. The British colony was later expanded to the North with Kowloon in 1860, and in 1898 with the New Territories, which were leased from China for 99 years.

What was particularly formative for the colony was the fact that it was not set up for the exploitation of local resources, as so many others, but first and foremost as a free trade hub.

That attracted émigrés from all over the British Empire, the world and from other parts of China, who flocked to Hong Kong to seek economic opportunities or flee persecution. Many British firms located there or were established in the first place to engage in trade with East Asia. Major companies tracing their heritage back to the *hongs* of Hong Kong are Swire & Sons or the Hong Kong and Shanghai Bank (today's HSBC). Also, a unique set of different merchant elites formed in the colony. There were of course the British expatriates, but also influential Chinese families and merchant families from all over the world, such as, notably, Jewish immigrants from today's Iraq like the Sassoons and Kadoories. In between were formed some kind of intermediate elites, the *compradors*:[1] local Chinese engaged as buyers and sellers for foreign companies or as middlemen between Chinese communities and the British administration (Abe 2018).

[1] "Comprador" is Portuguese for "buyer". The use originated likely in the Portuguese colony of Macau.

However, the first half of the 20th century saw the colony's development stagnating, because another city had the upper hand in an old rivalry: Shanghai was opened up to trade with the West and experienced a significant economic boom, as it seemed more attractive to Western merchants (Chen 2015).[2]

The Japanese occupation during World War II weighed heavily on Hong Kong's economy as well, bringing into doubt the future of the colony in general. Ironically, relief came in the form of the communist takeover in China in 1949, which appeared to be beneficial for Hong Kong's economic development: Among many others fleeing the new rulers on the mainland, also some of the capitalist elites from Shanghai who did not follow the Nationalist government to Taiwan, relocated themselves and their businesses to Hong Kong (Burton 1999; So 2011). The territory saw a remarkable boom in the following years, both in economic activity and population numbers.

3.2 The state-business alliance

The administration of the colony could meanwhile be characterized as detached from the wider population, in particular the ethnic Chinese residents. Governors, as well as most of the top officials, were expatriates from Britain, who did not have to be able to speak Cantonese (van Oudenaren 2014). Most of their social life took place in colonial clubs which were not open to non-whites, such as the famous Hong Kong Club. There, they would meet with the business elites and negotiate over lunch. (Cavaliero 1997). Very little interaction took place with the local population, which left its members a lot of room to do business unchecked by the authorities. Thus, corruption, also involving lower-ranking officials, was rampant. In addition, many of the secret criminal societies, the so-called triads that had to leave the mainland due to a crackdown by the new communist ruling power, now operated successfully from inside Hong Kong (van Oudenaren 2014).

[2] On a side note: some analysts see this shift happening again today, as China's economy is progressively opening up to international trade and investment, making Hong Kong lose its special status as the freest market on Chinese soil (Wembridge 2016).

A wake-up call to the British authorities came in 1967. The Cultural Revolution that was underway on the mainland spilled over to Hong Kong and not only swept large numbers of refugees into the territory, but also led to violent anti-colonial street protests (Whitehead 2017). The administration under the new governor MacLehose responded with greater community outreach. Free education and public housing were introduced, the construction of public transport, the "Mass Transit Railway" (MTR), was started and Chinese was recognized as second official language (Lam 2003). Another consequential measure was the foundation of the Independent Commission Against Corruption (ICAC), which is widely credited with responsibility for Hong Kong's reputation as being a clean and accountable business environment (Lhatoo 2016).

Hong Kong's development in the second half of the 20th century was impressive. Until the Asian Financial Crisis in 1997, which coincided with the end of British rule, the territory had an average annual GDP growth of 7.65% (World Bank 2019). That propelled the city from its modest beginnings to a leading financial hub in Asia, with one of the highest standards of living in the world. Other benefits enjoyed by residents under the colonial administration were the rule of law, freedom of expression, economic freedom and an effective civil service (Chan 1997; Ortmann 2016). However, what they never enjoyed was full democratic representation. The executive-led system of British Hong Kong was centered around the governor, who wielded most of the power and governed by consultation (Cheung 2010). He appointed the members of the colonial advisory bodies, among them the Executive Council (ExCo) and the LegCo, the de facto parliament (Chan 1996). The people co-opted to these political advisory bodies were usually the influential business tycoons of the crown colony, whose support the government wanted to ensure (Chan 1997; Goodstadt 2000).

> It was said that the Colony was governed by the Jockey Club, Jardine and Matheson, the Hong Kong and Shanghai Bank, and the governor in that order of importance (Lo 1999: 62).

And as observers have pointed out, this system of governing through consultation was actually quite effective at that time. The business leaders, who were at the same time community leaders, functioned as intermediaries with the wider population and were instrumental in policy imple-

mentation (Fong 2015). The consensus reached among the various interconnected advisory boards, consisting of business and bureaucratic elites, would give government decisions legitimacy (Scott 1989: 60).

Therefore, a liberal free market territory with a business focus was largely controlled by different groups of business elites, who were eager to secure their influence and opposed democratization, even if it was to the disadvantage of the wider public (Ortmann 2016). Obviously, Hong Kong's business elites also intended to keep that power after the handover from Britain to China.

3.3 The Handover

The 99-year lease of the New Territories ended in 1997 and they were required by the old treaties to be handed back into Chinese sovereignty. They had, however, become an inseparable part of the whole territory of Hong Kong and because investors needed security that their investments would be safe beyond '97, the British administration itself raised the question of the status of Hong Kong with the Chinese authorities. Ironically, Beijing initially simply wanted to avoid the issue and keep the status quo of Hong Kong as the "window to the West", as financial hub for in- and outward investment. Yet, in the subsequent consultations, it became more and more an issue of national pride for the central government of the PRC to reassert sovereignty over Hong Kong. Beijing was able to gain the upper hand in the negotiations with London, due to its strengthened international position, a concerted and well-planned strategy aimed at clear goals and because the British government under Margaret Thatcher misunderstood the Chinese side and was unable to leverage its assets such as support in the local community and favorable international media opinion (Cheng 2012). One after the other, London gave in to all of Beijing's demands: The PRC would regain sovereignty over Hong Kong, Britain would completely give up any involvement in the administration and even the People's Liberation Army (PLA) would be stationed within the territory. To many observers, it appeared as if Britain had let the people of Hong Kong down (Hau 2019).

In a kind of a reversal of fortunes, British dreams of holding on to its most valuable remaining colony faded in the wake of China's rise, and now it was Britain's turn to be subject to unequal treaties. The two powers

agreed on a framework for the handover of sovereignty in the Sino-British joint declaration of 1984. There, 1997 was set as the date of the handover of the whole territory and the formulation of the Basic Law was stipulated, as the new "mini-constitution" regulating Hong Kong's post-colonial political makeup and the relationship with the central government of the PRC in Beijing. Its fundamental principle was the "one country, two systems" policy: Hong Kong would become an integral part of China, but it would, as a Special Administrative Region (SAR), retain its established system for another 50 years, having far-reaching autonomous rights over internal matters. However, authority over external relations and defense were transferred to Beijing and Hong Kong's Chief Executive (CE), the new governor, was henceforth accountable to the central government (Lee 1994). This pragmatic approach was drafted by Deng Xiaoping, and can be seen in the context of his policy of "reform and opening up" and abandoning the hardline ideological stance of the Cultural Revolution (Cheng 2012). The intention behind "one country, two systems" was to maintain Hong Kong's economic success and stability and to guarantee investor confidence in Hong Kong's market even beyond the handover (Fong 2014: 197).

Yet, despite the contractual agreement on the terms of the handover, both the UK and the PRC had contradictory strategies in preparing Hong Kong for that time. In light of the Tiananmen crackdown in Beijing and rising fears for Hong Kong's future, the last British administration under governor Chris Patten intended to make up for 150 years of neglect and attempted to establish democratically elected institutions in Hong Kong in order to strengthen Hong Kong's civil society as it prepared to pass into the hands of new rulers. However, this initiative was hampered due to opposition by the business elites and objections from Beijing (So 2000: 360). Consequently, only half of the seats of the LegCo were elected by popular vote; the other half remained functional constituencies. Nevertheless, subsequently most of the seats were won by pro-democratic candidates. However, that was too much for Beijing. With the handover, the last LegCo elected under British rule was declared defunct and replaced by the Beijing-appointed Provisional Legislative Council (PLC). The first elections of the HKSAR were scheduled for 1998 and largely won by pro-Beijing lawmakers (Wong 2002: 597).

This can be considered a success of Beijing's greater handover strategy. The central government of the PRC had, during the negotiations with

Britain, revived the "united front" strategy and forged an alliance with Hong Kong's tycoons. This was under the assumption that Hong Kong's real power lay not with the colonial administration, but with the business elites. A particularly uniting factor was the shared opposition to further democratization (A. B. L. Cheung & Wong 2004; Fong 2014; Goodstadt 2000). Influential business leaders were co-opted into the bodies tasked with preparing the transition of sovereignty and the election of a new government for the HKSAR: The Preliminary Working Committee (PWC), the HKSAR Preparatory Committee and the PLC were, prior to the handover, considered as an alternative government challenging the legitimacy of that of Chris Patten. The central government even went as far as to nominate shipping magnate Tung Chee-hwa for the post of the first CE, thereby continuing the system of business influence on politics (Fong 2014). In addition to being part of Hong Kong's business and professional elites (the loyalty of the working class was taken for granted), the criteria for recruitment to these advisory and preparatory bodies did not seem to be previous membership in PRC institutions such as the National People's Congress (NPC) or the Chinese People's Political Consultative Congress (CPPCC), but rather whether those people had previously held positions on the ExCo or LegCo in Hong Kong, or were from well-known elite families (Goodstadt 2000; Wong 2012).

A possible explanation is that to promote the concept of 'Hong Kong people ruling Hong Kong,' Chinese officials wanted to avoid any impression that individuals formally involved in China's national political forums would dominate Hong Kong's post-colonial political landscape (Goodstadt 2000: 736).

However, there are clues hinting at this concept being merely 'impression management', as, simultaneously, several new pro-Beijing parties were founded among the co-opted members, each of them targeted at a different interest group. These actions were all part of Beijing's "united front" strategy to create support among various elite groups for their positions and foster the development of a new pro-Beijing elite in Hong Kong (Cheng 2012; Goodstadt 2000). These are Communist party tactics already employed under Mao in the early days of the PRC: Because the Communists were initially outnumbered, they had to ensure the support of the established elite and therefore involved intellectuals and business leaders in their political bodies (Putnam 1976: 194). In Hong Kong, most

of the various elite groups were willing to align with Beijing, the exception being the legal profession (Goodstadt 2000).

Overall, very little seemed to change with the handover. Of course, the Union Jack was lowered and replaced by the Five-star Red Flag, governor Chris Patten left with tears in his eyes aboard the royal yacht "Britannia", the PLA moved into the British army bases and the prefix "Royal" was erased from most institutions. "One country, two systems" however, did allow most of British Hong Kong's features to persist. English remained the official language, the common law system was left in place, the honors system of the British Empire was simply renamed (CBE to Bauhinia Medal/Star) and traffic remained on the left-hand side.

Furthermore, the colonial administrative officers largely stayed on in their offices. Only the secretary-level officials were subject to "localization" rules, requiring British expats to be replaced with local Hong Kong officials (Lee 1994).

On the business side, the Chinese stability strategy seems to have worked, as most firms stayed in Hong Kong. Two of the few counter-examples are HSBC, which shifted its main focus to London (Timmons 2016), and Jardine Matheson, which changed its jurisdiction to Bermuda (AP 1984).

Consequently, unlike other former British colonies, Hong Kong was not released into independence in a process of decolonization. What makes the case of Hong Kong so unique is that the city-state has largely seen continuity of the same system, only a change in its distant sovereign (Lau 1992).

4. Hong Kong, China

The first 20 years after the return to China have been politically turbulent for Hong Kong. Despite many initiatives aimed at full democratization, half of the LegCo still consists of functional constituencies and the CEs can only be elected from a Beijing-approved pool of candidates by an Election Committee. This also applied to the 2017 CE-election of Carrie Lam. So far, successfully opposing full democratization is the dominant pro-establishment camp, or pro-Beijing camp. They are allegedly supported by Beijing's Liaison Office (LOCPG), in a continuation of the "united front" strategy (Chou 2013: 33). This adds to the strong polarization of Hong Kong's political landscape, which is strictly separated into

the pro-Beijing and the pro-democratic camps, supplemented by localism or independence movements. The polarization manifests itself visually in occasional demonstrations by either camp. The most prominent so far have been "Occupy Central" or the "umbrella movement" of 2013/2014, and the anti-extradition law protests of 2019.

This polarization, which extends into all walks of life, has contributed to a decline in social cohesion and a disconnection between the government and the population. The hybrid colonial government structure, which was left in place for the sake of stability and which was originally designed for consensus, has largely been unable to cope with post-colonial demands of a pluralistic society, which led to a crisis of legitimacy of the ruling class (Cheung 2010; Lee 1999).

The crisis of governance can also be attributed to the dysfunction of the business-state alliance that was continued after the handover, but which proved not to have adapted to changing conditions. By drawing Hong Kong's business tycoons close and co-opting them to mainland advisory bodies, the central government provided them with unprecedented leverage over the CE who, in turn, lost much of his or her authoritative power. The business leaders now had the possibility to circumvent the Hong Kong authorities and go directly to Beijing with their concerns (Fong 2014, 2015). Moreover, the business elites also lost their intermediary role between government and community which had been crucial in policy implementation during colonial times. This was, on the one hand, due to them no longer being community leaders and having lost their responsibility to provide social services, and, on the other hand, due to the fragmentation of the business elites themselves, which led to it splintering into a vast array of different interests. Consequently, the business elites no longer spoke with one voice and were not the stabilizing factor that they had previously been. What remained was just the public perception of collusion between the state and the business sector, which added to the disconnection and distrust of the public towards officials, in the wake of an ever more vocal civil society (Fong 2015).

Furthermore, the encroachment of Beijing into various aspects of life in Hong Kong and the bending of the "one country, two systems" principle has raised concerns for the future of the city-state's autonomy. Widely published instances are the abduction of critical booksellers or fugitives to the mainland (Bland 2017), the attempt to implement "patriotic education" in school curricula (Lai 2012), the ousting of four Legislative

Councilors because they failed to adequately pledge allegiance to the PRC in their oath of office (Ng, Lau, Lam, & Cheung 2016), the jailing of localism and pro-democracy activists for trespass (Siu 2017), the passing of a new law making it illegal to disrespect the national anthem (Lau 2017), the stationing of PRC customs officials in a new train station in Kowloon (Ng, Kao, & Yeung 2017) and the attempted passing of an extradition bill in 2019.

These cases add to worries of a so-called "*mainlandization*" of Hong Kong, of the gradual integration into the PRC, making Hong Kong lose its unique characteristics. The identification with the PRC is still not prevalent and Hong Kong's citizens identify primarily as "Hongkongers" rather than as Chinese.[3] Immigrants or visitors from the mainland are often seen as intruders, taking advantage of Hong Kong's health care system, driving up rents, displaying bad behavior or buying up basic necessities (So 2017).

Despite these anti-mainland sentiments among a large section of the population and strong polarization, the city's political and business elites have essentially stayed on the side of Beijing (Fong 2014). Besides, most of the pro-Beijing parties are related to the business sector, and Chinese leaders have made sure to maintain their relationship with Hong Kong's business elites in order to continue to have them in their united front (Cheung 2014).

However, there are also signs that this might not be necessary forever, as Hong Kong's established business elites themselves are subject to mainlandization. Mandarin, instead of the native Cantonese, is spoken more and more in business circles and mainland companies and so-called "red capital" is becoming increasingly dominant in Hong Kong's market (Lo 2017).

This development can be seen in the context of the trajectory set out by the Basic Law. It stipulates that "one country, two systems" will be phased out by 2047, unless Hong Kong's autonomy is renewed. Therefore, it would make sense, at least from Beijing's perspective, to already further the convergence process so as to not make later integration too abrupt.

[3] According to the final survey by the former Public Opinion Programme of the University of Hong Kong, carried out June 17-20, 2019, 52,9% of respondents identified as "Hongkongers" and 10,8% as "Chinese" (HKU POP 2019).

The details cited above suggest that this convergence is happening faster for the ruling elites of Hong Kong, to whom the central government of the PRC very overtly caters, than for the rest of Hong Kong society. That gives rise to the assumption that the priority in Hong Kong's elite recruitment lies in proximity to Beijing, not so much the integration of various social groups in Hong Kong itself.

Hence, it seems worthwhile to shed light on how far Hong Kong's elite is, in fact, already integrated with mainland China and how far that transformation process has come in the 20 years since the handover.

5. Elite Transformation

Transformation processes, as considered in social sciences, are usually substantial social, political or economic changes, upending a whole institutional environment, initiated by a drastic and abrupt event such as revolution or regime change (cf. Kollmorgen, Merkel, & Wagener 2015).

In Hong Kong, the changes with the handover in 1997 have not been so drastic. The "one country, two systems" principle was supposed to ensure the continuity of the same system for the following 50 years, despite the change in sovereignty.

Political and social developments, however, summarized under the above-mentioned term "mainlandization", have increasingly called the integrity of this system into question. This therefore calls for an analysis of whether signs of a transformation of the system can already be observed. A good starting point is to look at a possible transformation of the elite.

There are generally two concepts discussed in the literature describing how elites are impacted by significant transformation processes: *Elite circulation* and *elite continuity*. They are essentially two tales; one of replacement and one of persistence.

Circulation can be expected when the principles of elite recruitment or the required capacities change and when old elite members are unable to adapt to these. They would then likely descend in status and be replaced by new social climbers or even externals who are selected based on the new principles (Bottomore 1964: 58; Mosca 1939: 65; Pirenne 1914; Schumpeter 1927).

Proponents of elite continuity, however, suggest that there is in fact not a lot of turnover in the composition of members of the elite in a system change since the prerequisites for elite recruitment stay the same, while different societies experience similar developments. And, having previously acquired those required qualities, such as higher education, knowledge, skills and experience, members of the old elite can stay on in their respective posts or be recruited again after the system change (Kupferberg 1998; Steger & Lang 2003).

Furthermore, there is historical evidence suggesting that the way a system change affects elite transformation depends to a large degree on the functional subgroup of the elite. Administrative and economic elites are much less prone to transformation, even in radical regime change. Unlike the political elites, where ideology plays a bigger role, their competences and qualities remain needed and they experience only very slow adaptations, if any (Putnam 1976: 203).

Moreover, one could potentially call it transcultural competence, which gives an individual elite member the openness, flexibility and skills to adapt seamlessly to changing circumstances and to stay on in their rank (cf. Wieland & Baumann Montecinos 2019).

5.1 Hypotheses for Hong Kong's elites

Considering the above detailed recent history of Hong Kong, one expects to see both: elite circulation and continuity. However, this is likely to play out differently in different elite sub-sectors.

Circulation, on one hand, would most likely be seen in the political elites, as ideology and loyalty to the sovereign power plays a larger role there. So even the obvious departure of British politicians left aside, there should be a shift observable to people with good connections to China.

Continuity, on the other hand, is expected to be seen among the administration, the judiciary and the business elites. In the case of the administration and the judiciary this is because the administrative and judicial system have been largely left in place under "one country, two systems" and, by their general perception, they are the epitome of continuity of the colonial system.

The picture of the business elites, as anticipated, should be a mixed one. Certainly, companies doing business with the mainland would favor

people with better connections to the PRC. Otherwise, much in the required qualifications for recruitment should not have changed. Successful companies should also favor the same high academic qualifications among its leaders after the handover. Perhaps qualifications obtained on the mainland should play a bigger role though.

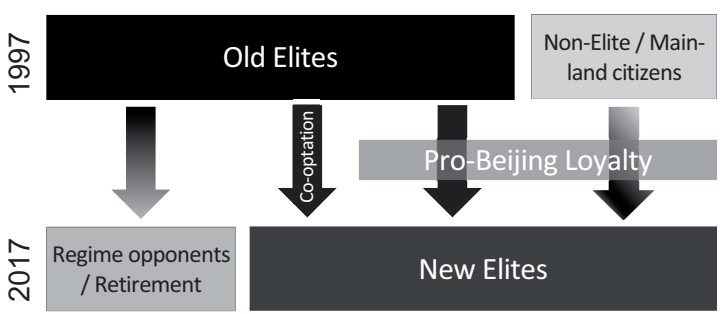
Furthermore, ever since Deng Xiaoping famously gradually opened China up to capitalism, the economic development of the PRC has rocketed and is meanwhile comparable to that of Hong Kong. Considering that and the "united front" strategy, one can suppose that Beijing meanwhile attaches a much higher value to entrepreneurship, business success and wealth, as it does to ideology. However, one might expect those influential business leaders to be co-opted to mainland political bodies.

In summary, this leads to the following two hypotheses:

1. Connections to the mainland should become more important as a factor for elite recruitment, be they mainland origin, mainland education, political connections or a pro-Beijing stance.
2. At the same time, there should be a high degree of persistency in the elite of Hong Kong in the 20 years after the handover as well, depending on the sector, due to the "one country, two systems" principle and similarities in elite recruitment.

The major anticipated trends are illustrated in Figure 1.

Figure 1: Hypothesis: Modes of elite transformation in Hong Kong



Source: Own representation.

6. *Data and methods*

The following observations are based on a database compiled by the author, comprising 675 members of different functional elites of Hong Kong. They were selected based on their positions in September 2017, about 20 years after the handover to China, and six months after the election of CE Carrie Lam. Political elites were selected based on their membership of the LegCo or ExCo, or based on being a member of at least two statutory bodies, identified by Ho et al. (2010) as having the most influence on policy. Administrative elites were considered to be all career civil servants of directorate grade 6 and above. Included in the judiciary sub-sample were judges above district-level on the highest courts of the HKSAR. And the business elites included all members of the boards of directors of the 50 companies in Hong Kong ranked highest by market capitalization in the Hang Seng Index, excluding companies that are not physically headquartered in Hong Kong.

Of the identified elite members, biographical details were researched from a wide range of publicly available sources with the aim of identifying common traits hinting at overall bases of elite recruitment, characteristics of influential people in the elite system and signs of transformation. Most conclusive in looking at a process of change would be to look at similar data points over a longer timescale; however, due to the scarcity of available data and for practical reasons, a method often used is the descriptive analysis of cross-sectional data, aiming at deriving general assertions for a whole transformation process.

Nevertheless, one has to keep in mind that we are only looking at a snapshot in time and the whole story might yet be hidden.

7. *Empirical findings and analysis*

When looking at the entire elite, it appears that Hong Kong's elites are significantly more international than the population at large. According to the HKSAR government data, 92 per cent of Hong Kong's population were of Chinese descent in 2016 (cf. Hong Kong Government 2019a). Within the elite, the share of people originating from outside Hong Kong or mainland China was higher, with known instances of 19.4 per cent (see table 1).

Table 1: Overall elite – Origin (September 2017)

	Country/Territory	No.	%
1.	Hong Kong	401	59.4
2.	China	101	15.0
3.	UK	55	8.1
4.	Australia	12	1.8
5.	USA	11	1.6
6.	Singapore	9	1.3
7.	Malaysia	7	1.0
8.	Macau	6	0.9
9.	Canada	5	0.7
10.	Japan	4	0.6
	others	22	3.3
	unknown	42	6.2
	Total	675	100.0

Source: Own representation.

When it comes to academic education, Hong Kong's elite seemed overall highly qualified. Of those for whom data was available, 92 per cent had completed some degree of tertiary education, although the level varied with elite sector (see table 2). Among the subjects studied, two stood out: most had studied law or business administration. Among the places that elite members had studied at, three were dominant: Hong Kong, the UK and the US. A significant number had also studied in mainland China, followed by Australia and Canada (see table 3). Regarding the university of choice among Hong Kong's elite, none of the 317 represented institutions came close to the University of Hong Kong (HKU). Oxbridge and the American Ivy League also featured prominently in the list. Leading mainland Chinese schools Tsinghua and Peking University, however, only occupied 10th and 11th places respectively (see table 4).

Table 2: Academic background of elite members – highest degree obtained (September 2017)

	Politics		Administration		Judiciary		Business		Overall	
Degree Level	**No.**	***%***	**No.**	***%***	**No.**	***%***	**No.**	***%***	**No.**	***%***
PhD	20	*9.5*	8	*8.7*	-	-	55	*13.9*	78	*11.6*
Master	67	*31.8*	24	*26.1*	19	*32.2*	164	*41.3*	242	*35.9*
Postgraduate Degree	12	*5.7*	3	*3.2*	14	*23.7*	9	*2.3*	37	*5.5*
Chartered Accountant	4	*1.9*	-	-	-	-	9	*2.3*	11	*1.6*
Bachelor	54	*25.6*	16	*17.4*	19	*32.2*	96	*24.2*	160	*23.7*
Associate degree	2	*0.9*	-	-	-	-	1	*0.3*	3	*0.4*
Secondary	9	*4.3*	2	*2.2*	-	-	5	*1.3*	14	*2.1*
Other	7	*3.3*	2	*2.2*	2	*3.4*	12	*3.0*	20	*3.0*
None	5	*2.4*	-	-	-	-	6	*1.5*	6	*0.9*
Unknown	31	*14.7*	37	*40.2*	5	*8.5*	40	*10.0*	104	*15.4*
Total[4]	**211**	***100***	**92**	***100***	**59**	***100***	**397**	***100***	**675**	***100***

Source: Own representation.

Table 3: Overall elite – Places of study (September 2017)

	Country/Territory	**No.**	**%**
1.	Hong Kong	243	35.9
2.	UK	202	29.9
3.	USA	167	24.7
4.	China	96	14.2
5.	Australia	43	6.4
6.	Canada	40	6.1
7.	France	5	0.7
-	Japan	5	0.7
8.	Singapore	4	0.6
9.	Germany	3	0.4

Source: Own representation.

[4] Deviations of totals of shares due to rounding errors.

Table 4: The top 25 education institutions among elite members (September 2017)

	Institution	No. of graduates
1.	University of Hong Kong	158
2.	Chinese University of Hong Kong	49
3.	University of Cambridge, UK	34
4.	Harvard University, USA	33
5.	University of Oxford, UK	29
6.	Hong Kong Polytechnic University	22
-	Stanford University, USA	22
7.	University of London, UK	21
8.	London School of Economics, UK	15
9.	City University of Hong Kong	14
-	Columbia University, USA	14
10.	Tsinghua University, China	12
11.	Peking University, China	11
12.	University College London, UK	10
13.	University of California, Berkeley, USA	9
-	University of New South Wales, Australia	9
-	University of Pennsylvania, USA	9
-	University of Sydney, Australia	9
14.	University of Manchester, UK	8
15.	McGill University, Canada	7
-	North-western University, USA	7
16.	Hong Kong University of Science and Technology	6
-	Imperial College London, UK	6
-	King's College London, UK	6
-	Princeton University, USA	6

Source: Own representation.

As informative as these general numbers are, they cannot comprehensively explain what factors underlie elite recruitment in Hong Kong, and which are the transformations Hong Kong's elite is experiencing. Therefore, a more detailed look at individual sectors is expected to yield more substantive findings. The analysis starts with the above defined political sector.

7.1 Politics

The political elites of Hong Kong considered here did not seem to deviate much from the average of the whole elite. Yet, what seems to be significant is the degree of overlap with the business sector. Of the 211 people surveyed here, 76 (36%) were members of the boards of management of the largest corporations. Another significant figure is that 142 (67%) were members of the Election Committee that elects the CE. However, the last number is mostly due to ex-officio memberships. Legislative Councilors are automatically members, as are members of the national committee of the CPPCC.

Goodstadt's (2000) analysis of the selection criteria for the central government for the post-handover political elite of Hong Kong showed that, of the preparatory advisory and legislative bodies, an average of 20 per cent were members of either the NPC or the CPPCC.

Of the 211 members of the political elite sampled here, 55 were known to be, or have been, members of the NPC or CPPCC, which accounts for a share of 26 per cent. This speaks either for the advantage that people with strong political connections to the PRC have in recruitment for political offices in Hong Kong or it stands for a continued united front strategy by Beijing, which means co-opting influential personalities in its advisory bodies to ensure their support.

However, the figures for overlaps with different bodies presented here must be taken with a pinch of salt. The data may be biased because the sample was already selected based on the connectedness of these elite members.

A body chosen to be represented in its entirety is the LegCo, thanks to its special status as the parliament of the HKSAR. In no other institution in Hong Kong are the fault lines between the different political groups of the city so openly visible. That is perhaps because it is almost the only one to admit others than the established elite.

7.1.1 The Legislative Council

The LegCo is the most democratic of the political institutions in Hong Kong. However, it is also an element of a democracy with flaws. Only 40 of the 70 seats in the legislature are elected by universal suffrage. The

others are functional constituencies (FCs), which are elected by different professional groups, some of them only by corporate bodies, not individuals (Young & Law 2004). This special feature of Hong Kong's electoral system is a remnant of the colonial administration, which only introduced directly elected geographical constituencies (GCs) with the elections of 1991. Meanwhile, the franchise has been enlarged and in the last elections in 2016 half of the seats were allocated to FCs and GCs and five of the FCs, the ones of the constituency "District Council (Second)", could also be voted for by the entire electorate of the district councils, which almost equals the electorate for the GCs. Nevertheless, there is a stark contrast in the number of eligible electors for the remaining FCs and the ones only able to vote for GCs:

Eligible electors (HKSAR Registration and Electoral Office 2016):

- Geographical constituencies: 3'779'085
- Functional constituencies: 239'724

The rationale in creating the FCs in 1985 by the British administration was to use them as an intermediate step to widen the franchise, from a LegCo consisting entirely of governor-appointed professionals, to greater engagement of the civil society in politics. The stated reason by the central government of the PRC for leaving them in place was the representation of a variety of important social groups in the legislative process (Young & Law 2004: 1f.). The social group with the most importance attached to it, as described above, appears to be Hong Kong's business elite. They are the ones with disproportionate influence on the election of FC's (Cheung 2008).

Therefore, the "current system of FCs systemically benefits certain groups of people over others without any reasonable basis for the differential treatment" (Young & Law 2004: 54). Furthermore, the system of the FCs lacks in coherence, as they vary significantly in constituency size (ibid.: 55ff.). Benefiting most from this hybrid democratic legislative structure is the pro-Beijing camp.

Ever since the handover replaced the last colonial LegCo, elected in 1995, with the Beijing-appointed PLC, the pro-Beijing camp has won the majority in LegCo elections. The same is true for the election in 2016 (see table 5).

Table 5: Legislative Council – Seat distribution (September 2017)

	Total seats	Pro-Beijing camp	Pro-democracy camp	Localist camp	Non-aligned
FC's	34 (35)	24	9 (10)	0	1
GC's	30 (35)	16	13 (16)	1 (3)	0
Total	**64 (70)**	**40**	**22 (26)**	**1 (3)**	**1**

Number of functional and geographical constituencies held by either camp (number of 2016 elected seats in brackets)

Source: Own representation.

What becomes apparent looking at the numbers is the fact that the dominance of the pro-Beijing camp would not be as strong if it were not for the FCs. By the election in 2016, they were even surpassed by the combined pro-democracy and localist camps in GC seats. However, it could also be that the wider population is more likely to vote for opposition candidates, because the dominance of the pro-Beijing business elite through the FCs is taken for granted (Cheung 2010: 51).

What is witnessed by the brackets in table 5 is the effect of events dubbed the "oath-taking saga": Six lawmakers from the pro-democracy or localist (pro-independence) camps, who were in part elected on a platform of the previous "umbrella movement", made slight amendments when taking their oath of office. There were mispronunciations in the section regarding the allegiance to the PRC or amendments at the end, and some exhibited banners advocating Hong Kong's independence (Ng et al. 2016). Successively, the HKSAR government indicted all of them. During the court hearings, the Standing Committee of the NPC (SCNPC) stepped in, exercising its power of interpretation of the Basic Law.[5] According to this interpretation, lawmakers had to accurately state their allegiance to Hong Kong as an integral part of China. Consequently, all six of them were suspended and had to vacate their LegCo seats by court order (Lui 2017).

[5] Chapter VIII, Article 158 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China (1990).

This dominance appears also to extend beyond the LegCo itself. Ho et al. (2010) observed in 2005 that the pro-establishment group in the LegCo was better connected into the whole elite network than the pro-democracy group. The data for 2017 concurs: Subtracting the ex-officio membership in the Election Committee for the election of the CE, pro-Beijing legislators were, on average, at least represented in one other body in the network (23 out of the 40 have other offices), while for pro-democratic and localist lawmakers the average was merely 0.17 (3 out of the 23 have other offices).

In conclusion, the LegCo seems one of the only institutions that is making inroads into the elite for non-classical elites. However, the pro-Beijing elites benefit from flaws in the democratic system to cement their power.

7.2 The Executive Council

The other central political body is the ExCo, corresponding to the cabinet in other governments. The 33 members of the ExCo are nominated by the CE, but appointed by the central government in Beijing (Painter & Yee 2012). It includes the CE, along with the 16 Secretaries, the principal administration officials as ex-officio members (whom were excluded from the analysis under the section of political elites) and 16 so-called "non-official" members.

The selection criteria for these non-official members seem unambiguous. Eight of them were at the same time members of the LegCo, as members of the pro-Beijing parties BPA, DAB, FTU, Liberals or NPP. Eight were members of the NPC or CPPCC. There were only four members to whom these criteria did not apply: the chairman of the Hong Kong stock exchange, the renowned former CEO of the HKMA – the de-facto central bank, the CEO of a Christian social service organization and, most surprisingly of all, a former member of the pro-democratic camp. The latter was allegedly appointed to increase communication with the opposition (Lam & Ng 2017).

Looking at the ExCo in its entirety, 33 official and non-official members, a few similarities were striking:

- All but two were born in Hong Kong. The two others originated from mainland China and Taiwan.
- 20 of them were educated in Hong Kong, 16 of whom at the HKU, 26 studied abroad in other English-speaking countries, only three went to study in mainland China.
- 21 received some category of Bauhinia Star.
- 23 were members of the Hong Kong Jockey Club (HKJC), the financially strongest charity in the city, where membership requires references from other members, high membership fees and, typically, upkeep of a racehorse.[6] In comparison only 8 were members of the Hong Kong Club, the principal club of the colonial administration (Cavaliero 1997).
- Almost all of them owned property, 11 of them overseas, 8 of them on the mainland.

What becomes evident from these figures is that there seems to be a strong pro-Beijing leaning among the members of the ExCo. This does not, however, obviously relate to the members' mainland Chinese origin or education. What is surprising is that they seem to have strong mainland connections, all while being educated abroad and being rooted in the old colonial club system.

We shall focus now for further elucidation on the official side of the ExCo, along with the rest of the senior civil servants.

7.3 Administration

Data about the background of civil servants was scarce, even among the 92 in the highest ranks. The only aspect that is well documented was their career path within the administration.

However, of those for whom data was available, 95% were born in Hong Kong, with the remaining 5% coming from Australia, Canada, China, Taiwan and the UK.

[6] According to the club's own web page. Membership fees started at an entrance fee of HK$ 150,000 (≈EUR 16,000), with a monthly subscription of HK$ 850 (≈EUR 90), but do not yet provide full access (HKJC 2017).

This could be a result of the above-mentioned localization rules for the top-level posts applied during the handover and the fact that, in the run-up to 1997, most British nationals in directorate-grade posts either stated they would leave the civil service or were undecided (Lee 1994: 52).

So, with the apparent departure of the British from the highest ranks of the civil service[7], the question is whether they have been replaced with officials with stronger connections to the PRC or whether Hong Kong's administration remained truly autonomous.

In terms of origin, with only one known instance of an official being born on the mainland, that does not seem the case. Also, the educational background implies otherwise. With China being the sovereign power, it is surprising to see so few officials having studied there (see table 6). Even the Chinese Academy of Governance was only attended by three, followed by Tsinghua University with merely two alumni.

Table 6: Administrative elites – Places of study (September 2017)

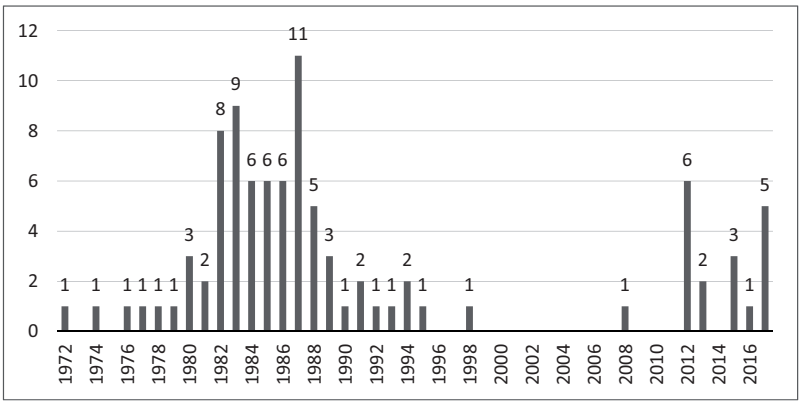
	Country/Territory	**No.**
1.	Hong Kong	57
2.	UK	16
3.	USA	12
4.	China	6

Source: Own representation.

An explanation may be one detail that is easily available for all of them: their entry date into the civil service (see figure 2). 73 of the 92 highest-ranking officials joined the administration before 1997 and were thus already under British rule. Most of them in the 1980s, just as the highest ranking official, CE Carrie Lam, who joined in 1980. This hints at continuity in Hong Kong's civil service which, despite the end of British rule, still seems to adhere to the same internal promotion timeline, which swept the cohort of officers that joined in the 1980s into senior positions.

[7] Keeping in mind the numbers used here relate to a person's birthplace, not citizenship. Many "Hongkongers" opted for British citizenship at the handover (Wong, Strang, Tang & Wu 2015).

Figure 2: Administrative elites – Year of entrance into the civil service



Source: Own representation.

Nevertheless, there are obviously also several top officials who have only joined recently. The spikes in 2012 and 2017 coincide with the respective assumptions of office of Leung Chun-Ying, and Carrie Lam, his successor. Most of these recent appointments seem to be expressions of the *Political Appointment System*, introduced in 2008. With the declared goal to increase public accountability of the highest offices in government, the already politically appointed secretary posts were supplemented by the offices of "under-secretaries", as well as "political advisors" (Scott & Gong 2014: 29). Furthermore, it is often perceived as a means of the pro-Beijing parties to exert influence over the civil service. Those allegations have been rejected by government officials, claiming there is no bias against members of any party. However, it is noteworthy that the basic conditions for appointment are the support of the CE's agenda and love for the country (the PRC) (Cheng 2017).

What can be derived from the data is that of these 18 senior officials appointed in or after 2008, six were from pro-Beijing parties, only one previously held a membership of the Democratic Party, the largest opposition party. Among these 18 was also the only administration official that verifiably had previous membership of the CPPCC (Apple Daily 2012).[8]

[8] The Director of Audit, David Sun Tak-kei (孙德基) (Beijing Municipal People's Political Consultative Conference 2017).

However, those appointees also had the most diverse background of the administration (so far available). Among them were the four above-mentioned non-Chinese expats and only three of them did not study abroad in Australia, Canada, the UK or the US. Furthermore, also seven of the eight holders of Ph.Ds were recruited during that time.

Therefore, it cannot be substantively inferred that closeness to Beijing was the only deciding factor for the political appointments after 2008, but reports suggest that it was favorable. For instance, one of the Permanent Secretaries was allegedly promoted more quickly due to her mainland background (Standnews 2017).

So, the civil service paints a rather mixed picture. On the one hand, there seemed to be a great deal of continuity from colonial times; on the other hand, it has been subject to transforming forces. These could be manifestations of the incompatibility of the unchecked colonial governance system in conjunction with partial democratization as well as the need to "begin to share power with society" (Burns 1999: 67); or it may represent serious challenges to the civil service's autonomy and impartiality.

7.4 Judiciary

The judiciary has an exceptional position among the elite sub-sectors. The judges in the sample had almost no connections whatsoever with the rest of the elite network, which affirms the impartiality required by their profession.

When examining the career paths of the judges on the High Court, there appeared to be a recurring pattern. The most common features were:

1. Born in Hong Kong,
2. Graduated from the University of Hong Kong with at least a Post-graduate Certificate in Law (PCLL),
3. Bar Exam,
4. Called to the Bar in the common law jurisdictions Australia, Brunei, Canada, England and Wales, Hong Kong, USA or Singapore.
5. Private Practice as Advocate, Barrister or Solicitor for some years,
6. Appointed Queen's Counsel or Senior Counsel respectively,

7. Joined the Legal Department,
8. Employment as a Magistrate,
9. Appointment to the High Court by the CE upon the recommendation of the Judicial Officers Recommendation Commission.[9]

This is due to the requirement in the High Court Ordinance that, to be eligible to be appointed as a judge, a candidate must have either been a judge of a lower court or have at least ten years of experience working as a solicitor, barrister or advocate in a common law jurisdiction.[10]

In terms of countries of origin, the judiciary also stood out: The proportion of judges born in Hong Kong was as high as the average of the whole elite; however, there were only two judges who were originally from mainland China. Just as many as from the British crown colony of Southern Rhodesia, today's Zimbabwe, while ten came from the UK and five from Australia.

This and the fact that only one of the judges in the sample studied in China, leads to the impression that Hong Kong's judiciary is the sector of the elite with the fewest connections to mainland China. This may be owing to the strict requirements for the recruiting process that have been left in place but, primarily, to the legal system itself: Hong Kong's legal system is still a common law system and as such has more in common with those of other former British colonies than with that of mainland China, which can be characterized as a civil law system. Therefore, legal education in mainland China has only limited compatibility.

This apparent lack of connection to the PRC has also led to grievances. Pro-Beijing activists frequently attack the judiciary for an alleged bias due to the high number of non-Chinese judges (Lau & Ng 2017). Attacks on the judiciary also, however, come from the other side, criticizing sentences against democracy activists that have been perceived as too harsh (Pomfret & Wu 2017).

So, despite the lack of obvious connections both with the overall elite and the mainland Chinese authorities, the integrity of Hong Kong's judiciary is under constant attack from many sides. Time will tell whether

[9] See for reference press releases of the HKSAR government regarding judicial appointments (e.g. HKSAR Government 2009).
[10] HKSAR High Court Ordinance (Cap. 4), Part II, Section 9.

this has any impact on judicial independence and whether Hong Kong's judiciary will become subject to transformation as well.

7.5 Business

Given that the business elites, in particular the property tycoons, have often been mentioned as the main center of power in Hong Kong, they deserve a closer look.

The first obvious feature in comparison with the other sectors is the slightly higher education of the business elites. More than half of the 397 people had a master's degree or above (see table 2).

Where they obtained their degrees also differed from the rest of the elites. Although HKU was the preferred higher educational establishment for business elites too, the share of students having studied in Hong Kong was relatively small, even surpassed by the US and the UK, where a third of them had studied respectively. The proportion of students having studied in mainland China was considerable, with almost one fifth, and, with Tsinghua and Peking, two Chinese universities featured in the top 20. More than those that chose to study on the mainland, originated there (see table 7).

Table 7: Business elite – Origin (September 2017)

	Country/Territory	**No.**		**Country/Territory**	**No.**
1.	Hong Kong	192	*10.*	Germany	2
2.	China	94	-	New Zealand	2
3.	UK	44	*11.*	Philippines	1
4.	USA	11	-	Belgium	1
5.	Singapore	8	-	Denmark	1
6.	Malaysia	7	-	France	1
7.	Australia	6	-	South Korea	1
8.	Canada	4	-	Thailand	1
-	Japan	4	-	Netherlands	1
9.	Macau	3	-	India	1
-	Spain	3		Unknown	9
				Total	397

Source: Own representation.

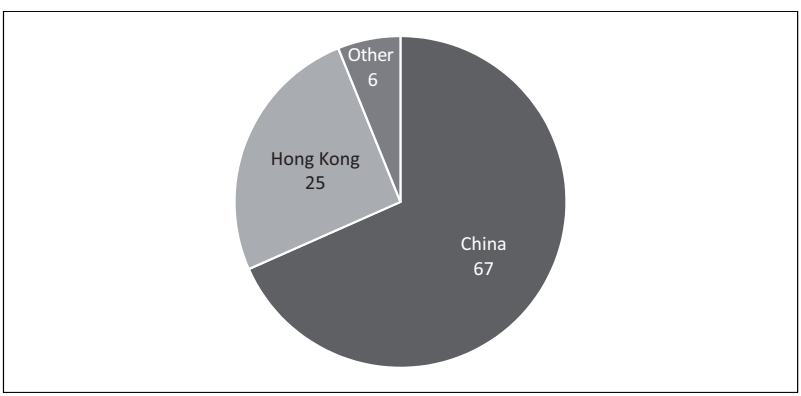
The proportion of students having studied in mainland China was considerable, with almost one fifth, and, with Tsinghua and Peking, two Chinese universities featured in the top 20. More than those that chose to study on the mainland, originated there (see table 7).

However, there is one factor explaining these high numbers: so-called "red chips". These are majority state-owned companies from the mainland that are both listed and headquartered in Hong Kong. Nine of them were included in the sample.[11]

Those companies accounted exclusively for 67 of the 94 Chinese-born board members.

The composition of the boards of directors of these companies were very different to the remaining companies in the sample (see figures 3 and 4). Half of the boards of the companies originating in Hong Kong consisted of Hong Kong-born citizens, with a high number coming from all over the world, among them mainland Chinese with 9 per cent.[12] The

Figure 3: Directors of Red Chip companies – Origin (September 2017)

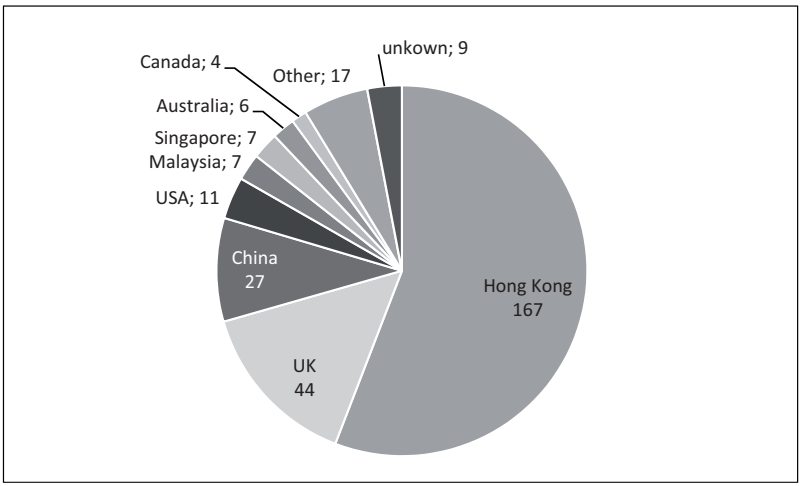


Source: Own representation.

[11] Including the Bank of China (Hong Kong), although in 2017 it celebrated 100 years of presence in Hong Kong and is listed as "HK Ordinary".

[12] Worth noting: this figure also includes mainland-born persons having immigrated to Hong Kong at an early age, who have been central pillars of Hong Kong's elite for decades, such as Li Ka-shing or Lee Shau-kee, Hong Kong's richest and second-richest men respectively (Forbes 2017).

Figure 4: Directors of HK Ordinary companies – Origin (September 2017)



Source: Own representation.

boards of the red-chip companies were dominated by mainland Chinese, with a quarter originating in Hong Kong (only two of whom had executive positions). Considering these companies had the Chinese state as a majority shareholder, with many directors having the title "party secretary", that seems natural.

Other distinguishing factors seem to be that those members of the boards of red-chip companies were usually also mainland-educated and that they were, on average less connected within the overall elite network of Hong Kong than their counterparts in the other companies. On average, red-chip directors sat in 1.63 institutions, while HK-ordinary directors on average in 2.2.

Yet, it appears almost all boards of directors had one feature in common: The presence of members of the NPC or the CPPCC (see table 8).

Table 8: Business – Number of NPC/CPPCC members on the boards of directors (September 2017)

Company name	Share type	NPC/CPPCC members
The Bank of East Asia, Ltd.	HK Ordinary	7
Sun Hung Kai Properties Ltd.	HK Ordinary	6
CK Asset Holdings Ltd.	HK Ordinary	5
CK Hutchison Holdings Ltd.	HK Ordinary	5
Henderson Land Development Co. Ltd.	HK Ordinary	5
New World Development Co. Ltd.	HK Ordinary	5
Galaxy Entertainment Group Ltd.	HK Ordinary	4
Hang Seng Bank Ltd.	HK Ordinary	4
HSBC Holdings plc.	HK Ordinary	4
China Overseas Land & Investment Ltd.	Red Chip	3
China Resources Power Holdings Co. Ltd.	Red Chip	3
CK Infrastructure Holdings Ltd.	HK Ordinary	3
MTR Corporation Ltd.	HK Ordinary	3
Sino Land Co. Ltd.	HK Ordinary	3
The Hong Kong and China Gas Co. Ltd.	HK Ordinary	3
AIA Group Ltd.	HK Ordinary	2
BOC Hong Kong (Holdings) Ltd.	HK Ordinary	2
China Unicom (Hong Kong) Ltd.	Red Chip	2
CLP Holdings Ltd.	HK Ordinary	2
Power Assets Holdings Ltd.	HK Ordinary	2
Sands China Ltd.	HK Ordinary	2
China Merchants Port Holdings Co. Ltd.	Red Chip	1
CITIC Ltd.	Red Chip	1
Hang Lung Properties Ltd.	HK Ordinary	1
Hong Kong Exchanges and Clearing Ltd.	HK Ordinary	1
Kunlun Energy Co. Ltd.	Red Chip	1
The Wharf (Holdings) Ltd.	HK Ordinary	1
Cathay Pacific Airways Ltd.	HK Ordinary	0
China Mobile Ltd.	Red Chip	0
China Resources Land Ltd.	Red Chip	0
Link Real Estate Investment Trust	HK Ordinary	0
Swire Pacific Ltd. ‘A’	HK Ordinary	0
Total NPC/CPPCC members		**51**
Total business elite		397

Note: The total is not the sum of the above, as most boards have personnel overlaps.

Source: Own representation.

Of the remaining five without any known members in mainland political bodies, two were red-chip companies, and one (Cathay Pacific Airways) had state-owned Air China as one of its major shareholders. This left only Cathay's other major shareholder, UK-dominated Swire Pacific, and the least connected company, Link REIT, with no known mainland-Chinese political involvement.

There was another recurring feature: membership of the HKJC was as widespread as NPC or CPPCC membership among boards of directors. The 55 horseracing-club members among the business elite were present in all but six boards of directors.

Furthermore, 114 of the 397 had received some grade of official honors of the HKSAR, 35 also from British authorities. Interestingly enough, of the 59 business elites who have been members of either the NPC or CPPCC, 13 had previously received some degree of Order of the British Empire.

8. Conclusion

Two decades after the retrocession to China, signs for the transformation of Hong Kong's system are mounting. The territory's elites are no exception to that.

Yet, the alignment with Beijing varies considerably across elite subsectors. The political elites are predominantly in the pro-Beijing camp, the business elites are considerably interlocked with mainland political bodies and are subject to the "mainlandization" of Hong Kong's economy. The judiciary and the administrative elite meanwhile, have proved to still be largely resilient to change, but the latter has recently seen several politically appointed new additions, raising doubts about its continued autonomy.

However, this also raises doubts about the long-term persistence of the system.

The alignment of political and business elites with Beijing seems to be moving at a faster pace than for most of the wider population. This and the continued resistance to democratization make further social conflict likely, as not all social groups, especially politically active younger people, see themselves represented by the elite. Major protests in recent years have therefore seen a new power emerge in the territory's politics: A vocal

student-led civil society that takes to the streets in large numbers. This could pose a serious challenge to Hong Kong's state-business alliance.

And indeed, some of the members of the elite seem to have realized this.

A new aspect of the 2019 anti-extradition law protest was, for instance, that, for the first time, business leaders, too, gave up their staunch pro-Beijing stance and stood on the side of the protesters (Gopalan & Brooker 2019). The rationale behind it was certainly primarily economic in nature – the watering down of Hong Kong's judicial independence would not only have taken away one of the central selling points of Hong Kong as an investment location, it would have also exposed the business tycoons themselves to potential prosecution from the mainland – but the symbolism of this is significant.

In conclusion, to reflect on this analysis of Hong Kong's elite, Hong Kong's continued autonomy as part of China is anything but certain. Despite much continuity, "one country, two systems" does not seem to be entirely intact 20 years after the handover.

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Transcultural Migrants from and in Hong Kong

Ross Cheung

Hong Kong is a society for migrants, refugees and drifters (Sinn 2018; Wong 1992, 1998). For the last 2000 years, China has had territories in Hong Kong and Hong Kong was a part of China before and after British occupation. Since Victoria Harbour is located at a strategic place on the trade routes in the Far East, Hong Kong's development into an entrepôt and a commercial centre began with British settlement in 1841. Hong Kong has succeeded in transforming and being reborn, becoming the jewel in political and economic society, shining on the East and the West. Despite Hong Kong having part of its origins in China, the city has been culturally and politically distanced from the People's Republic of China for at least 150 years (Abbas 1997). The local Hong Kong citizens develop a separate identity that is evident even in their language: the Chinese residing in Mainland China mainly speak Mandarin after the national standardization movement since the 1950s and Hong Kong's mother tongue is Cantonese. Also, Hong Kong has inherited the traditional Chinese characters while the government of the People's Republic of China simplified these characters for several decades.

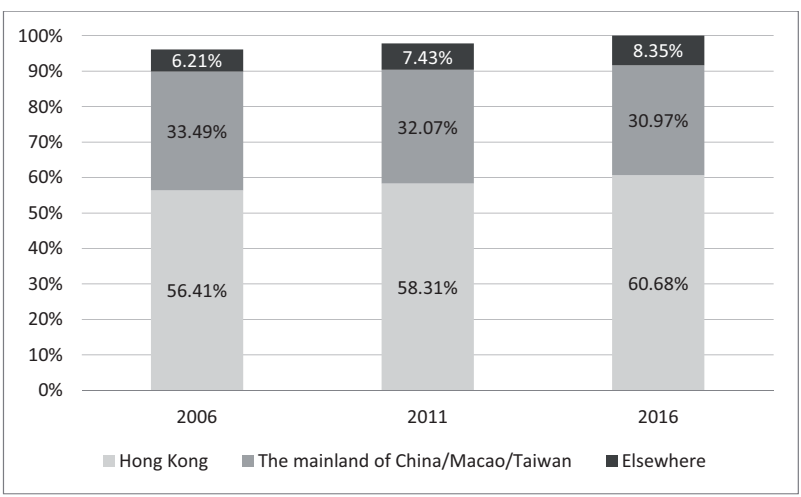
1. The population of Hong Kong

Hong Kong continued to expand as an entrepôt. Thanks to tourism, improved cross-continental transportation and communications, there was an increasing number of people entering the Mainland each year from or through Hong Kong (Hong Kong Government 2018). From 1841, only 7,450 people lived in Hong Kong and about 5,600 were Chinese (Gu 2002)

and the city became a meeting place for the west and the east (Sinn 2018). Even until the early 20th century, official records show that only 380,000 people resided in the city (Gu 2002). Between the world wars, there were at least 1 million inflow and outflow of Hong Kong population. Until 1951, Hong Kong reached its historical high of 2 million, and statistics show that 40,000 people a year entered during the 1950s from Mainland China (Gu 2002; Skeldon 1996). Between the 1950s and 1970s, Hong Kong received an inflow of 1 million and the population growth was 47.5% in a decade (Gu 2002).

Since the Chinese open door policy in 1978, an increasing trend of floating population resulted due to youth unemployment, increasing information, and the weak economic and employment systems (Fan 2008). The prosperity of Hong Kong and the abandonment of communist collective life led to a new 'gold rush', especially for the Guangdong young Chinese, through formal migration application and illegal smuggling. There were 'approximately 500,000 Chinese immigrants during the 1950s; some 200,000 during the 1960s, and another 600,000 during the 1970s. Nearly 400,000 immigrants, legal and illegal, entered between 1978 and 1980' (Hong Kong Census 1982: 57).

Place of birth of population in Hong Kong



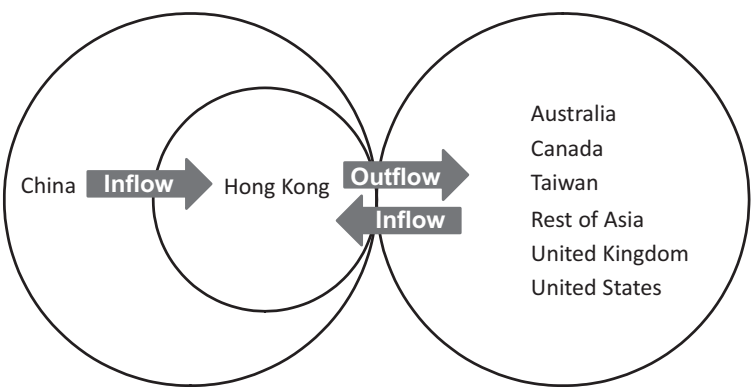
Source: Hong Kong Census, 2006, 2011, 2016.

Currently, there are 150 one-way permits issued per day to allow people from China to migrate to Hong Kong. In addition, more than 622,000 have come to Hong Kong through migration schemes for capital investment entrants, non-local professionals and entrepreneurs since 1997 (Hong Kong Yearbook 1997-2017).

2. *Migration: Inflow and outflow of people*

During British occupation, Hong Kong experienced much tourism and migrant inflow from nationalities such as Indians, Pakistanis, Singaporeans, Malaysians, and other countries in Southeast Asia. Some only visited while some stayed in Hong Kong for a prolonged period of time. Many of these nationalities have a strong affiliation to the British, which is what brought them to Hong Kong originally. Through extensive personal ties and institutional networks, the island has become a 'hub of the Pacific region's outreach network' (Chan & Postiglione 1994).

Flows of migrants

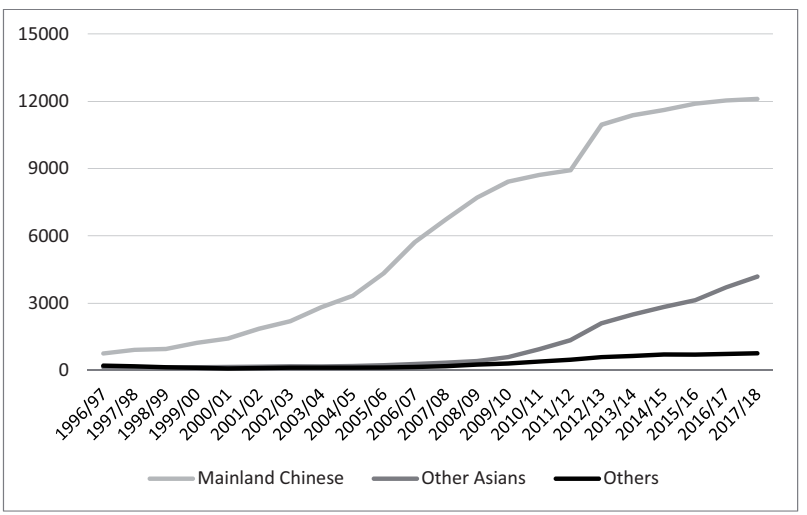


Source: Own representation.

Since 1999, local higher education institutions have aimed at internalisation and started to admit more non-local students. In 2017, about 17% of undergraduate and postgraduate students have come from Mainland China,

many of whom are likely to be 'from upper-middle-class families and already have bachelor degrees from top mainland schools' (Qiu 2015: 158). Although Hong Kong universities have recruited top Chinese migrant students, these students have been unable to find jobs after graduation. In 2008, the Hong Kong Immigration Department launched its 'Immigration Arrangements for Non-local Graduates' scheme. However, it was once reported that as many as 40% of these graduates chose to leave Hong Kong after staying an extra year.

University students sponsored by University Grants Committee in Hong Kong



Source: University Grants Committee (2019).

3. Outflow and return migrants

Before 1997, 'the uncertainty associated with the imminent return of Hong Kong to communist China pushed a large number of middle-class individuals and families to emigrate elsewhere' (Fong 2012: 40). Chan & Postiglione (1994) considered the outflow of emigrants to be 'reluctant exiles', in search of security before the sovereignty handover and in this process 'Hong Kong emigrants not only have changed Hong Kong, but

they have continued to shape the receiving communities overseas' (Chan & Postiglione 1994: xv). Between 1997 and 2017, more than 220,000 Hong Kong citizens emigrated to overseas countries (the main destinations were the United States, Canada, and Australia). More than 1 million Hong Kong citizens emigrated to Australia, Canada, and the United States between the 1970s and mid-1990s. Canada was a particularly popular destination with more than 400,000 emigrating to Canada (Chan 2011; Skledon 1994). In recent years, Taiwan has become the upcoming destination and Singapore has become a popular place for finance and business professionals.

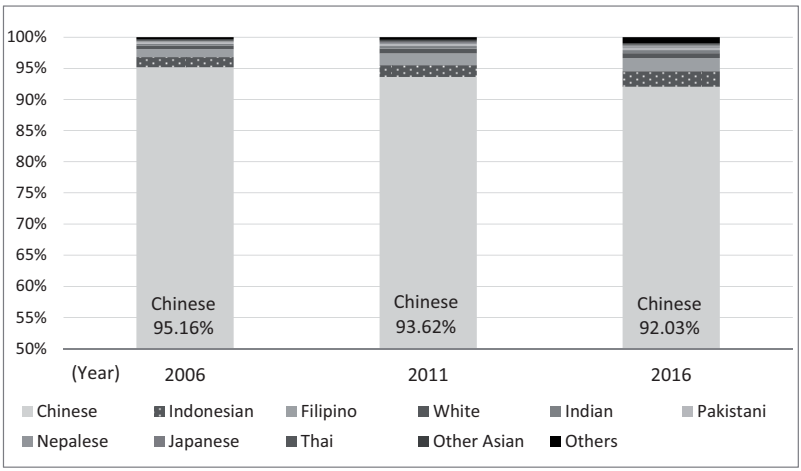
The return of migrants after 1997 has injected new energy into the employment market and business environment in Hong Kong (Chan & Chan 2010). Thus, thanks to social ties and foreign exposure 'the international linkages of Hong Kong as a node in the global economy are enhanced rather than diminished' (Wong & Salaff 1998: 371).

4. Ethnic and language composition

According to the 2016 Hong Kong Population By-Census, Hong Kong has a population of 7.34 million. In terms of place of birth, only about 59.1 % of the natives were born in Hong Kong in 2011. About one-third of the local population were born in either Mainland China, Macao or Taiwan. There are a lot of 'emigrant entrepreneurs' from China who developed industrialisation in Hong Kong (Wong 1988) and the setting of Hong Kong has helped to 'dilute regional feelings' (Sinn 1997).

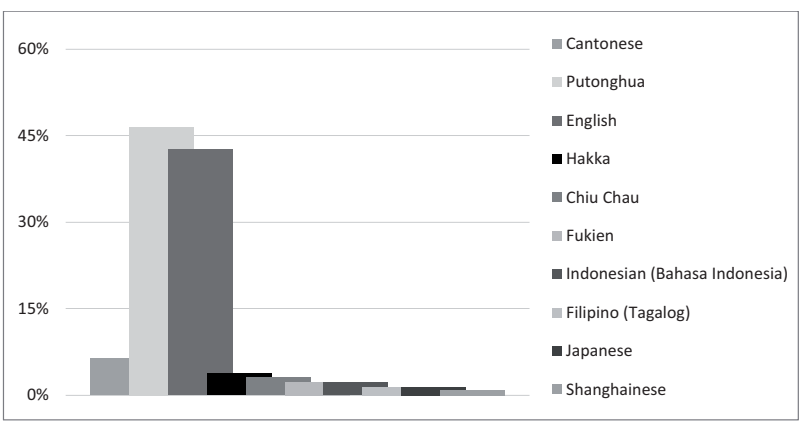
According to the 2011 Census, about 86.2% Hong Kong residents say that they speak Cantonese as their main daily language (it is estimated that about 100 million people in the world speak Cantonese). All other languages make up another 14% of the usual languages spoken in Hong Kong. From the same census, about 46.5% reported English and 42.6% reported Putonghua as their second language (see chart above) which can be learnt in school and from the media. The rest of the second languages are not commonly taught in grammar school and private language tutorial. Languages such as Filipino or Chinese dialects of Hakka and Chiu Chau are very likely learnt from parents and friends who have a migrant background.

Population by ethnicity in Hong Kong



Source: Hong Kong Census, 2006, 2011, 2016.

The ability to speak languages/dialects in Hong Kong in 2011



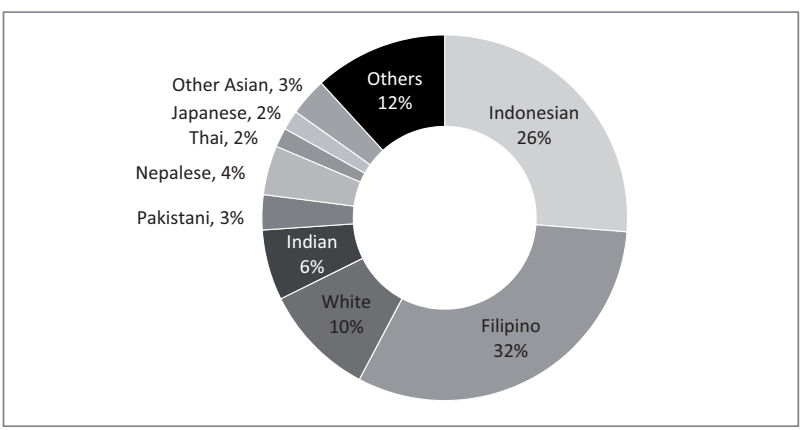
Source: Hong Kong Census, 2011.

Although 90% of the city's population reported being ethnic Chinese, there were about 0.58 million ethnic minorities residing in Hong Kong. Most of them were born in the rest of Asia and then moved to Hong

Kong because of political unrest, famine and/or asylum seeking. They bring their own Asian culture and settle in Hong Kong. For example, Hong Kong has an Islamic population of about 3% (O'Connor 2012). This can partly explain why, for more than 100 years, only half of the population in Hong Kong were actually born in Hong Kong.

Due to the unrest and turmoil in Asia in the last century, for example the two World Wars, Hong Kong received waves of refugees. For example, the White Russian refugees first fled to Shanghai after the Russian revolution and thousands of them temporarily moved to Hong Kong after the 1930s, their legacy of borscht soup and orthodox church has become a part of local life in the city (South China Morning Post 2019). Also, at the peak, there were about half a million Vietnamese refugees (Law 2014). The Vietnamese 'boat people' (refugees who mainly travelled to First Ports of Asylum) are known as the invisible citizens of Hong Kong. Between 1975 and 1997, 195,833 Vietnamese arrived in Hong Kong and many of them were then deported to Vietnam. The others were later resettled in the US (48%), Canada (19%), UK (11%), and Australia (7%) (Law 2014: 213). An example is the Jewish Kadoorie family who first arrived in Hong Kong 140 years ago and who has since become one of the top 200 billionaires in the world (CitizenNews 2019).

Ethnic minorities composition in Hong Kong



Source: Hong Kong By-Census, 2016.

About 26% Indonesians and 32% Filipinos, who are mostly domestic helpers from the Philippines and Indonesia, work for families in Hong Kong. What's more, it is common for children in Hong Kong to be quite attached to their maids because they are raised by them. Their parents spend most of their time working in the office rather than spending time at home. A film *ILO ILO*, produced in Singapore, reveals this relationship between non-local maids and the children they look after, a scenario that many Hong Kong residents will recognise and sympathise with. In short, hosting foreign domestic help create transcultural experiences at home.

5. Summary

The origins of this article are my relatives, the decoration, the fixtures and fittings of my family home. The shop that my parents own has often been a gathering place for our relatives since 1983. I could not understand why my parents were always entertaining these people, either relatives or friends from the same hometown, Luhe, a tiny town in Guangdong Province in Southern China. They spoke in Hakka, a Chinese dialect which unites them, and shared home-made hakka dishes with 'lei cha' ground tea. They identified themselves as 'in-group'. Since I was a child, if my parents changed their TV or furniture at home, my uncles and aunts would make a similar decision at more or less the same time. Until several years ago, when one of my uncles proudly claimed 'I am the master designer' for a relative's house, my attention was aroused and all of a sudden the everyday evidence behind this statement came into my mind. A lot of the members from the same kinship from the town of Luhe had migrated to the city, among half a million Chinese migrants in total between 1977 and 1981, and even today they still see others in the same social circle. When I attempted to rationalise the reasons for this, I found that it was related to the story of Hong Kong and the dynamics of modern Chinese history. My parents, who experienced the people's commune and the cultural revolution in China, sneaked into Hong Kong before the 1980s. After obtaining local identity cards, they started their career and their own family in Hong Kong, first my older brother, then me, and my younger sister. It was a story about Chinese Hakka families after smuggling themselves into and residing in Hong Kong. This is just one of sev-

eral million stories shared by migrants in Hong Kong. Many of Hong Kong's population is from Mainland China and their next generation also constitutes an important part in Hong Kong. Listening to the stories of immigrants to Hong Kong and migrants from Hong Kong deepens our understanding of the essence of Hong Kong Society.

All in all, these Hong Kong emigrants and immigrants help material and cultural exchanges between the East, including Mainland China, and the West. Among the surrounding countries in the region, the agricultural and industrial products of the city is not enough to be completely self-sufficient, the residents need trade in necessities with their neighbouring countries. Beyond its trade in goods and services, Hong Kong has been a hub for international migration and immigration for people from the rest of Asia, which has enabled the city to become 'a center of a network of international communities' (Skeldon 1994). These migrants transcend their own ethnic and/or national culture and living in the Cantonese-based Hong Kong society allows them to experience both societies and cultures. Their experiences, sentiments, and institutions have become invaluable assets and significant links to connect Hong Kong and the world which has, in turn, given rise to the transculturality of the city.

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Can Art Fairs Expedite Societal Development and Change towards Transculturality?

Ofelia Esther Señas

Abstract

This essay explores how the transcultural mindset of leaders of the Art Basel might have an impact on Hong Kong society. At present, all different cultural groups in Hong Kong society rarely interact or communicate with each other. There is limited room for exchange between cultures and transcultural cooperation. Art Basel is a global organization with leaders that possess transcultural values and behaviors acquired through cooperation with people from other cultures. They could potentially serve as role models for local employees, customers and foreigners living in Hong Kong. The purpose of this essay is to discuss whether, and to what extent, this is possible.

First, the concept of transculturality will be outlined. Then, it will be explained why art fairs are transcultural events, with special focus on Art Basel Hong Kong and Hong Kong society. In the following, basic facts about the Chinese art market are presented. Interaction between different cultural groups in Hong Kong is analyzed. The aptitude of the stakeholders of Art Basel as potential change agents for the Hong Kong society is discussed. In addition, the question whether art buyers' behavior could be influenced by the interaction with gallery owners during the acquisition process is explored. Finally, a conclusion is derived and an outlook on possible future development provided.

1. Introduction

Art Basel is a good example of a transcultural organization not only because branches exist in Miami and Hong Kong, but also because of the cooperative international projects and the engagement beyond art fairs through a number of new initiatives, each dedicated to strengthening the artworld's key players. For example, in 2015, Art Basel and BMW launched the BMW Art Journey (Art Basel 2019). The latter is a joint initiative by both the aforementioned global corporations to recognize and support emerging artists worldwide. The Art Basel Cities initiative was inaugurated in 2016 with the intention of working with selected partner cities to develop dynamic, content-rich programs tailored to each individual city (Art Basel 2019). The Art Basel Cities initiative helps its partners promote and grow their unique cultural landscape by connecting them to the global artworld through Art Basel's network and expertise.

In order to reach this objective, Art Basel has developed a platform by which art dealers from China, other Asian countries and Western art dealers can do business together.

As a result of transculturality, there is a transfer a western business model to the emerging art market of Hong Kong within the context of the Asia Pacific region. Art Basel has adapted to the eastern world and thus given way to a new expanding economic art market. In a way, Art Basel has become the bridge between the western and eastern art markets. In this paper, the concept of transculturality is applied to the case of Hong Kong with special focus on Art Basel Hong Kong and its potential to serve as a change agent for Hong Kong society.

2. The Concept of Transculturality

Initially, the concept of transculturality as outlined by the business ethicist Josef Wieland (2016) will be presented and further explained.

As long as different cultures in different regions of the world exist, the key requirement of globalization for any corporation or company is effective cooperation despite cultural differences (Barmeyer & Franklin 2016; Funakawa 1997; Wieland 2010). According to the management literature, this can be either achieved by focusing on the management of cultural differences (Hofstede 1984, 2011; Schneider & Barsoux 2003; Søderberg

& Holden 2002) or by focusing on communalities and shared objectives (Wieland 2016). In the former approach, the cultural differences need to be understood by all stakeholders but, while each stakeholder is tolerant and understanding with respect to different cultures and resulting behavior, he or she maintains his own original culture without modification. In contrast to this, the latter approach (which is referred to as transcultural management) emphasizes shared goals and requires stakeholders to develop competencies that help to find and create a common bond between cooperation partners by learning from each other (Wieland 2016).

Transcultural management emphasizes the interconnection of culturally different points of view, habits and customs, while intercultural management only acknowledges the existence of cultural differences and requires leaders to understand them and account for them adequately.

Basically, the concept of transculturality can be interpreted as a concept of economic cooperation (Wieland 2016). This kind of economic cooperation is based on the phenomenon of globalization, whereby people from diverse cultures and societies exchange goods and services:

> "Driving this phenomenon from the start has been the globalization of economic cooperation, the production of goods and services and their exchange around the globe by people that were socialized in differing societies and cultures" (Wieland 2016: 12).

Wieland's concept of transculturality will be used to understand not only international operating teams of art fairs, but also diverse target groups i.e., audiences, collectors, artists, gallery owners, curators, art lovers, and other stakeholders with common interests, e.g., in art, money, distinction, etc. Transculturality implies a further step in the understanding of the art market and can lead us to interpret the art market in terms of global cooperation.

Cooperation intended as a transcultural approach occurs both at a local and global level and, in contrast to intercultural theories, focuses on commonalities instead of on cultural differences.

Wieland sees transculturality as an "ongoing learning process for individuals and organizations that takes place in day to day business operations" (Wieland 2010). Furthermore, he explains: "it is during this learning process that the organization's transcultural competencies develop

along with those of the organization's members with regard to executing the organization's transactions" (Wieland 2016: 22).

Leaders have to learn to rely on local representatives to understand and drive local business according to the local implicit rules of conduct and business. Even in global business, negotiations and transactions take place locally. In 1997, Robertson coined the term: "glocalization". "Glocalization" hints at the fact that 'globalized' products and services are tailored to local needs (Robertson 2003). This offers an illuminating perspective on the practical everyday aspects of globalization and is certainly true.

3. Art Fairs as Transcultural Events

Indeed, art fairs as transcultural events can be best understood by considering the common interests of the key stakeholders (including the audience) in the light of the development of the art fair industry. Art fairs symbolize a transcultural platform for meeting people with common interests in art, self-representation, and a space where they can exchange ideas and learn about art. "Art as a mirror: used to discover and explain ourselves (and our companions to ourselves" (Lewis 2004: 40).

In the past, art fairs used to be purely commercial events, which later changed into a more social entertainment industry mediated by curatorial projects, talks, parties and other social events. At present, art fairs address an increasingly wider public with the aforementioned needs. All these elements together have created a so-called entertainment experience (Pine II & Gilmore 1998), attracting the attention of more diverse audiences. Thus, art fairs are a place where many contemporary artworks from diverse galleries can be seen in a short period of time, and an intensively contemplative experience which reaches different audiences. Moreover, to a certain extent, this can also lead to a development whereby art fairs replace art museums as a traditional place to exhibit art.

Art Basel Hong Kong is a good example of this development – becoming a trendsetter in this cultural field. Indeed, it is divided into five sectors – Galleries, Insights, Discoveries, Encounters and Magazines, each showcasing the Hong Kong and Asian contemporary arts scene from a different perspective.

Furthermore, the idea of transculturality can be seen in the business model of Art Basel, whereby a western cultural event is taken to Hong

Kong and adapted to a different geographical and cultural environment. This shift from a western to a non-western environment is a result of the recent economic centrality of China. Thus, Art Basel offers gallery owners and artists a platform to operate on a global scale. At the same time, it reflects how global ideas and models have been adapted to new environments.

Due to the holding of art fairs in Asia, awareness of the Chinese contemporary art market has increased among galleries, collectors, investors and the Chinese government. Consequently, more art organizations have decided to select the Chinese art market as their new target.

Adaptation of global business concepts to local environment through transcultural or at least intercultural collaboration will continue to be a strong trend in the given global context (McAndrew 2018). To adapt to the Chinese art market, a global perspective should be embraced and local circumstances and customs need to be accounted for through a localized approach that tries to utilize local collaboration to cater to the respective art market.

Global art fairs such as Art Basel and Frieze shape peoples' tastes and expectations and collectors' purchasing behavior. Art Basel is a global art fair, but it typically follows the same model from Basel to Miami and Hong Kong, a "tightly packaged event – *a lifestyle* – for the international business and social elite" (Horowitz 2011). While each art fair (and gallery) has to adapt to the demands of localization, they also need to have their unique characteristics as well to be successful in the global competition. As art galleries and art fairs need to use local employees and firms (e.g., for catering), even the most global ones still maintain a local cultural flavor and require stakeholders from different cultures to cooperate effectively towards common objectives.

All of this can be summed up in Clare McAndrew's words:

> "The art fair concept is still catching on in Asia. At Art Basel in Hong Kong, people come to learn about art through buying. Fairs are an important cultural communication tool, Asian collectors become more interested in western art, and western collectors become more interested in Asian artists" (Art Basel News 2018).

4. China's Art Market

China is one of the BRIC countries and has proven to stand out also as a flourishing art market since the late 1990s (Velthuis 2014).

Generally, it is regarded as a phenomenon of the 21st century that, due to the increased economic importance of the BRIC countries and the disposable wealth of the newly-rich inhabitants of these countries, the art market is becoming a globalized market place that is no longer limited to selected fancy locations in the US and Europe, but takes place elsewhere (Khan 2009), especially in China.

As is well known, China is one of the emerging world powers and Hong Kong is a vibrant center for business, politics and social activities, where migrants from many different origins and foreigners from very different social strata interact with locals on a daily basis.

Since 2010, China has tended to be the second largest global art market after the United States (see figure 1.4: 35, McAndrew 2018).

Moreover, China has become the fastest growing contemporary art market in the world. Over the last decade, the art market in China has grown at a rapid pace year on year and has now overtaken the United States to become the largest art market in the world in terms of revenue, accounting for 23% of world sales in 2017 (McAndrew 2018). The rapid growth of the art market in China over the last decade has been accelerated by several factors, such as wealth accumulation, e.g., in 2017 13% of millionaires with wealth in excess of USD 50 million come from China (McAndrew 2018). Furthermore, the emergence of auction houses and the presence of Art Basel Hong Kong have increased the public perception of art and its supply. Both predictions of a growing economy and rising levels of individual income suggest a solid opportunity for a continued long-term growth in the market.

5. Class-consciousness in HK society

Hong Kong is a migrant city. The ethnic groups are white, Chinese, Japanese/Koreans, Southeast Asian, South Asian and Africans. Among those, one might get the impression that the whites have the highest status, followed by the Chinese whereas the Africans have the lowest. The social order frequently appears to be driven by race and blood heritage and one

could argue that it does not depend on how long one has lived in Hong Kong. Discrimination is practiced against some minorities in daily life (Tam 2017). In addition, media reports are often biased against some ethnic groups, for example, crime reports are frequently linked to South East Asians.

A hierarchy seems to exist between all the different groups and they tend to live in separate neighborhoods, and in my opinion they hardly interact with one another. Therefore, in the best case, I would consider Hong Kong an intercultural society. One might believe that the lower the social status of a person in Hong Kong, the more likely the person will be marginalized with respect to employment, education and health (Tam 2017). Consequently, following generations of the same family would face exclusion and poverty again. Marginalized ethnic minorities would do low-paid jobs. For example, women from the Philippines, Indonesia and Thailand would do mainly domestic jobs. Those women would face double marginalization, as members of a marginalized ethnic minority and as domestic staff.

Often, one might recognize a strong focus on differences between cultures. Stereotypes are frequently used and reinforced in the news (Tam 2017). Because a lack of social interaction between the different ethnic groups and social classes can be recognized, the different ethnic groups and classes could be considered to be not really living with each other but rather alongside each other with little interaction.

One might think that Hong Kong society is, in the best case, intercultural. However, parts of Hong Kong society are not a good example for interculturality, since there sometimes seems to be a lack of understanding and tolerance between the different cultures.

6. Art Basel as a role model for HK society

Art Basel HK offers a transcultural model in which people from different backgrounds work together to reach common objectives. This transnational corporation brings together people from the headquarters with locals from Hong Kong to adapt better to the new business environment. There is an expectation that all these people will cooperate effectively and learn from each other by exchanging information and knowledge.

As with most international corporations, Art Basel is a transcultural organization. Essentially, this means that while the members of this organization might be from a (culturally) diverse group, they have to reach common objectives through effective cooperation and efficient exchange of information. Their performance is measured through the same management systems and ideally judged by the same set of organizational values. Internal communication is conducted in English. Diversity is accepted, yet people are not judged by their ethnic or national background, but rather by their ability and willingness to contribute to the overall (financial) success of the corporation. In such an organization, cultural differences are regarded as little more than a minor private matter.

The top management of Art Basel mainly consists of leaders with a strong international background who are familiar with horizontal organizations. Those leaders are likely to treat their Hong Kong employees and partners equally regardless of their race and ethnic background. As leaders, they frequently serve as voluntary and involuntary role models for their co-workers. This might influence those Hong Kong employees whose attitudes are still far from the spirit of multiculturalism. By adopting the behaviors and attitudes of their superiors towards race and ethnicity, they might become less class-conscious over time and might even develop a genuine interest in each other's cultures. One could think that, in the long run, they might also become more and more critical towards the stereotypes deployed by the media. They may realize the bias in the news reports and express their dissatisfaction with it.

Art Basel Hong Kong has the opportunity to help to transform Hong Kong society by setting an example of transculturality. Local employees of Art Basel Hong Kong tend to be better educated people from well-to-do local families and are therefore likely to serve as role models for many other Hong Kong citizens. After working at Art Basel Hong Kong for some time, these employees are likely to internalize transculturality and display transcultural behavior in their private lives. As social role models, their attitudes and behavior are likely to influence Hong Kong society as a whole and thereby make it less class-conscious and more transcultural.

7. *Discussion*

The Chinese market is likely to rapidly develop wealth among the upper middle classes and to show strong tendencies for increased purchasing in local and global luxury markets. In fact, estimates from the consulting firm McKinsey suggest that, by 2021, China is expected to have the most affluent households in the world (McAndrew 2018). Consequently, wealthy Chinese collectors participate in art fairs, perceiving art as something fancy and as a luxury – they pursue a higher social status by purchasing excusive artworks or by attending these events, where well-known celebrities and stores such as Prada and Louis Vuitton have become part of a new customer experience.

Art Basel has the potential to transform Hong Kong society in the long run and strengthen transcultural behavior among its employees and cooperation partners. What remains to be discussed is whether the social interaction of Art Basel's international leaders as transcultural role models with their wealthy regional customers might impact those customers` attitudes and behaviors as well.

> "The most powerful expression of the globalization of art is the strategy of large auction houses to promote contemporary art in geographic units (Chinese, Indian, Arab, and Iranian art) and thus successfully address a clientele that previously did not buy art" (Belting, Buddensieg & Weibel 2013: 128).

The development of the art market over the last two decades can be considered tangible evidence of the ubiquitous tendency towards globalization (Schultheis, Single, Köfeler & Mazzurana 2016). China has emerged and begun playing a key role on the global art market, as have Brazil, India, Mexico, Russia or the Arab countries— this development is directly related to the emergence of a wealthy upper class that has recently developed an interest in art. In these countries, a large number of public and private art institutions have arisen, thus contributing to the promotion and expansion of contemporary art (Schultheis, Single, Köfeler & Mazzurana 2016). Indeed, biennials and art fairs have spread around the world and also to places without a tradition of contemporary art. Distinguished galleries and art dealers' shops, museums and exhibition projects have been set up even in countries and regions which were considered peripheral until a few years ago (Schultheis, Single, Köfeler & Mazzurana 2016).

There seems to be little tradition in the collection of, and passion for contemporary art in China. Many prospective Chinese art buyers do have the means and genuine desire to start significant collections of contemporary art. Still, other equally wealthy prospective buyers might have no highly developed taste for the contemporary art itself and might regard any piece of art primarily as an investment and possibly also as a means to attain higher social status (Ho 2009).

Buyers of other luxury goods and high-prestige brands are essentially more important to any seller of luxury goods, the more they are inclined to spend. Art galleries certainly also need customers that are willing and able to acquire their goods (McAndrew 2018). But they would be well-advised to look for buyers with a genuine interest in the art they are selling. Buyers who regard art simply as an investment are highly likely to sell their investment if they can make a significant profit or avoid a bigger loss and therefore endanger the stable development of the value of art works by a specific artist. Hence, the interaction between gallery owner and customer is rarely purely interactional.

Yet, the interaction between gallery owners and customers is essentially equal to the typical interaction between any buyer and seller. There is little room for a gallery owner to function as a transcultural role model since they primarily interact with their customer alone. Hence the gallery owner's behavior towards their own employees and cooperation partners is frequently only observed at a superficial level by the buyer. As a consequence, art buyers are unlikely to be influenced by the acquisition process. Only in cases in which gallery owner and customer developing a personal relationship over time are conscious transcultural ideas and transcultural behavior truly likely to be adopted. However, they may share the common interest in making a deal regardless of cultural and social differences. This means that the resulting transfer of transcultural behavior and attitudes exists but is less intensive than in the relationship between co-workers.

8. Conclusion

As the structures of Hong Kong society have developed over centuries, it is unlikely that a single institution such as Art Basel Hong Kong can, on its own, transform the entire structure of this old and established society.

However, art is a special area that has an equally long and established tradition in bringing people from different cultures together. Everywhere in the world the ownership and acquisition of art along with a developed taste and expertise are regarded as a means to achieving higher status. The newly acquired wealth of the Chinese elite already makes Hong Kong a worthwhile venue for art fairs and art galleries. Primarily, the interaction of Art Basel leaders with their local employees is likely to increase the adoption of transcultural values and behaviors in Hong Kong society. These employees are likely to be well-educated and reputable members of Hong-Kong society. Therefore, they might serve as role models for their fellow Hong Kong citizens.

Furthermore, art buyers might, in the long run, also be influenced through personal relationships with gallery owners and Art Basel leaders. It has to be seen whether this influence will be strong enough to contribute to changes in Hong Kong society that will make it less class-conscious.

Throughout this essay, the concepts of *transculturality*, class-consciousness, globalization, experience economy have been applied and analyzed. We can conclude that art fairs are a result of economic necessities, the development of the cultural industry, consumption behavior and lifestyles of the communities of the art fairs. Thus, the case of Art Basel Hong Kong turns out to be the Asia Pacific regional example of globalization, transculturality and capitalism, which frames the way in which art fairs in China are to continue expanding at a high speed in the near future. Indeed, a new art fair took place this year in Taipei, Taiwan, which is called: Art Fair in Taipei (Taipei Dangdai). The founding of this new art fair symbolizes the continuous growth and steady art expansion of the region. The organizers of this new art fair are the same as the founders of Art Hong Kong, which later became Art Basel Hong Kong. This is a clear example of how the eastern market keeps growing and building a platform for transcultural learning processes in new cultural environments.

Art fairs are not only the best way to promote art and cities, but also represent a lifestyle for those who feel represented by the world of art. Events such as art fairs portray the culture, ideas, interests and habits of targeted social groups (such as the higher and middle classes).

To conclude, globalization and all its possibilities stimulate and facilitate exchange between eastern and western cultures, which thereby enrich themselves. All of this has been possible due to the application of transculturality and the growth of the Chinese economy. Indeed, China

does have an impact on the art market, offering a new perspective on the modern world of art. The idea that China had a sudden boom in the art market at the turn of the new millennium is illustrated as well by means of the rapid rise of art fairs – Art Basel of Hong Kong being a prime example of such a boom.

9. Considerations

In the following decades the real development in Hong Kong society needs to be closely analyzed, especially the impact of Art Basel as a role model on Hong Kong society.

A further research question would be whether, and if so which, other transcultural organizations also contribute to the same development.

It remains to be seen whether the art business, or rather all general businesses, can act as change agents in HK.

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Transculturality and Journalism in Hong Kong

Elisabeth Jung

1. Introduction

This chapter derives empirically accessible categories from the young conceptual foundations of *transculturality.* The framework is applied to investigate *contemporary journalism* in Hong Kong. To what extent is Hong Kong's journalism shaped by transculturality today?

The sector provides special tensions: political restrictions have increasingly influenced Hong Kong's media landscape recently, while the journalists involved demand free and independent news coverage. To identify transculturality, the core aspects of the concept are applied to the special situation of contemporary journalism in Hong Kong. The categories thus formed are empirically tested through interviews with experienced and young professionals in Hong Kong's newsrooms. So far, there are no studies known to the author that examine transculturality in journalism. This chapter aims to provide insight into how transculturality may occur within this profession.

2. Transculturality & Contemporary Journalism

The potentials of transculturality have been analyzed predominantly from an economic perspective so far, inter alia in the context of transcultural competencies that facilitate successful cooperation and transactions. This chapter follows the notion that the ideas underlying transculturality can be applied to a variety of sectors and will focus on contemporary journalism.

Media production today is shaped by all-encompassing digitalization "[…] of a world in which everyone can be a publisher" (Singer 2011: 214). Thus, newsroom culture and the understanding of journalism itself are situated in shifting norms, responsibilities, relations, formats and styles. At first the challenges of contemporary journalism will be addressed. Afterwards they will be re-examined using the concept of transculturality.

2.1 Contemporary Journalism: Changes & Challenges

Two decades ago, journalists perceived themselves as information gatherers and, thus, the mouthpieces of society. Their publications relied on in-depth verified information and objectively interpreted content. Although an increasing number of online media services emerged, most journalists within traditional media outlets underestimated the impact of digitalization on their profession. They argued that good journalism does not depend on the tool or channel but rather on the way it is practiced. However, the internet did not only serve to disseminate information as expected by most media experts. The new online devices did not only lead to new forms of work but became increasingly integral to everyday practices of journalists. Furthermore, digitalization and innovative technology enhanced audiences' possibilities to engage with news and media voices. The change from passive consumers to active participators in media debates led to a fundamental rethinking of the role that modern journalism plays in society (Singer 2011).

"[…] Everyone can be a publisher" (ibid.: 214). Blogs, messengers and social networks encourage people to not only comment on what is circulating online but also to become publishers themselves. For this reason, journalists are increasingly confronted with a new frame of identification. The core function of journalism no longer remains the production of articles and media content, the sourcing of data, or the unique ability to communicate to mass society. Today, journalism means to control, or at least to attempt to monitor the fast-moving stream of information. "They have reconceptualized the nature of their gatekeeping role and reasserted its social value in a no-holds-barred media environment; they now are in the process of extending that role to oversight not only of their own actions but also those of their audiences" (ibid.: 216).

The integration of different media formats and design of the narrative of a story to be suitable for multiple tools, products and platforms poses a huge challenge. Today's media trend moves professional journalistic styles closer to formats of fast information reception and short form reporting. This shift leads to a different construction of reality which is no longer based on objectivity but rather on subjectivity. In other words, personal views and reflections dominate the narrative of a story in order to appeal to a wider range of audiences. Professional journalism and ordinary online contributions increasingly interlock. "These j-blogs and other more conversational journalistic formats invite input and responses from outside the newsroom – to which journalists, in turn, respond" (ibid.: 219).

Another change describes the shifting relations between the people inside and outside newsroom which leads to a collaborative journalistic culture. "In a network open to universal participation, everyone has the potential to be both" (ibid.: 220). For instance, the relevance of a story depends on the audience reaction. If a story is poorly received and does not circulate within the internet community, it seems to have little value for the consumers. "Tomorrow's news reporting and production will be more of a conversation, or a seminar" (ibid.). Participatory journalism describes the evaluation of content circulating through different media. Therefore, direct participation provides a new type of journalism.

High quality journalism still refers to traditional ethical principles, particularly to distinguishing one's work from unprofessional media content. However, todays' journalists are going through an occupational shift in redefining their core values and functions. Former generations of journalists compiled their stories to create final published content that was based on facts, reality and truth. Today these signs of quality appear to be asserted by public discussion. "Truth emerges as a result of discourse rather than as a prerequisite to it" (Matheson 2004; Singer 2007 cited in: Singer 2011: 221). From this follows another cultural shift from objectivity to transparency. A collaborative journalism culture seeks evidence through an unfolded and integral process. Objectivity thus seems to be orthogonal to the perspective of contemporary journalism, as it indicates professional distance and does not involve a reader's opinion. From today's view, this appears to be a limited approach without space for discussion. Thus, the majority of younger journalism generations endorse participation, in particular referring to local debates.

2.1.1 Current State of Press Freedom

When discussing current changes within contemporary journalism, the state of press freedom cannot be ignored. It is what empowers high-quality reporting in the first place and thus marks an important factor for the shifts described. With regard to new journalistic formats, for instance, citizen journalism, the *UNESCO World Press Freedom Day* in New Zealand in 2013 particularly encouraged "[…] new ethical codes of practice are now needed that are inclusive of serious bloggers and citizen journalists" (Pearson 2013: 215). Hence, online journalism creates new possibilities to detect censorship by governments and might offer protection from it (ibid.).

The general degree of press freedom strongly varies between different states, mostly depending on local political circumstances. The organization *Reporters without Borders* (2018) each year publishes the "World Press Freedom Index" which ranks 180 countries by their respective level of freedom within journalism. "It is a snapshot of the media freedom situation based on an evaluation of pluralism, independence of the media, quality of legislative framework and safety of journalists in each country" (ibid.: 2018a). According to the 2018 report, 74 journalists – including citizen journalists – were killed and more than 200 people who are engaged with media are currently held imprisoned (ibid.: 2018b).

In order to ensure the foundations for press and media production, modern states should provide a high level of social responsibility for their media system. Policy regulation has to be adapted to new forms of multimedia news and user-generated content. "So, press systems and ethical frameworks are on the agenda in all societies, and we are challenged to accommodate free expression and its close relative press freedom within new technological and cultural contexts" (Pearson 2013: 224).

2.2 Transcultural perspective on media systems

Even though the concept of transculturality and its application to working methods is fairly new, transnational crossovers already play a significant role in international media research. The only research paper known to the author that analyzes such crossovers in media culture using a *transcultural* approach is Hepp (2009). Its main contents are briefly summa-

rized below in order to identify ways to observe transculturality, as defined by the researchers at the Leadership Excellence Institute Zeppelin (Wieland 2016), in contemporary journalism.

The author argues that media cultures were only considered within national territories for a long time. Hence, communication and media research focused on the locality where media events occurred. However, the entry of television into many households withdrew the solely local relevance of most media content. This is only one of many examples that show how media cultures increasingly combine with each other and how deterritorialized forms gain relevance for analyzing today's media environments. Most past media research focused on national media cultures belonging to a certain state, political system and its civil society. The complexity of these media cultures has often been ignored despite the growing international audience and the various forms of communication streams that cross borders. Transculturality as a perspective on media cultures means identifying cultural patterns among different local media communities (Hepp 2009). Hence, with regard to the field of journalism, universal guidelines could provide a common ground for shared values belonging to various reporting cultures.

Nonetheless, certain practices and aspects of media cultures remain dependent on national territories. Particularly, singularities such as states serve as reference points for political media communication and are central with regard to media content. They should thus not be neglected. By focusing on the correlation between the different levels of culture inherent in media, a transcultural perspective combines territorial determinants with translocal cultural patterns (ibid.). The research understands those cultural patterns as recurring elements that are integral to various media cultures. In the context of studying media cultures, a transcultural analysis aims to examine the process of cultural construction. "It makes the process of constructing the 'cultural' through 'the media' accessible" (ibid.: 8).

The paper proposes a qualitative method to analyze cultural patterns based on an explicit definition of culture. "A thickening of the classificatory systems and discursive formations on which the production of meaning in everyday practices draws" (ibid.: 9). Thus, the three perspectives: "patterns of thinking", "patterns of discourse" and "patterns of practice" are reflected as well as their interrelations. Interviews, diaries and other forms of observation provide a relevant database. The paper develops a coding system that helps to categorize and name the different cultural

elements. From a transcultural perspective, the comparison of such databases focuses on analyzing commonalities of cultural patterns – "[…] but without aggregating the data nationally from the beginning" (ibid.). Therefore, the comparison follows a different angle to approach deterritorialized patterns such as political or religious movements (ibid.).

Hepp's analysis of media cultures relates to the object of this study, as contemporary journalism is similarly shaped by different cultural patterns. This can be explained by the shifting relations between audience and journalists towards a public discourse. Furthermore, the working style of journalists itself combines various forms of media tradition, and thus, journalists have to consider different opinions and angles in producing media content. In conclusion, the relations between different journalistic stances – between politics and civil society, between professional writing and user-generated content, between ethical guidelines and uncontrollable online debate – make it clear that contemporary journalism is built on different cultural values. For this reason, it becomes evident that a transcultural perspective is highly relevant for analyzing modern journalistic practices.

Following the preceding thoughts, this thesis aims to observe transcultural phenomena by taking an occupational perspective. The analysis will follow the critical functions that are at the heart of the theory of transculturality and include further aspects of the promotion of transcultural management and leadership tools. Up to now, media systems and media cultures have only been analyzed in a transcultural way on a macro level. The idea that underlies this thesis, namely, to look at the accurate working methods of journalism, is thus entirely new. Subsequently, this chapter attempts to formulate points of reference for analyzing the relations between transculturality and contemporary journalism.

2.3 Transcultural perspective on contemporary journalism

Applied to contemporary journalism, it is likely that transcultural phenomena occur on different levels, as pointed out in previous media research. It directly follows that research into contemporary journalistic practices has to cover a similarly wide range of cultural levels that are analyzed and compared. The ongoing developments in the field of journalism raise the question whether various forms of transcultural thinking

play an integral role within different layers: individual understandings, professional practices, organizational structures or national specifications. As pointed out, this thesis is unique in that it starts by approaching the journalist as an individual player. Thus, contemporary journalism is analyzed from the subjective perspective of various protagonists within the field of professional news coverage. How they reflect their individual work and perceive their environment is then of particular interest. Rather than taking an observational approach to analyze transcultural phenomena, it has been chosen to confront journalists directly with the concept of transculturality. As the described concepts of transcultural management and leadership advocate specific behavioral patterns, it is interesting whether journalists suggest an urgent need for action concerning specific areas.

In order to apply transculturality to individual approaches and professional practices within contemporary journalism, it seems fitting to translate the purely theoretical concept into an observable operational structure. This thesis hence proposes to distill the broad area into the following three main categories:

(1) *Common understanding* – From the theory of transculturality it is evident that collective practices based on mutual understanding are at the core of transcultural cooperation. While traditional journalism consists of specific universal values and functions, current developments and influences might have challenged the status quo. Hence, when aiming to identify a common basis it is crucial to take different perspectives of various generations of journalists into account. This category then serves to identify mutual understandings within the dynamics of contemporary journalism.

(2) *Cooperation & transactions* – It follows from the theory of transcultural management that in a cooperative environment, different opinions are considered as a resource for collective work processes and efficient transactions. This category accounts for different forms of cooperation within contemporary journalism. The analysis is twofold: it includes questions about the importance of cooperation as well as the actual implementation in journalistic transactions. Hence "cooperation" and "transactions" are two dimensions of this category. The former is concerned with collaboration of heterogeneous players while the latter describes the goals of journalism, such as the dissemination of information.

(3) *Competences & Leadership* – The theory of transcultural management states that it is necessary to obtain certain competences that allow

an efficient exchange and implementation of business procedures. A transcultural leadership style promotes such competences. With regard to contemporary journalism, this category includes the observation of different journalistic attitudes and behavioral patterns. Thus, the question arises to what extent journalistic skills and leadership styles are consonant with transcultural competences.

3. Hong Kong's media environment

"Hong Kong is where information flow is speedy and uninhibited, and it serves as an information hub in Asia in which numerous international media organizations station their foreign correspondents and news bureaus" (ibid.: 2007: 52). Hong Kong's media landscape consists of a total of 78 daily newspapers, including around a dozen international ones, such as the *Financial Times* or the *Asian Wall Street Journal* (GovHK 2018).[1] In addition, the Hong Kong audience consumes a lot of visual media due to a vibrant film industry (BBC 2018).

Many media outlets are strongly concerned with local issues. This originated from the 90s, when Hong Kong's citizens demanded more proficient democratic structures. The political vacuum that emerged between Chinese and British power "[…] provided the conditions under which Hong Kong people articulated their own views, negotiated their identities, and expressed their hopes and fears" (Chan & Lee 2007: 54). Thus, many local media outlets recognized this new socio-political self-awareness and implemented democratic values to fulfill the audience's political expectations. "Within the context of the underdevelopment of democracy in Hong Kong, the media filling the gap have become the most important platform for public opinion formation and expression" (ibid.). For this reason, local interests are important information sources for Hong Kong's media coverage, which cannot be separated from Hong Kong's specific political, economic and cultural situation (ibid.).

Hong Kong's media landscape has gradually changed from independent news outlets to a higher number of privatized media during the last decade, which once more underscores the difficult entanglements between

[1] In 2018 there were 48 Chinese-language dailies, 12 English-language dailies, 13 bilingual dailies and five Japanese dailies (Gov HK 2018).

media and politics. This shift can be traced back to two main causes: the interference of media owners and journalists' self-censorship. Regarding the first issue, publishers with business interests on the mainland try to maintain cooperative relationships and interfere accordingly in news coverage. As media outlets changed from family businesses to larger corporations – with primarily commercial interests – this effect became even stronger. Some examples are the ownership of the *South China Morning Post* (SCMP: Leading English printed newspaper) or the *Hong Kong Economic Journal* whose owners are among Asia's wealthiest business tycoons. Their political views are increasingly dominant in news coverage and shift the media mainstream in certain directions. Over the last five years, several incidents of chief editors' replacements have affected traditional newspapers (Maheshwari 2016). An analysis of several local newspapers in Hong Kong delineated the close economic and political ties between the media outlets and China. "Only the two newspapers without any economic and political affiliations with China do not give the Beijing authorities special considerations when reporting news" (Chan & Lee 2007: 50). The second threat, self-censorship, describes a phenomenon that journalists tend to censor certain stories without specific directives. This is due to pressure not only from outside, but also from Hong Kong's local government itself. Professor Francis Lee (Chinese University) assumes that certain dynamics of the newsroom ensure that journalists censor themselves without direct instructions. In this context, Sheila Coronel explains the difficulties with monitoring self-censorship. "It's therefore also more difficult to resist and to mobilize actions against" (Maheshwari 2016). In a survey from 2006, about 30% of Hong Kong's journalists already referred to the existence of self-censorship (So & Chan 1996-2006 cited in: Chan & Lee 2007: 50). Even though the issue is not reported by all journalists, the danger that self-censorship is becoming more inherent in the general newsroom culture should not be ignored (Chan & Lee 2007).

3.1 Key player: The Hong Kong Journalist

Journalistic professionalism is widespread in Hong Kong's media outlets (Chan & Lee 2007). The average journalist is a university-educated person whose values, and work style are based on the liberal model (ibid.; Lee

2016), which has already been adopted by earlier generations of journalists. Thus, the various media channels serve as "marketplaces of ideas" (ibid.: 52) regardless of political orientations.

> "They believe in the notion of factual and objective reporting, and they believe that the media should play a watchdog role to monitor the performance of the government and other power holders on behalf of the general public" (ibid.).

A survey conducted by the Chinese University in 2016 interviewed 471 journalists about their understanding of journalism, their role, professional ethics and challenges. Most of the participants worked for daily newspapers, followed by multimedia journalists in the broadcasting sector (television and radio stations). The journalism functions that received the highest approval rate were "monitor and scrutinize political/business leaders", "report things as they are" and "provide analysis of current affairs". Most of the published stories related to "news/current affairs", "economy" and "politics" (Lee 2016: 1). Furthermore, reporting seemed to be practiced with continuous compliance with journalistic professional ethics, even though a smaller group claimed ethics depended on specific situations and remained a matter of personal judgement (ibid.: 3). While political tensions were the most frequently quoted challenge within current journalistic practices, many journalists also referred to the increasing importance of search engines and the increasing influence that interactions between journalists and their audience had. Furthermore, more than half of the participants pointed out a general increase in journalistic relevance for society. However, they criticized negative changes which hampered their work methods, namely "time for researching stories", "credibility of journalism" and "journalists' freedom to make editorial decisions" (ibid.: 5).

3.2 Derivation of Research Question

As a diverse hub and global city, Hong Kong is very well suited as an analytical lab in the context of transculturality. Within the overall research project "Transculturality or Hybridity? The Case of Hong Kong", this contribution aims to identify possible phenomena of transculturality in contemporary Hong Kong journalism. Thus, the overarching research

question is: *To what extent is Hong Kong's journalism shaped by transculturality today?* In contrast to other attempts to measure transcultural correlations in media environments, this research specifically focuses on how the creators of media content work in Hong Kong today. Therefore, the following analysis attempts to analyze individuals' cultural understandings using the three previously described categories, which are based on transculturality and contemporary journalism. These categories will be explored in the context of Hong Kong for it exemplifies many of the challenges underlying transculturality. It provides an environment in which it becomes evident that different levels – individual, organizational, professional and cultural – are interlinked when observing the phenomena of transculturality. The three categories defined above that apply transculturality to journalism will now be revised in the context of Hong Kong as a case study to formulate concrete research questions.

1. *Common understanding* – Especially due to its interrupted history, the young movement and its dependence on the UK and China, it is very interesting whether there is a common understanding towards the profession of journalism in Hong Kong. This includes, but is not limited to, shared values and professional ethical principles. From a transcultural perspective, a common understanding and attitude towards such could nourish high-quality journalism. Hence one can formulate the key question of this category as follows: *Does this journalist perceive that there is a common understanding of shared values within the profession in Hong Kong today?*

2. *Cooperation & Transactions* – Efficient journalistic cooperation methods and transactions can be assumed to be particularly relevant in a global, fast paced and diverse city such as Hong Kong. As a journalist in Hong Kong, one operates between various different stakeholders who differ in many cultural frames. Thus, this category serves to identify to what extent cooperation and transactions are shaped by transculturality. Hence one can formulate the key question of this category as follows: *How does this journalist describe and assess cooperation and transactions in Hong Kong's journalistic environment from a transcultural perspective?*

3. *Competences & Leadership* – Hong Kong is defined by a great deal of diversity concentrated in a limited geographic area: Diversity of

languages, educational background, ethnic origins and, specifically, different political orientation systems and political governance. It seems reasonable to assume that the skill to bridge between different cultures is especially important for success in such an environment. Hence, this category serves to identify whether transcultural competences and leadership style are a necessary skill to work as a journalist in Hong Kong. One can then formulate the key question of this category as follows: *To what extent does the expressed view by the journalist indicate use of transcultural competences?*

Based on these subject areas, the research paper elaborates to what extent the concept of transculturality shapes journalistic work in Hong Kong today.

4. Interview-Analysis: Working as a Journalist in Hong Kong

In order to identify possible transcultural characteristics within Hong Kong's journalism, this research collects qualitative data through expert interviews. This method was chosen to observe a realistic picture of various individual working processes within contemporary journalism in Hong Kong. Conducting personal interviews with professionals provides access to detailed information and accurate descriptions of how journalists work in Hong Kong today (Mayring 2002). This is because, in contrast, a quantitative survey would not have allowed the interviewees to become familiar with the underlying theoretical approach. Furthermore, the different aspects of cooperation and interaction within the group could hardly be observed through purely quantitative data. Qualitative interviews not only generate narratives about individual work experiences, but also allow for interaction in the interview to learn about key approaches and professional understanding of the interviewees.

4.1 Sample selection

The sample selection included journalists who work for a Hong Kong-based media outlet. Following the transcultural research approach, there was a specific focus on including different journalism types. In this case,

the interview candidates vary in many aspects, for example the type of media they work for, the length of their journalistic experience and their personal connection to Hong Kong.

The field trip of the *Transcultural Student Research Group* (organized by LEIZ) to Hong Kong in early 2018 provided the opportunity to establish first contacts that were used to source interview partners. Through a phone call with the chief editor of the online news platform *Hong Kong Free Press*, a Twitter contact list was acquired which turned out to be an efficient starting point for contacting various potential interviewees. In total, 20 interview inquiries were sent out to different journalists and media outlets. In this process the difficulty was to find public contact details. Many Twitter profiles were unavailable for sending private messages for public inquiries. Hence, it was not possible to contact all people that might have been interesting candidates. Where successfully delivered, the request included a brief introduction of the general research project ("Transculturality or Hybridity? The Case of Hong Kong") as well as an overview of the research contribution of this paper. Finally, five comprehensive interviews were arranged and conducted. Most of the interview partners were reporters from a newspaper outlet. Beyond that, other characteristics turned out to cover various aspects: from a recent university graduate of journalism to well-established professionals, from local Hong Kong reporters to European immigrants or expatriates and from a Chinese journalist to a reporter with a post-colonial British identity. To give an overview of the different backgrounds, the following section briefly introduces each interview partner.

4.1.1 Interview questionnaire

The three categories described above give the framework of the interview questionnaire (Mayring 2002). At the beginning of each interview, there are several personal questions about the journalists' educational and professional careers in order to appropriately classify their individual statements. In accordance with the key questions of each category, the interview guide follows a clear structure. Thus, each key question is explored through various sub-questions which outline the interview questions. Within each category the approach starts with broader questions that then lead towards more specific ones. Additionally, some individual adjust-

ments were made in the interviews to account for the special work situation of each journalist. The interview guideline concludes with questions related to the *Hong Kong perspective* in order to evaluate the statements with regard to local changes and specific cultures relevant to Hong Kong's journalism.

(1) Common understanding

1. Would you say that there are universal cultural values that apply to a common understanding of journalism in Hong Kong?
2. Are there different journalism practices between younger journalists and advanced professionals?

These interview questions serve to answer the category's key question: "Does this journalist feel like there is a common understanding relevant to all journalists in Hong Kong today?". From a transcultural perspective, the aim is to identify whether there are common values among different professionals that create common ground for their work.

(2) Cooperation & Transaction

1. Is there an approach towards team-oriented work methods within your media outlet? Is teamwork seen as a productive and learning-based process?
2. How do you experience working with different colleagues (different cultural mind-sets)?
3. Where do you face problems within your work regarding the achievement of certain tasks ("transactions") of journalism?
4. Where could transculturality be implemented in efficient working methods of journalists?

With regard to the category's key question "How does this journalist describe cooperation and transaction in Hong Kong's journalistic environment?", the interview questions particularly refer to how one would evaluate the success of cooperation and transactions. According to the theory, transculturality strengthens such processes.

(3) Competences & Leadership

1. Being a journalist in Hong Kong – Which competences are necessary? How does Hong Kong as a work environment shape the profession of journalists?
2. How would you describe the role of transcultural competences (finding and developing commonalities, creating relationships) in Hong Kong?
3. Which leadership style is practiced within your media outlet? What is the relation between you and your supervisor like?

These interview questions enable the interviewer to elaborate whether there is a correlation between transcultural competences and leadership styles and competences that are reported to be necessary for working as a journalist in Hong Kong.

Hong Kong perspective

1. How would you evaluate the future of journalism in Hong Kong?

4.2 Evaluation method

On a large scale, the approach encompasses different levels of the profession to reach a broad field of research, more precisely – individual, organizational, professional and national levels of culture (Wieland 2016). With regard to the concept of transcultural management, three main categories have been developed to be applied to contemporary journalism in Hong Kong. Thus, the evaluation strategy aims to identify in which *transcultural* scales the interview answers can be ranged. According to qualitative content analyses, the interviews are examined for relevant information (Gläser & Laudel 2010). In this case, entire interview statements are categorized with regard to the subject areas of the theory. Therefore, each category is split up into two conflict axes. For instance, the category "Common understanding" was mostly based on two questions. Firstly, if there are common values applying to a majority of journalists in Hong Kong and, secondly, if generational differences of journalism traditions play a significant role regarding different understand-

ings of journalism in Hong Kong. Hence, the various statements are scored based on their accordance to transculturality in the defined conflict areas and then classified in an axis system. The aim is precisely not to analyze individual journalists, but rather to consider the overall picture within the three categories to arrive at more general conclusions.

This approach has been designed in order *to measure* the concept of transculturality. It is an innovative and explorative methodology that translates the qualitative concept of transculturality into measurable dimensions. In addition, and in accordance with the approach of problem-focused interviews (Mayring 2002), the evaluation strategy has to be performed in accordance with the theoretical frame and problem statement. Thus, each category is analyzed through an individual axis model. Finally, the key question according to each category is answered through the final results and conclusion. In this context, the impact and importance of the conflict axes are discussed, whether the categories from the theory outline an appropriate way to measure transculturality in Hong Kong's journalism today.

5. *Analysis and outlining of expert interviews*

The following chapter elaborates the answers given by the journalists regarding each category. The analysis is consistent throughout the categories and axes systems. At first the conflict axes of each category are described. This is followed by the analysis, which summarizes the key statements and identifies an overarching picture. Finally, a conclusion is drawn for each conflict area.

With regard to the following, the reader should keep in mind that the journalist's statements not only applied to their own work, but also included broader descriptions of the media system in Hong Kong (see interview questionnaire). Hence the dots in the graphs, despite being colored, should not be connected to the individual journalists in a too specific way.

5.1 Common understanding

The system for the category *common understanding* is composed of the following two axes:

1. x axis: *Shifting journalistic practices* (continuum of the two antagonistic parameters: traditional journalism vs. innovative journalism). This describes the shift between traditional journalism and new forms of innovative media production.
2. y axis: *Journalistic values* (continuum of the two antagonistic parameters: self-censorship vs. freedom of press). This points out the range of different journalistic values from free and independent journalism and an unbiased news coverage to restricting behavioral patterns which can lead to self-censorship.

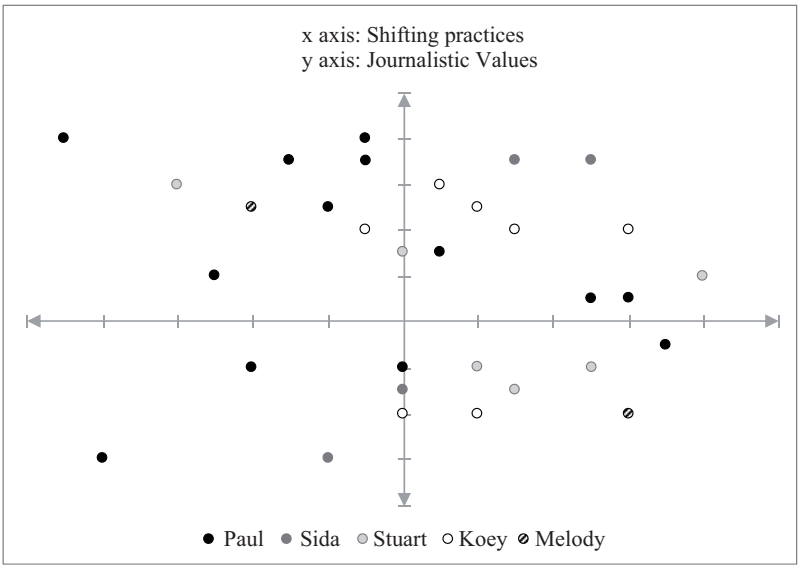
The two conflict axes visualize respective interview statements in the light of: "Does this journalist perceive that there is a common understanding of shared values within the profession in Hong Kong today?"

Graph 1 shows the resulting coordinate system and the broad categorization of the statements among the two conflict lines. With regard to the key question, the journalists clearly show different understandings of their profession depending on specific political orientations and different generations of journalism.

In opposition to these arguments by more experienced journalists, young professionals claim to base their work on similar fundamental journalistic values such as truth-seeking and multi-faceted reporting – only their key methods have changed. Koey Lee from the newspaper outlet *Apple Daily* explains the shift of reporting strategies. While more experienced journalists rely on in-house reporting methods, younger journalists generate more of their content from in-field observations. She argues that the professionally experienced are barely willing to try new media formats and refuse to adapt their work styles to different circumstances.

> "I think it's quite different between the generations. My senior colleagues have a traditional belief in getting information but we, the new generation, are focused on the new media. We are willing to try different things and present a story in a different way" (Interview 4: sec. 9).

Graph 1: Common Understanding



Source: Own representation.

Thus, their work methods depend on further principles such as high flexibility regarding different frames of publishing a news story.

> "Today within the daily news, you have to think very 'short-term' about what needs to be done by the end of the day. Spreading the topic is based on what is 'happening now'" (ibid.: sec. 13).

Hence, it becomes evident that there are different understandings of journalism in Hong Kong which are shaped by the impact of digital working methods and a different professional education.

It seems clear that the generational difference in Hong Kong's journalism is more due to working practices than to underlying journalistic values – all interviewees seem to base their work on the same value of free and independent news coverage. This is expressed by the majority of points that rank high on the vertical axis in Graph 1. The commonality was described in every interview related to the question: "Would you say that there are universal cultural values applying to a common understanding of journalism in Hong Kong?". In this context two main concerns could

be identified. Firstly, the fear of an increasing undermining of journalistic independence and, secondly, an accompanying call for action to protect the values of press freedom.

> "Freedom of the press is highly discussed through political changes of China, people are speaking of the 'second return to China'. This real return is happening now – from an English liberal society to a very different society, in this case, a communist party ideology" (Interview 1, sec. 23).

In this context, most interview candidates described the increase in Chinese businesses taking over various media outlets in Hong Kong. Thus, business interests are steadily influencing independent news coverage.

> "Nowadays, the environment is full of self-censorship" (Interview 4: sec. 7).

An example is the refusal of visas for several chief editors by the local government in recent years. Hence, many journalists specifically accuse the local government of manipulating a free press agenda.

> "It's a very critical situation in journalism, you need to have the right to talk and criticize the government. If you don't have that power, it is very difficult to maintain qualitative journalism" (Interview 2: sec. 33).

It becomes evident that common journalistic values in Hong Kong are mostly hindered by political pressure. According to the interviews, all candidates perceived their role as protectors of the rights of civil societies. From a transcultural view, this shows evidence for shared journalistic values.

> "Hong Kong journalists share the same basic values […] but with special emphasis on the values that best allow them to deal with their situation" (Interview 1: sec. 5).

As a result, the attitudes of the interviewees showed high initiative to meet the duties and demands that the government does not follow.

> "Some media still practice the Western style, where we focus on the core values of humans rights as freedom. We treat the media as the main force in society" (Interview 4: sec. 31).

In conclusion and with regard to the concept of transculturality, the interview candidates perceived that there is a common understanding of shared values in terms of maintaining *press freedom* and *journalistic independence*. This mutual cultural bond might strongly depend on the political uncertainties of Hong Kong. However, it is important to consider that the interviewees all work for rather pro-democratic media outlets. It became clear that shared journalistic values in Hong Kong are strongly related to political orientation. Moreover, all interview candidates felt as though there were a different understanding of shared values among certain generations of journalists. According to the interview statements, these differences mostly arise from the influence of digitalization processes, which have a strong impact on journalists' working methods. Among these disagreements, representatives of both groups (experienced and young professionals) insist on their understanding of values. Regarding the concept of transculturality, the groups did not seek consensus but instead tried to convince the other party of their professional understanding.

5.2 Cooperation & Transactions

The following coordinate system of the category *cooperation & transaction* is composed of the two axes:

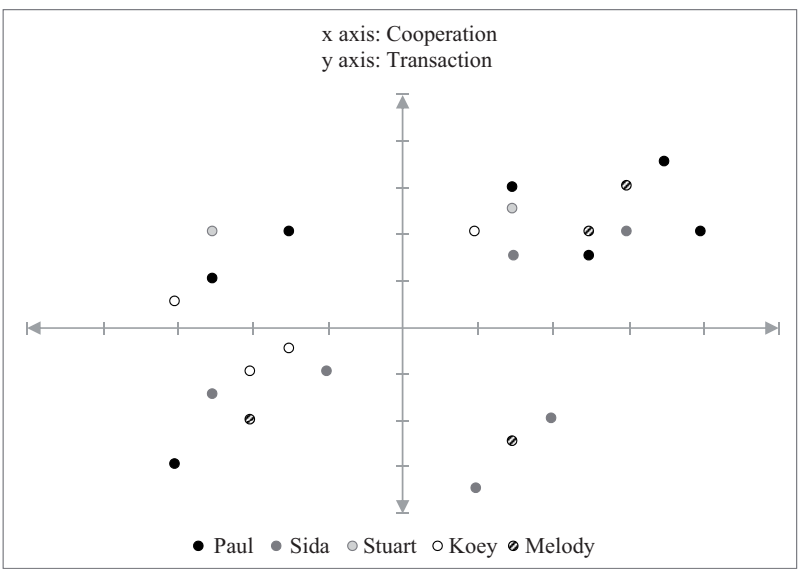
1. x axis: *Degree of cooperation* (continuum of the two antagonistic parameters: individualistic working environment vs. cooperative environment). This describes the degree and importance of cooperation in Hong Kong's journalism.
2. y axis: *Assessment of transactions* (continuum of the two antagonistic parameters: success of transactions vs. failure of transactions). In this case, journalistic transactions are defined as the successful implementation of any target that a media outlet may have, such as information gathering or content distribution.

Transculturality then claims a positive relationship between both cooperation and transactions. This can be generated by the creation of common shared values. Thus, the aim is to outline how the interview candidates describe and assess journalistic cooperation and transaction and to what extent such processes are shaped by transculturality.

With regard to the key question of this category, the interview candidates' descriptions and evaluations of journalistic cooperation and transactions differed depending on their cultural connection to Hong Kong. In this context, the statements of journalists with similar cultural experiences seem to cluster in close areas. This is not completely evident from Graph 2 as individual journalists made statements about both themselves and journalism in Hong Kong in general.

Both groups, local journalists and international professionals, described a distinct individualism in Hong Kong's newsrooms. This is illustrated by the points on the left-hand side of the horizontal axis.

Graph 2: Cooperation & Transactions



Source: Own representation.

> "There is not a similar cultural term like 'teamwork' or 'team bonding' in Hong Kong but rather a communitarian aspect from the Chinese culture which is much stronger in mainland China than in Hong Kong" (Interview 1: sec. 9).

For this reason, Hong Kong's journalists achieve most of their goals and transactions through autonomous work. However, there are naturally some general cooperation chains which provide the pillars of journalistic work.

> "Especially for the daily news reporting, I need to contact different people for information such as the government, maybe NGOs and other different stakeholders" (Interview 4: sec. 21).

This only illustrates one example of conventional interactions of journalistic activities. The lack of cooperation in Hong Kong's journalistic working culture can be partly attributed to the wide range of extremely different political convictions.

> "We don't share the same political views. We can get into discussions, but we would not agree to everything or with each other. We don't have the same angle or idea of a certain topic" (Interview 2: sec. 17).

This is only one example of how even academic professionals of universities in Hong Kong face difficulties of separated political grouping.

> "Some argue that the segregation between mainland students and Hong Kong students would affect the ideal flow of expression on campus" (ibid.).

The picture that emerges from Graph 2 with regard to cooperation still appears unclear because some journalists have to rely more strongly on cooperation due to their individual cultural circumstances. International journalists (the majority of interviewees) have to trust and rely on a certain quality of cooperation with their colleagues in order to do parts of their work.

> "The challenge is the output and product is published in a language I cannot speak. The product starts in English or Mandarin but will be published in Cantonese. Therefore, I give responsibilities to someone else" (Interview 1: sec. 13).

Such journalists report a higher level of cooperation, as illustrated by the points in the positive horizontal area.

Significant obstacles for successful transactions are naturally language barriers. Particularly, larger meetings lose efficiency through difficult communication conditions.

> "The team I worked in has people who were born and grew up in Hong Kong and people who have come from mainland China in recent years. The first differences highlighted must be language. Sometimes although the word is the same, there is a different meaning in Cantonese and Mandarin. So, it's hard to discuss deeply among the team" (Interview 5: sec. 17).

Nevertheless, journalists who experienced different work environments throughout their careers emphasize the importance of perceiving different angles in order to improve their journalistic quality. Thus, these examples outline how far transcultural thinking improves certain transactions.

> "It is a challenge but finding people who don't necessarily work the way you work and implementing their ideas is a great start to allow a transcultural process" (Interview 1: sec. 15).

Hence, transcultural thinking enables the creation of mutual solutions including various different perspectives.

> "What I ask most often in the meeting is: Are we thinking in the same way? Is there any difference between us? And then let them speak out and also let others understand those differences" (Interview 4: sec. 21).

Thanks to a precise dialogue, the journalists are capable of cooperating with one another and implementing their ideas regardless of certain differences, indicating positive transactions from cooperation (see the points at the top right of graph 2).

Summarizing the most important aspects, the degree of transculturality among journalistic cooperation and transactions depends on the journalists' cultural connectivity to Hong Kong. This becomes very clear through the strong clustering in graph 2. Compared to the other categories there seem to be more statements in the extreme areas and far less centered ones. Although journalistic work includes high engagement with different external stakeholders, internal cooperation is not necessarily decisive when it comes to generating efficient transactions in Hong Kong. Thus, local journalists described only few interactions with their colleagues. This differs from journalists who had experienced various work environments. Their statements underlined that there are implementations of transcultural thinking with even more potential to improve cooperation and transactions processes. In this context, the statements varied between

local journalists and international experts who are not equally familiar with Hong Kong's working environment. Thus, the importance of cooperation seems to depend on a certain knowledge and familiarity with Hong Kong. It appears that cultural barriers can strongly hamper cooperation and transactions.

5.3 Competences & Leadership

The concept of transculturality promotes the implementation of specific competences and leadership styles to foster the creation of common shared values. Hence, the following axes system *Competences & Leadership* allocates the skills and attitudes that are necessary to work as a journalist in Hong Kong's media environment and thus, analyzes whether these competences are related to transculturality.

The following coordinate system is composed of the two axes:

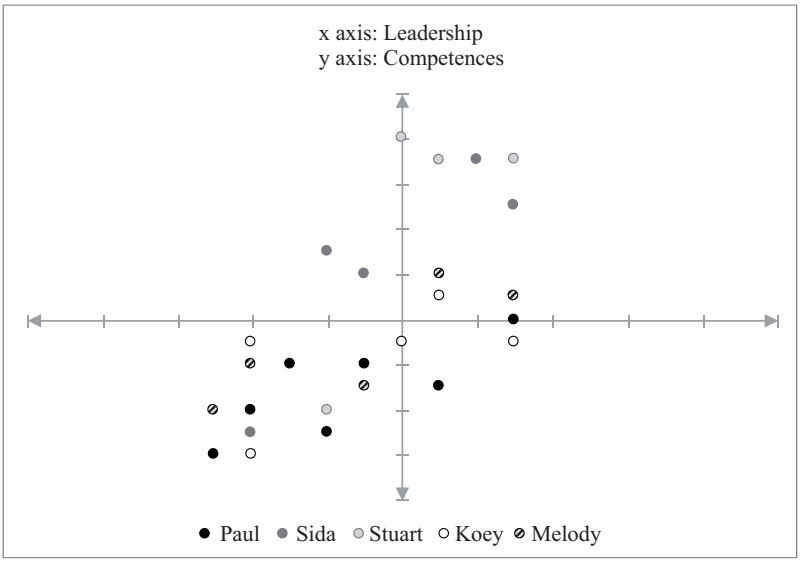
1. x axis: *Leadership style* (continuum of the two antagonistic parameters: Conventional leadership vs. transcultural leadership). This describes the range of practices of different leadership styles.
2. y axis: *Journalistic competences* (continuum of the two parameters: Specific journalistic competences in Hong Kong vs. transcultural competences). This conflict axis describes to what extent Hong Kong's journalistic competences are shaped by transculturality.

Thus, the two conflict axes express the statements regarding the category's key question: "To what extent does the view expressed by the journalist indicate usage of transcultural competences?" Additionally, this category includes the interviewees' ideas about how the key competences of transculturality could potentially support their professional activities.

As shown in graph 3, approaches of transcultural leadership styles could only be identified to a small extent and all opinions seem to be fairly centered. Furthermore, there is strong evidence suggesting that transcultural competences mostly occur within specific journalistic communities with a large variance in this category.

First and foremost, the interview statements concerning specific competences necessary to work in Hong Kong's media environment differed based on candidates' cultural background and language skills. Given that Hong Kong is such an international city, one would assume that there is a

Graph 3: Competences & Leadership



Source: Own representation.

lot of emphasis on the English language. Hence the ability to work and live in Hong Kong if one only speaks English is set as the base case (Y = 0). However, the international journalists mostly described language barriers as one of their key challenges to work in Hong Kong. For instance, Paul Sadille works for the local newspaper *HK01* which only publishes articles in Cantonese. Together with one other European colleague, they are the only two reporters who are not able to speak Cantonese. As journalists who perceive themselves to be a mouthpiece of society, it is a challenge to not speak the language of their audience.

> "In journalism you need an understanding of how people consume the media and how to package content, but I don't have an appropriate idea of what Hong Kong people like" (Interview 1: sec. 19).

In addition, the Chinese journalist Sida Wang, who recently finished her Masters' degree, emphasized the difficulties of applying to local news outlets without speaking Cantonese. Thus, despite international media outlets, it is very beneficial to obtain a certain proficiency in Cantonese.

With regard to transcultural competences, in order to work as a journalist in Hong Kong, in particular for a local news outlet, it is important to have certain language skills. This is reflected by the statements below of the horizontal axis.

Regarding the leadership styles of the media outlets represented, some answers implied a rather dominant corporate culture. From a transcultural point of view, an excessively dominant business culture prevents flexibility in terms of change management processes, hence such answers were put in the negative area.

> "Office politics are known for 'never in your face'. Certain things are not said directly, which can be frustrating" (ibid: sec. 11).

In this case, the leadership style does not enhance an efficient learning-process. With regard to transculturality, the different views and unbridgeable conflicts focused on and there seem to be few attempts to create a mutually beneficial solution. Generally, most of the leadership styles did not match with the definition of a transcultural leader, as can be seen by the clustering of points left of the vertical axis in graph 3. With regard to the concept, different mindsets and angles have to be supported by a certain style of guidance.

> "Asking for the background of the foreigners, not only the internationals have to adapt to a new environment but also the locals have to understand their situation. The idea should be to clearly make everyone understand why foreigners are here and working for this company. It would change the work if everyone were aware of this and this could be improved" (ibid.: sec. 13).

To put it briefly, the statements of the interview candidates did not show any evidence of a transcultural perspective within leadership styles in Hong Kong's media outlets. The working environments resembled conventional governance structures of larger media outlets.

> "The leadership style in Apple Daily is quite democratic between me and my supervisor" (Interview 4: sec. 25).

In spite of this, the answers of the journalists who had experienced living in different environments and thus learned how to deal with unfamiliar conditions showed evidence of transcultural competences. Their deci-

sions and actions are shaped by a high degree of openness and empathy. With regard to specific cultural identities, they are aware of different values and practices which have to be experienced in order to gain a better understanding. In that sense, Hong Kong symbolizes a diverse hub not only integrating different national identities but also drastically different political orientations and versatile lines of business. For this reason, several interview statements described situations in which the journalists had to act in a very attentive and sensitive way.

> "Be sensitive to not only bring your own ideas, misconceptions and prejudices. In particular, in Hong Kong with an important history – my own cultural background is aligned to the post-colonial identity – it's important to be sensitive not only to bring my own values into my work in a clumsy way" (Interview 3: sec. 15).

In particular, some of the journalists mentioned paying special attention to gathering content for political news coverage. The protest on China's national day in October provided a platform for many people advocating different political demands. Sida Wang used this opportunity to enter the dialogue:

> "I was talking to different people on the streets about their views and I also went through the articles of different media outlets. Then I had so much understanding of the issue. It's important to listen to others' thoughts" (Interview 2: sec. 19).

A further aspect of the alleged restriction of transcultural competences proves that the use of the English language is restricted to specific communities. Mostly academic environments use a common language to communicate with different parties. Hence language barriers in general turn out to be irrelevant at least for one experienced interview candidate. Stuart Heaver describes freeing his freelance work from linguistic barriers.

> "I am not even sure if the language skills are that necessary. It's more about enjoying and being fascinated about your constituency" (Interview 3: sec. 23).

Besides project-related work for the *SCMP*, he contributes news content to several other outlets, of which some have an international focus. Thus, his interview answers provide a coherent picture of a cosmopolitan world

view and are mostly placed at the top of the y-axis. Taking all these statements into account, it becomes clear that transcultural competences such as *"seeing yourself in the other"* occur more frequently among specific communities.

To conclude and to answer the key question to what extent each journalist expressed opinion indicates usage of transcultural competences, three main results can be derived from the interview statements. Firstly, transcultural competences remain an individual approach related to one's personal experiences. Secondly, transcultural management styles and leadership do not play an integral role in journalism due to the high proportion of autonomous work. Most journalists criticized an inflexible corporate culture and raised interest in a broader designed management that supports the creation of specific competences. The reason for such demands can be related to the first diagram "Common Understanding". Thereby, journalists blamed different understandings of their profession to prevent specific competences. Thirdly, an increasing focus on national values contributes to the key local competence of developing a very in-depth understanding of Hong Kong. Alongside that, language skills were assessed as being a significant major competence for Hong Kong's journalism. This may, however, be due to the profession of journalism rather than indicating a lack of transculturality.

5.4 Discussion of the main results

As a final conclusion, the interview statements indicate evidence of transcultural approaches among all three categories within Hong Kong's journalism. However, in all cases, transcultural characteristics merely complement the essential subject matter of the profession. Transcultural approaches were predominantly observed among those interview partners who could be characterized as an "international elite" based upon their cumulative professional experience and their exposure to different cultures.

Regarding the first category (common understanding), each of the journalists interviewed perceived that most of the different understandings of shared values within Hong Kong's journalism emerged from certain political and generational contexts. Thus, in conclusion, the two coordinate axes provided a useful framework to identify the perceived mutual

or different understandings of values by the interview candidates. On the x-axis (journalistic practices), new digitalization processes, different reporting methods, educational traditions and professional objectives led to a dispersed picture. At this point, and with regard to the concept of transculturality, only limited approaches could be observed which aimed to create mutual consensus. The statements related to the y-axis (journalistic values), however, emphasized a mutual understanding of shared values to *maintain a free and independent journalism* in Hong Kong. Most journalists supported shared professional values such as accuracy, fairness and integrity. This could serve as a basis for the creation of even further mutual journalistic values as suggested by the concept of transculturality. Nevertheless, the journalists reported some highly different understandings of journalistic values such as biased reporting. This emerges from the economic and political pressure on media agencies in Hong Kong.

The second category (cooperation and transactions) identifies a highly individualistic working environment in Hong Kong's newsrooms. Especially local journalists tend to work autonomously. In that case, cooperation and transactions are not shaped by transcultural structures. However, journalists who do not speak Cantonese are more accustomed to cooperative work environments. Thus, the key result provides evidence that journalistic cooperation and transactions are specifically shaped by transcultural approaches if the reporter does not have a strong cultural connection to Hong Kong. Hence, only foreign journalists who have experienced various working environments during their career emphasized the positive impact of diversity and transcultural approaches in the field of journalism.

Lastly, the third category (competences and leadership) outlined that journalists who had experienced different working environments demonstrated transcultural competences such as integrating different views and seeking commonalities. On the x-axis (leadership styles) no evidence of transculturality could be noted. Regarding the y-axis (competences), the major competence of journalistic work in Hong Kong is a comprehensive knowledge of the city's socio-political circumstances. In contrast, the concept of transculturality encourages competences that are independent from specific nation cultural settings. However, it seems important to note that this result might be specific to content-driven journalism.

With regard to the concept of transculturality, it has to be mentioned that, throughout the interviews, most of the journalists raised ideas and

visions about how transcultural understanding could be improved and how it could support their work. There was generally a high level of interest in ways to create mutual values and identify commonalities.

6. Conclusion

The contribution of this chapter is twofold. In a first step, three operationalizable categories were derived to assess transculturality within contemporary journalism. The categories "common understanding", "cooperation & transaction" and "competences & leadership" were developed with special attention being paid to the case study of Hong Kong. These were then empirically investigated through expert interviews with journalists.

The results revealed evidence of transculturality *in certain contexts* among all three categories. There are mutual shared values to maintain free and independent journalism among heterogeneous groups of journalists. Foreign journalists achieve efficient transactions through strong cooperation. Transcultural competencies emerge through personal experiences of unfamiliar work environments.

7. Questions to ponder

As the findings indicated, transculturality mostly occurred among individuals who are familiar with heterogeneous environments: Is transculturality an elitist concept?

How could transcultural competence help journalists to work in multicultural environments?

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Transcultural Management in Hong Kong

Tanja Savanin

1. Introduction

Although international trade and international companies have existed for centuries, one can hardly ignore the fact that the world is facing an unprecedented era of global economic activity. As corporations expand their businesses across nations, the frequency, breadth and depth of inter- and multicultural interactions within and outside their organisational borders have been on the rise (Selmer 1999). Within this dynamic and fast-paced global business environment, multinational corporations (MNCs) are required to continuously evaluate and realign their strategic orientation and management practices in order to survive in the global arena and, even more so, to access and realize the potential of cross-cultural cooperation (Barmeyer & Franklin 2016; Funakawa 1997). Therefore, the economic survival of global companies depends on their willingness and capacity for cooperation (Wieland, 2010, 2018; Wieland & Baumann Montecinos 2018) across cultures. Culture shapes human interaction and, thus, any economic exchange (North 1992). It is not restricted to *national states* (Beck 1997; Welsch 1999) as it is also inherent in organizations (*organisational cultures*), professions (*professional cultures*) and individuals (*individual cultures*) (Wieland 2016). Economic transactions spanning these cultural borders may involve considerable transaction costs resulting from distinct cultural approaches, e.g., from different moral or cooperation standards (Wieland 2014). Hence, corporate organizations working in multicultural and multilingual environments need mechanisms that enable them to deal with cultural diversity in a way that fosters cultural synergies (Schneider & Barsoux 2003).

Different management disciplines have attempted to reflect on the subject of cooperation across cultures and to provide organizations and their members with valuable management approaches. These approaches are designed to enhance economic performance in multicultural settings. Common research and management practices mainly concentrate on the management of cultural differences (Hofstede 1984, 2011; Schneider & Barsoux 2003; Søderberg & Holden 2002). Here, the understanding, tolerance and adaptation of local cultural perspectives represents the predominant approach to handle collaborative encounters of distinct cultures in business (ibid.). A complementary approach to economic cooperation across cultures is provided by *transcultural management* (Funakawa 1997; Möhrer et al. 2016; Wieland, 2016; Wieland & Baumann Montecinos 2018). Research and management practices, which are rooted in the concept of transculturality, shift the focal point of intercultural interactions from differences to commonalities (Antor et al. 2010; Welsch 2010; Wieland 2016). Transcultural management requires corporations and managers to develop competencies that help to find and create a common thread between cooperation partners by learning from every transactional, cross-cultural encounter (Wieland 2016). It is a practice-oriented approach that provides organizations with the opportunity of effective governance of local and global transactions involving agents from different cultural backgrounds (ibid.).

In Hong Kong, a region that hosts a remarkable amount of regional headquarters and offices of multinational corporations (MNCs), business relationships between culturally different economic agents is an inevitable part of daily business. Therefore, Hong Kong is particularly well suited to observe transcultural cooperation amongst cultural diversity. While Hong Kong is predominantly Chinese, it is unlike any other Chinese city (Carroll 2006). The metropolis is

> "a place where east meets west, an island of barren rocks turned economic miracle, a free economy, a modern city that is advanced and developed, prosperous and stable" (Chan 2007: 384).

With its colonial history, this migrant city has established a multicultural society whose members live and work together thereby contributing to the region's economic success (Carroll 2006; Tsang 2007). Various distinct national and organisational cultures cooperate within Hong Kong in

day-to-day business operations. Thus, multicultural corporations have to find ways to transcend cultural differences in order to execute their business transactions effectively. This chapter analyses whether and how the concept of transculturality applies to business management in Hong Kong by examining the following question: *How is transcultural cooperation achieved by MNCs in Hong Kong?*

2. *Transculturality in Business: Transcultural Management*

Against the backdrop of the potential for cultural diversity as an economic resource as well as its destructive potential for businesses (Wieland 2016), corporations and managers need to reflect on the strategic and managerial consequences of economic activities that involve multiple cultures both inside and outside the organisational boundaries. This is why this section scrutinizes the importance of transcultural management in the context of *intercultural*, *strategic* and *diversity management* as well as *corporate culture*.

2.1 Transcultural Management in the Context of Intercultural Management

For a long time, *intercultural management* has been the predominantly discussed managerial approach with regard to cross-border economic activities. Since it is based on the cultural approach of interculturalism, intercultural management emphasizes the awareness, understanding and tolerance of cultural differences (Hofstede 1984; Trompenaars & Hampden-Turner 2012; Venaik & Brewer 2016). Thus, research often makes use of national culture models to exemplify the scope of cultural differences between countries. Hofstede (1984, 2011), a widely known scholar in this field, has developed six dimensions along which countries can be positioned: 1) individualism vs. collectivism, 2) large vs. small power distance, 3) strong vs. weak uncertainty avoidance, 4) masculinity vs. femininity, 5) long term vs. short term orientation and 6) indulgence vs. restraint. The resulting cultural system of a specific nation should then provide guidance for companies and their operations in that country. It should help to develop "locally effective ways of management and plan-

ning" (Hofstede 1984: 98) as well as "management skills adapted to the local culture" (ibid.). Following Hofstede, similar culture models have been developed by, amongst others, the GLOBE group (House et al. 2004) as well as Trompenaars and Hampden-Turner (1997, 2012). These models should provide international organizations with cultural insights assisting them to cope with cultural differences.

As such, the existence of cultural differences is also the starting point for transcultural management. It is encountering and interacting with diverse cultures in a business context that provides culturally different organizations and individuals with the opportunity to develop a common bond, which is necessary to ensure their successful cooperation (Möhrer et al. 2016). Thus, the awareness of cultural differences is important. In this regard, intercultural management forms a part of transcultural management, but it is "not its systematic reference point" (Wieland 2016: 21). Transcultural management focuses on the interconnection of culturally different perceptions, approaches, etc. in a relationing process, while intercultural management only perpetually affirms the existence of cultural differences demanding of managers their understanding and adaptation. However, the simple salience of cultural differences does not result in cultural learning (Venaik & Brewer 2016). Learning processes, which themselves are "expressions and implementations of culture" (Wieland 2016: 16), are based upon the discursive and cooperative interaction of both sides. Repetitive shared experiences and the produced commonalities ultimately form the foundation for mutually beneficial transcultural cooperation. Trompenaars and Hampden-Turner (1997, 2012) emphasize that outlining cultural differences in, e.g., intercultural management training enhances stereotypes about other cultures. Instead, they propose that cultural differences need to be "reconciled in a process of understanding the advantages of each cultural preference" (Trompenaars & Hampden-Turner 1997: 33). This process consists of first, being aware of cultural differences, second, respecting them and third, reconciling them. In international operations, managers should hence systematically understand cultural perspectives of the specific culture and at the same time *be aware* that they are constantly assigning subjective meaning to anything they observe (Trompenaars & Hampden-Turner 2012). They should *respect* the other's perspective by realizing that most cultural differences are hence produced within themselves. Finally, there is no need for managers to fully adapt to the other culture, since other cultures, too, have a certain

expectation about one's own behavior (ibid.). Rather, managers in intercultural encounters need to "be themselves" (Trompenaars & Hampden-Turner 2012: 247) and "yet see and understand how the other's perspectives" (ibid.) can help their own. To do so, managers need to connect the two different viewpoints in a way that allows them to benefit from both. This final step is what Trompenaars and Hampden-Turner refer to as *reconciling differences*.

2.2 Transcultural Management in the Context of Diversity and Strategic Management

The search for and generation of similarities instead of differences are constitutive elements of transcultural management. It is worth noting that transculturality in this sense is not enforcing consensus on fundamental principles or values (Appiah 2006; Wieland 2016). At the beginning of the transcultural process, the different cultural identities have to "get used to each other" (Appiah 2006: 85) by means of "engagement with the experience and the ideas of others" (ibid.). The next feasible step is about finding practical solutions for the specific situation or transaction that the organizations or individuals with distinct cultural backgrounds face. This iterative, shared experience in cross-cultural transactional cooperation results in a learning process that ultimately promotes the development of "adaptive governance structures" (Wieland 2016: 22) on the organisational level. The adaptation of such governance structures assures the effective and "continued execution of the respective transaction" (Wieland 2016: 22) within the same or any other transcultural cooperation context.

In contrast to the national culture models that underlie the intercultural management approach, transcultural management takes into consideration the fact that culture cannot be confined to nation states. The understanding of culture in the transcultural approach refers to the multi-layered cultural diversity which is inherent in every society. Business transactions within, as well as across, national borders are embedded in a "network of diversity" (Wieland 2016: 23). This network of diversity consists of individual, organisational, professional as well as national cultures: National cultures are self-explanatory while organisational cultures can, *inter alia*, refer to corporate culture, the marketing or management culture of a company. Professional cultures refer to the specific

occupational culture of, for example, engineers, developers, etc. Finally, individual culture refers to the personal identities of individuals within an organization. Consequently, cultural differences as well as similarities between certain agents involved in a business transaction exist on all four cultural levels. Engineers from different corporate and national cultures might find commonalities while working together based on their profession while their other cultures function as delimiters. Successful cooperation in the context of a definable transaction such as an international joint venture or an acquisition of a foreign company in order to enter a new national market achieves a "temporary and never static" (Wieland 2016: 25) equilibrium in the *network of diversity* in which the transaction is embedded. In this dynamic equilibrium, cultural differences and commonalities offset each other. The success potential of the cooperation in form of an equilibrium depends on its recognition as a strategic issue by management. Thus, transcultural management is also part of strategic management, which is concerned with corporate governance. Strategic management encompasses issues of organisational strategy, structure and culture (Bleicher 1992 as cited in Wieland 2016). The three governance components are in equilibrium, where companies do not diverge from their strategic orientation. When companies engage in transactions that alter their strategic course and need the readjustment of the organisational structure, as in the case of joint ventures or M&As, a cultural change is necessary. While strategy can be altered in one year and organisational structure in two years, the change of organisational culture requires six to fifteen years (Kieser 1986 as cited in Wieland 2016). Due to this time-lag, strategy, structure and culture are not in equilibrium. As it enables a dynamic cultural learning process, transcultural management can re-establish the equilibrium and hence acts as a decisive part of strategic management. Therefore, both organizations and members of the organization need transcultural competencies and skills to execute cross-cultural transactions.

2.3 Transcultural Management in the Context of Corporate Culture

Transcultural management, as illustrated above, affects corporate culture. Managers should thus make strategic decisions about the cultural orientation of the company. Wieland (2016) points out that companies need to strategically position themselves along the following two axes: central-

ized vs. decentralized and strong vs. weak corporate culture. In centralized corporate cultures, corporate values and cultural policies are determined in head office and are then applied throughout the whole enterprise structure, including all cross-national offices. Decentralized corporate cultures, by contrast, provide regional offices and functional divisions of the company with the autonomy to develop their own cultural policies. While strong corporate cultures predetermine the interpretation of corporate values across the company, weak corporate cultures allow for the local allocation of meaning for these values (ibid.). Any combination along the four dimensions is possible but should fit the intended type of strategy and the transactions of the company. Weak, decentralized corporate cultures might be better suited to organizations that operate in multiple cultures with regional offices and/or cooperate with local business partners. Strong centralized corporate cultures might be ideal if a corporation wanted to enter foreign markets with a standardized product. The former relies upon transcultural learning and the religioning of organisational or national cultural differences in the local context.

These considerations finally lead to the following aspect of transcultural management: Transcultural management can also be understood as the management of values in a corporate organization (Wieland 2010). Corporate values determined by management and their codification in the Code of Ethics or the Code of Conduct *per se* do not create a common bond between members of the organization (Wieland 2016). Corporate values only provide a framework to which the members of the organization need to assert meaning through a local discourse and shared experience (Wieland 2014). This shared understanding is the interpretation of values, which are vague by nature, in the case of concrete business situations (ibid.). Diversity, honesty or sustainability can have distinct meanings across different divisions, international subsidiaries and personal perspectives of employees. That is why their local, function-based, regional and practical implementations need to be discussed and communicated. The value *diversity* can then, for example, be interpreted as "religious tolerance", "equal career opportunities for women", "non-discrimination of sexual orientation" and/or "integration of disabled" (Wieland 2016: 27; Wieland & Baumann Montecinos 2018: 28). This situational meaning of values functions as an orientation or a basis for specific practical consequences (Wieland 2014, 2016). The "thin" (Wieland 2016: 26) interpretations of values overarch the corporate organization while their

"thicker descriptions" (Wieland 2016: 27) are local implementations of values with concrete, shared meanings. The development from *thin* to *thick* value interpretation is the result of the transcultural learning process (ibid.). Importantly, Wieland (2016) clarifies that this process should be incorporated in diversity management.

2.4 Transcultural Management and the Development of Transcultural Competencies

Transcultural management should thus be an integrative part of strategic corporate culture and diversity management, as it helps organizations involved in cross-cultural cooperation to instantiate a mutual gain. To achieve that, organizations and their individual members need to develop *transcultural competencies*, which are the precondition as well as the result of the dynamic transcultural learning process (Wieland 2016). Barmeyer and Franklin (2016) underline this by stating that cultural synergy in business "rarely emerges spontaneously, it requires the active support and facilitation of managers" (ibid.: 207). Research that explicitly focuses on transcultural competence is still in its infancy. Wieland and Baumann Montecinos (2019) present the current state of research on transcultural leadership and transcultural competence through the lens of the theory of relational economics (Wieland 2018), focusing on the determinants of cooperation and learning towards strengthening and developing commonalities in the context global value creation and with regards to particular transactions. Glover and Friedman (2015) describe transcultural competencies as the "awareness and understanding of how culture works, regardless of the specifics of the sociocultural encounter" (ibid.: 8). It is the ability to adapt to various cultural settings anywhere around the globe with or without previous cultural knowledge of the specific culture and its people (ibid.). This requires managers and organizations to foster "open and ethical interaction" (Slimbach 2005: 206) across cultures. In so doing, transcultural competence takes on a process-oriented approach. It is neither a predetermined personality trait nor an easily acquired asset in the case of organizations. Rather, "it is a long-term learning and practicing process" (Ting-Toomey 1999: 263). Importantly, transcultural effectiveness not only depends on the ability to understand the other, as suggested by Glover and Friedman. It further relies on the competence to

"achieve mutual shared meaning and goal-oriented outcomes" (Ting-Toomey 1999: 263). Equally, Trompenaars and Hampden-Turner (1997) affirm this view by saying:

> "Transcultural effectiveness is not only measured by the degree to which you are able to grasp the opposite value. It is measured by your competence in reconciling the dilemmas, i.e., the degree to which you are able to make both values work together (…)" (Trompenaars & Hampden-Turner 1997: 46).

Literature on the related concept of intercultural competency distinguishes cognitive, affective and behavioral competence dimensions (Chen & Starosta 1997; Matveev & Merz 2014; Taylor 1994). The cognitive dimension encompasses culture-specific knowledge, attitudes, open-mindedness, flexibility, motivation, critical thinking and personal autonomy (Matveev & Merz 2014: 150). The affective dimension comprises cultural empathy as well as emotional stability and control (ibid.). The behavioral dimension refers to experience, social initiative, leadership and communication (ibid.).

Having constructed the theoretical backbone for the case study, this chapter proceeds with the analysis of business management in Hong Kong as an attempt to observe the concept of transcultural management for a real-world example.

3. *The Case of Hong Kong: Economic Development and the Hybrid Hong Kong Identity and Business Culture*

Hong Kong is an enclave of cultural diversity with a colonial history that has undergone a remarkable economic development. Hong Kong's society and its economy are characterized by cultural entanglement and interweaving that resulted from the coexistence and cooperation of different cultural communities in the small and enclosed area for more than a century. In the following section, Hong Kong's economic development will be examined in order to illustrate the intermixing of different communities and the intercultural business cooperation in Hong Kong since these are starting points of the application of the concept of transculturality.

3.1 Intercultural Symbiotic Relationships and Hong Kong's Economic Development

Hong Kong has undergone a remarkable development from "island of barren rocks" (Chan 2007: 384) to the global financial and trade center it is today. It's remarkable path to prosperity involved, on the one hand, the cooperation of different cultural groups within Hong Kong and, on the other, the handling of cross-border transactions with nations all around the globe. In this process, cultural diversity among companies and the labor force increased steadily and demanded effective management from Hong Kong's organizations.

During the first one hundred years of British administration, Hong Kong flourished as the most important entrepôt between the West and China, surpassing the other neighboring port cities of Guangzhou and Macau (Selmer & De Leon 2003). Up until the Japanese occupation (1941-45) and the following period of the Korean War (1950-53), its economy experienced unprecedented growth. Hong Kong became the location of choice for British, American and other companies engaged in trade with China, which then developed into large conglomerates, so-called hongs (ibid.). Hongs managed to develop vast social and financial networks in Hong Kong and maintained good connections to London and other European and American cities from their parent countries. Hongs such as Jardine Matheson, Butterfield and Swire or Russell and Company provided European and Chinese traders with financial and other services. Local Chinese merchants and manufacturers made use of hongs in order to trade with Westerners on their behalf. Hong Kong "became the premier meeting-place of the foreign and Chinese social networks of capital in Asia" (Myer 2000: 60). The steady economic growth that resulted from this intercultural cooperation provided the impetus for the establishment of a modern banking system in Hong Kong. Major British and foreign banks as well as traditional native Chinese banks, opened their offices here.

During the times of occupation and the trade embargo on China during the Korean War (1950-1953), Hong Kong's economic development stopped abruptly. These hard times were the starting point for the second phase of Hong Kong's economic development after 1953. To overcome the dependency on China trade, this time the development was based on export-oriented manufacturing. With its free port, the geographical loca-

tion and the low-cost labor force consisting of mainly Chinese Civil War refugees, Hong Kong rapidly gained a major competitive advantage in the market. Two important groups contributing to this development were Shanghai immigrant industrialists, who invested in the textile industry, as well as entrepreneurs from the province of Guangdong who opened up workshops and small factories (Carroll 2006; Tsang 2007). Although the majority of Hong Kong's industrial businesses was founded and managed by local Chinese, intercultural business cooperation with European and other foreign traders was used to access the global markets and handle supplementary services such as shipment or insurance. Other intercultural symbiotic relationships were established in the financial sector. Local entrepreneurs usually turned to Chinese banks for loans instead of British or other foreign banks due to language barriers and the long independent existence of the two communities. Shanghai's entrepreneurs breached with this tradition by approaching British banks for capital:

> "The positive response of the British banks to the Shanghai entrepreneurs encouraged other Chinese entrepreneurs to approach British banks directly. The old communal barrier came to be eroded steadily as Hong Kong's rapid industrialization induced the local Chinese and the expatriates to work more closely together. […] In time, a symbiotic relationship developed" (Tsang 2007: 167).

The symbiotic relationship between local Chinese and European, American and other Asian banks and traders facilitated the economic development in the post-war period and induced the different cultural communities to establish long-lasting business relationships. Cultural interaction between the groups could thus extend from purely economic into the private, social environment too.

The third phase of Hong Kong's economic development began thereafter and has lasted until today. Its export power was undermined by other Asian locations as wage costs increased. The opening of China by the end of 1970s eventually brought about the transfer of the majority of Hong Kong's manufacturing base to the Pearl River Delta (PRD) in South China as well as other regions thanks to the abundant land and inexpensive labor force there (Chan 2007; Hui 2006; Selmer & De Leon 2003). The production output of those businesses was almost entirely exported through Hong Kong to third countries. Since this economic relationship led to considerable numbers of cross-border visitors, in 2003 the border be-

tween Hong Kong and Shenzhen began a 24-hour service, thus making economic and cultural exchange easier (Hui 2006). Next to economic agreements, the integration of Hong Kong in the PRD was also facilitated by large-scale infrastructural projects such as the construction of the Hong Kong-Zhuhai-Macau Bridge that connects east and southwest of the PDR (ibid.). Hong Kong regained its position as the most important entrepôt for global trade with China by the end of the 1980s and simultaneously established itself as the international financial center it is today. Against the backdrop of this economic development, over the course of time Hong Kong's labor force evolved from uneducated migrants and refugees working in factories to experienced local entrepreneurs and high potential human resources for foreign corporations (Chan 2007; Selmer & Chiu 2004).

Consequently, Hong Kong is a strategic location in the region attracting major global multinationals as well as more and more Asian corporations. Most of them use Hong Kong as their base from which they expand into other Asian countries and to the rest of the globe (Chen 1984). Hong Kong hosts a remarkable number of regional headquarters and offices from international corporations. As many as 34% of the Asia-Pacific headquarters of the global Fortune 500 companies are located in Hong Kong (PWC 2015). The United States maintain the largest number of regional headquarters, followed by Japan, Mainland China, the United Kingdom and Germany (CENSTATD 2017). These foreign corporations mainly engage in import/export trade, wholesale and retail as well as manufacturing and financing and banking (ibid.). The most important factors reported by foreign companies for choosing Hong Kong as their regional headquarter are in descending order: 1) the simple tax system and low tax rate, 2) free flow of information, 3) free port status, 4) geographical location, 5) corruption-free government, 6) communication, transport and other infrastructure, 7) rule of law and independent judiciary, 8) business opportunities in the mainland of China, 9) productivity of staff and 10) political stability and security (ibid.). Hence, the region manages to cultivate a favorable environment for business thus attracting international companies and workers who, in turn, foster cultural diversity. These different foreign cultures influence Hong Kong's societal and business culture. A brief analysis of Hong Kong's cultural identity and its business culture is presented in the subsequent section.

3.2 The Hybrid Hong Kong Identity and Business Culture

Just like Park's (1928) *Marginal Man*, who intermixes distinct cultures within his identity, the Hong Kong Chinese cultural identity seems to be the result of long-lasting transcultural processes fusing Oriental and Western culture. Park (1928) emphasizes that such a process, which produces cultural hybrids, is inevitable when cultures "have lived together in the intimate contacts which a common economy enforces" (ibid.: 883). In his article" Life in the Cities: The Emergence of the Hong Kong Man", Baker (1983) refers to "the Hong Kong Man" as "not British or western (merely westernized)" (ibid.: 478) and simultaneously as "not Chinese in the same way that citizens of the People's Republic of China are Chinese" (ibid.). In a similar vein, Chan (2007) states that Hong Kong has a "mongrel culture" (ibid.: 381) that "flourished during colonial times" (ibid.).

Western expatriates and local Hong Kong Chinese have cultural differences that separate them from one another but, at the same time, they share some core values as a result of their mutual life in Hong Kong (Lau & Kuan 1988; Selmer 1999; Tsang 2007). These values are the respect of human rights, the emphasis on the rule of law, freedom of speech and of movement, the limitation of governmental power, the rejection of corruption, and a free economy (Lau & Kuan 1988). In addition to the mutual acceptance of these values, the two communities are connected by a common bond in the form of their pride in the economic success of their city as well as their common popular culture (Jenkins 1982). The latter represents a combination of the traditional Chinese culture with influences from foreign cultures, particularly those of Britain, USA and Japan (Tsang, 2007). At the same time, the identification with the Hong Kong identity did not mean that locals no longer felt Chinese. As emphasized by literature on transculturality, cultural identity is not exclusively bound to a nationality or territory but is rather a complex mesh of various influences from different cultures (Drechsel et al. 2000; Fischer & Wieland 2016; Welsch 1999). Hong Kong Chinese are described as having a "dual sense of identity – feeling both a Hong Kong person and a Chinese person at the same time" (Tsang 2007: 195). Being Chinese means to belong to *Cultural China.* Hence it is a cultural and ethnical affiliation and not the national belonging to the People's Republic of China (Tu 1991). Hereby, *China* is understood as the mythical China and the respective ideology and beliefs do not belong to a confined territory (Faure 1997 as cited in

Tsang). The notion of "Chineseness", the persistent and continuous adherence to traditional Chinese values, has been used by scholars in reference to Hong Kong's society despite the impact of Western values, free-market capitalism and globalization (Carroll 2006; Chan 2007; Selmer 1999; Selmer & De Leon 2003). Hong Kong's society, like other Chinese societies, is strongly influenced by Buddhism, Taoism and, above all, Confucianism (Selmer & De Leon 2003). Confucianism "emphasizes that one's conduct should always be within the norms of propriety (*Li*) and in conformity to a rigid hierarchy of social relations (*Wu-Lun*)" (Selmer & De Leon 2003: 52). The core virtues of Confucianism are "loyalty, filial piety, faithfulness, caring and sincerity" (ibid.). Another essential element in Hong Kong's culture is harmony. In all social relationships, unanimity is aspired to while conflicts are avoided. Besides harmony, the concept of *face* plays a significant role in ethnic Chinese societies including Hong Kong. Social behavior is guided by the principles of giving, protecting and gaining *face* (Selmer & De Leon, 2003). Scholars further describe authority, hierarchies and entrepreneurship as determinant forces in Hong Kong's society (Chan 2007; Lau & Kuan 1988; Selmer & De Leon 2003). All these cultural characteristics have impacted not only Hong Kong's societal life but also its business culture.

Although Western management and leadership styles have influenced Hong Kong's organizations, Chinese business practices have not been replaced (Redding 1990; Whitley 1992). The cultural values of Hong Kong's society described above have several implications for its business culture. First, harmonious social relationships are essential in all economic transactions. Such relationships reinforce the moral obligation of the involved business partners and help to secure sales, supplies or financial security. Local companies make active efforts to form and maintain social relationships within and outside the organization thus building interlinked business networks (Chan 2016). These networks of business relationships are referred to as *guanxi* and depend on the reciprocal trust of the participating individual and collective agents, which is developed over time (Selmer 1999; Selmer & De Leon 2003). *Guanxi* is a non-formal network and is characterized by "social rules of favors and their return, reciprocity and mutual obligation" (Selmer & De Leon 2003: 55). Those relationships are not only built upon business interactions but also social activities outside work (Chan 2016). Organisational structures of Hong Kong companies are described as having simple, hierarchical, centralized

organisational structures and autocratic leadership styles (Redding 1990). The chief executive's role resembles the role of a traditional Chinese family head who takes on responsibility and any major decision-making. Thus, the employees have only limited autonomy in the organization and are led by direct face-to-face supervision (Selmer & De Leon 2003). Furthermore, in his large-scale empirical study, Hofstede (2001) has categorized Hong Kong's culture as contextual, which means that any behavior is interpreted by referring to the actual situation it occurs in. Social or business occurrences in Hong Kong are hence not evaluated by using universalistic principles but analyzed in reference to their specific context (Hofstede 2001). Similarly, Trompenaars and Hampden-Turner (1997) conclude that Hong Kong's business culture is characterized by particularism, which has led to a strong orientation towards pragmatism. This pragmatism in business has fostered openness towards, and flexible adaptation of, different management practices, working methods and trade systems from around the world, particularly from the West (Selmer & De Leon 2003). Hong Kong's business culture, similar to its people's identity, hence, encompasses both Chinese and Western elements.

4. Case Study Analysis: Transcultural Management in Hong Kong

4.1 Hypotheses about Transcultural Management in Hong Kong

The analysis from the above section demonstrates that Hong Kong has a fluid, borderless and multi-layered culture (Carroll 2006) that was formed by "a process of incessant hybridization" (Chan 2007: 383). Throughout Hong Kong's modern history, Chinese and Western communities shared social, cultural and economic experiences. They developed symbiotic economic relationships based on the shared purpose of achieving a mutual gain that helped to leverage economic progress in Hong Kong. The foregoing considerations lead to the following theoretical deduction for transcultural management in Hong Kong on the individual and on the organisational level:

1. The region of Hong Kong shows potential transcultural aspects on the *individual or micro level*. Hong Kong Chinese have been influenced by Chinese and Western culture and fuse some cultural aspects

of both spheres inside their mixed, cultural identity. Hence, the *hypothesis* deducted from the theoretical case analysis is that Hong Kong Chinese have an in-depth understanding of both Western and Chinese cultures. Beyond a pure understanding, they also have the ability to reconcile different cultural perspectives as a result of their constant exposure to both cultures in their private, educational and professional lives. Social interactions with these groups in the form of settled conflicts and shared success stories are part of the transcultural learning process undergone by Hong Kong individuals. These transcultural experiences equip Hong Kong managers with transcultural competencies that allow them to cooperate effectively with other cultures in economic, multicultural situations. Precisely those competencies enable them to establish common ground between distinct cultural players in a specific economic transaction.

2. On a *macro* or *organisational* level, Hong Kong's transcultural aspects suggest the *hypothesis* that corporations operating in Hong Kong have developed transcultural capacities facilitating communication and cooperation between different cultural business agents. Companies in Hong Kong are faced with cultural diversity inside and outside the organization. Intra-organizationally, it is primarily employees with diverse cultural backgrounds that need to develop a common understanding of the corporate values and goals as well as their local practical implementation. Inter-organizationally, beyond the company's own organisational boundaries, companies in Hong Kong are embedded in a multicultural business landscape shaped by global corporations with their regional headquarters situated in Hong Kong. Further, corporations in Hong Kong are often established to serve customers or work with suppliers in the whole of the Asia Pacific region and, thus, also manage cross-cultural business situations on a daily basis outside Hong Kong. Corporate organizations, managers and employees have thus had to find ways to transcend any cultural differences to execute transactions effectively in this multicultural setting. This way, companies undergo an organisational learning process from recurrent intercultural transactions that require the involved agents to search for, or create, commonalities that overarch distinct business perspectives or practices. These commonalities are the basis for long-term transcultural business relationships.

3. Finally, cooperation in Hong Kong is facilitated by organisational governance structures which further advance the effective execution of transactions involving multiple cultures. These governance structures result from organisational experiences in inter- and multicultural interactions and represent the institutionalization of achieved learning effects. They provide organisational members with formal guidance such as codified standards, processes and procedures and/or with informal guidance such as corporate values and culture, which help to deal with cultural diversity.

The preliminary hypotheses presented above were the foundation for an empirical qualitative study that analyses transactions of multinational corporations in Hong Kong, involving multiple cultures, to target the question of how transcultural cooperation is achieved. For this purpose, a total of seven managers (see Table 1) in leadership positions in multinational corporations of the Hong Kong regional headquarters or office were interviewed. Their formal role was at least senior management level in the corporation. Furthermore, especially in the case of expatriates, the managers had a substantial amount of managerial experience in the region of Hong Kong, having had a managerial position there for at least two years.

Table 1: Overview of Participating Interview Partners

Multinational corporation	Industry	Manager's nationality	Managerial experience in Hong Kong
Company A	Investment Banking	German	5 years
Company B	Human Resource Services	British	10 years
Company C	Consultancy	British	7 years
Company D	Information Technology & Services	Hong Kong Chinese	25 years
Company E	Aviation	German	6 years
Company F	Electronic Components	Hong Kong Chinese	10 years
Company G	Shipping	United States American	3 years

Source: Own representation.

By analyzing concrete business transactions and relationships as well as situational dilemmas provided in the interviews, the results illustrate a) how cooperation is achieved in a multicultural business environment. Finally, the results highlight which b) competencies contribute to effective cooperation in intercultural und multicultural business contexts.

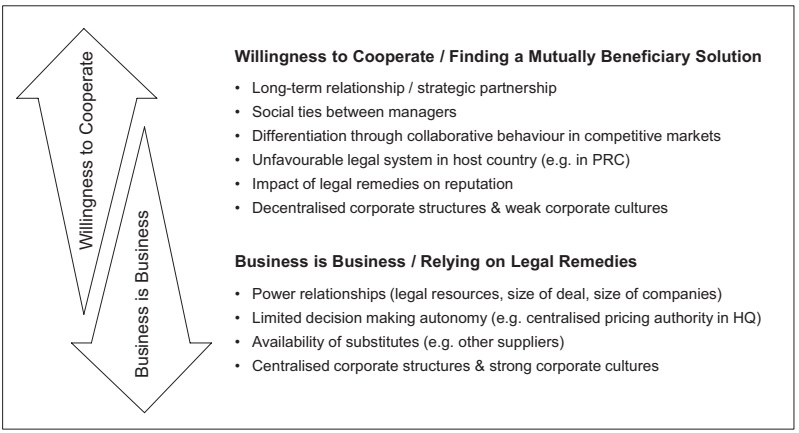
4.2 Results of the Qualitative Study

a) Cooperation in Hong Kong's Multicultural Environment

MNCs in Hong Kong conduct business transactions with stakeholders from various cultural backgrounds on a daily basis. Thereby, their *willingness to cooperate*, particularly in conflict situations, is generally not influenced or determined by the business partner's national culture. Rather, companies evaluate, on the one hand, hard factors such as the availability of alternatives, the legal system and the strategic importance of the stakeholder and, on the other hand, soft factors such as the duration of the relationship and personal ties between managers. Additionally, centralized corporate structures and strong corporate cultures, which might limit the decision authority in regional offices, foster the reliance on legal remedies in conflict situations by following the approach "business is business". Decentralized corporate structures and weak corporate cultures rather promote local offices to cooperate and to find a mutually beneficial solution in the critical business situation in question. An overview of the driving factors for cooperation in critical situations is found in Figure 1.

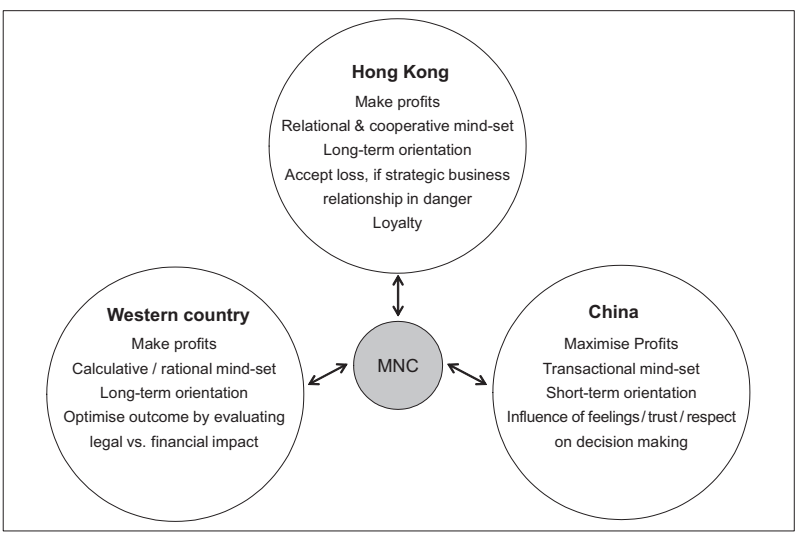
According to managers' experience, there are culturally different understandings of cooperation and business relationships, which depend on the cultural background of the partner in question. This allows for a further differentiation of business cultures by examining the motivation to cooperate, expected cooperation outcomes as well as the time orientation. For the case of Hong Kong, MNC managers mainly differentiate between the Hong Kong, Western and Chinese perspectives on cooperation (see Figure 2). Hong Kong businesses, for example, are profit-driven within their cooperation perspective but, at the same time, aim for long-term, loyal business relationships. Their approach to cooperation is somewhere in between the Western and Chinese perspective on business cooperation. Western companies are also oriented to the long-term but calculate the fi-

Figure 1: Cooperation vs. Self-interest: Different Factors for and Against Cooperation in Multicultural Conflict Situations



Source: Own representation.

Figure 2: Hong Kong as a Mix of Western and Chinese Perspectives on Cooperation

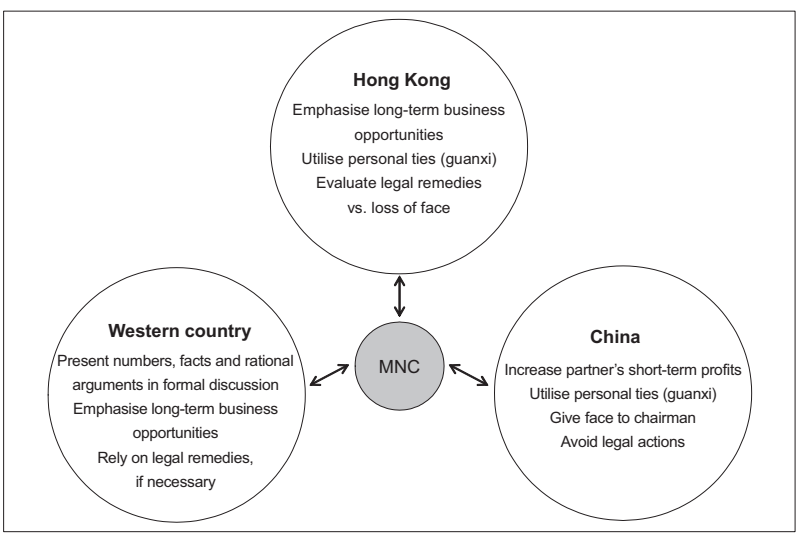


Source: Own representation.

nancial impact against the benefits derived from a specific business relationship for individual cases. Finally, Chinese companies have a transactional mind-set and rather attempt to optimize short-term profits.

In order to effectively manage conflict situations, MNCs modify their problem-solving approach in critical situations depending on the cultural context of the stakeholder (see Figure 3). For the case of Hong Kong companies, an MNC would stress the long-term business opportunities resulting from the partnership and the long-term damage for the relationship if the conflict remained unresolved. Managers make use of personal networks and private ties with the managers of the foreign stakeholder. Informal face-to-face meetings such as lunches and dinners serve as an important medium for problem solving. For Chinese corporations, the relationship aspect plays a critical role as well. Giving face to the Chinese chairman, for example, with the involvement of the MNC's CEO as well as informal face-to-face communication, are contributing factors for conflict management. At the same time, mostly short-term financial incentives seal the conflict resolution in this process.

Figure 3: MNC's Problem Solving Approaches in Different Cultural Contexts



Source: Own representation.

Cultural differences are a key consideration in the cooperation process. Managers emphasize cultural differences in business transactions particularly with regard to communication styles, negotiation practices, decision-making processes and importance of social relationships in business. For the case of communication, for example, managers distinguish, on the one hand, between how formal or informal, direct or indirect the communication can be as well as, on the other hand, which communication medium is used depending on the cultural context. As with different communication processes, they differentiate between decision-making chains, which can be democratic or centralized. Chinese-owned corporations, for example, often demonstrate the latter. Specific working practices, such as the notorious negotiating practices, or the importance of the establishment of personal relationships between cooperation partners in Chinese companies are another example for the salience of cultural differences.

That being said, effective cooperation, in the case of MNCs in Hong Kong, goes beyond mere awareness and understanding of cultural differences in working practices with different stakeholders. Based on the practical examples provided by managers, the following four aspects can be deducted, which contribute to successful execution of inter- or multicultural transactions: 1) situational or specific understanding of culture, 2) recognition of cooperation as a (learning) process, 3) building of long-term business relationships and 4) use of connectors in multicultural environments.

Situational or specific understanding of culture

1. *Situational or specific understanding of culture*
   Business partners from the same national culture vary strongly in their international experience, professionalism and approach to business cooperation. It is important not to generalize any partner's behavior based on cultural knowledge about his/her national culture. Thus, an understanding of the specific corporate culture and the specific individual culture of the foreign manager needs to be developed by active communication and other information gathering processes. This understanding surpasses superficial or visible aspects such as communication style or business customs, and further asks for the needs, motivation and pressures of the other corporation or manager.

2. *Recognition of cooperation as a (learning) process*
   Business transactions, particularly in MNCs, involve various organisational departments and different managerial levels at the same time. Communication, negotiation and actual execution, hence, take place at multiple organisational levels simultaneously. Consequently, cultural awareness, cultural understanding and the capability to adapt or modify flexibly one's own behavior is required not only from senior or top managers but also from multiple members of the organization involved in the transaction. Further, organisational members on both sides learn from each transaction that has been executed successfully. Thus, they develop a better understanding of the cooperation partner, their working practices and values. The learning effects lead to more effective cooperation in the future as they can be used to facilitate or fast-track processes and further help to develop greater persistence capacity for difficult intercultural business situations.

3. *Building of long-term business relationships*
   At the beginning of a business relationship, the business partners need to become acquainted with each other personally, because ultimately people, not companies, interact with each other. If the cooperation partners have distinct cultural backgrounds, their mutual acquaintance represents the foundation for the development of a robust business relationship and may be established during informal conversations, lunches, dinners or other private gatherings, which depend on the cultural context and their organization's compliance rules. Thereby, relationships between culturally distinct individuals are rooted in mutual respect and positive acceptance of each other's cultural perspectives and understandings. Further, shared business experiences from previously conducted transactions help to enhance the foundation of the initial relationship and to allow for more target-oriented, future transactions. A central element in long-term business relationships is the building of mutual trust, which acts as a bond between the organizations and reduces cooperation risk and uncertainty.

4. *Use of connectors*
   Cooperation in a multicultural setting can be facilitated by so-called "connectors". Connectors are persons who have an in-depth understanding of both national and organisational cultures as well as the requisite language skills. These criteria can apply to someone who

has lived, worked or studied in the country in question for a significant period of time or has a mixed cultural background. This way he or she can connect the distinct cultural approaches in a mediation process, by leading the negotiations and translating them into the respective corporate language. The person can be a member of either of the organizations or an external intermediary. By having a connector in the cooperation process, companies benefit their capability for relationing distinct perspectives.

Whilst these four aspects of cooperation have been identified based on the managerial practice in inter- or multicultural business environment in Hong Kong, their institutionalization on the organisational level in form of governance structures is still in its infancy. Although managers in MNCs show high contextual awareness of and sensitivity to cultural differences and the perception of cooperation as an ongoing learning process involving both parties, any organisational manifestations of these insights remain insufficient. Some of the MNCs provide intercultural coaching, intercultural training material or informal internal guidance by other colleagues to acquire cultural knowledge. Usually, however, members of the organization have to rely on their own intercultural experience. Further, the selected MNCs also lack intra-organisational governance structures to manage cultural diversity. Managers stress the importance of cultural diversity in teams, which helps to deal with the external diversity of stakeholders. However, all but one company did not explicitly mention *diversity management* as being formally codified and implemented in their company. In the case of this company's diversity management, the implementation relies on the recruitment of diverse team members and the promotion of diversity as a corporate value. As for *corporate culture management*, MNCs with a centralized, strong corporate culture pointed out that sharing the same organisational values facilitates internal cooperation between team members, as explained by the manager below:

"So it is really diverse when you have all these different people coming from different places but we still speak the same, we kind of still have the same binding culture because we are, you know, because we believe in the core values of the organisation" (Company G, Shipping, American Manager).

In this regard, corporate culture acts as a common thread between members of the organization. Despite different cultural perspectives, they have a common ground provided by the corporate values.

b) Managerial Competencies for Effective Cooperation in Multicultural Contexts

To cooperate effectively in a multicultural business context, managers need to develop competencies and abilities which facilitate the management of cross-cultural transactions, help to resolve potential conflicts and foster potential synergies. Table 2 summarizes the cognitive, affective and behavioral competencies emphasized by managers as a result of their business experience in multicultural contexts.

Table 2: Required Competencies in Inter- or Multicultural Transactions

Cognitive Dimension	*Open-mindedness* Be open and receptive to other's ideas and perspectives and demonstrate a readiness to learn from them. Have a mind-set which allows you to understand that your own approach is not the best way to handle things.
	Cultural Knowledge Actively learn about cultural differences. Go beyond superficial/visible differences such as business practices and gather information about people's needs and the motivation behind their behavior.
	Cultural Understanding Understand different cultural perspectives beyond national cultures. Acknowledge culture as open and dynamic. Understand that there are differences between individuals of the same culture depending on, e.g., their educational background and international experience.
	Awareness/Mindfulness Be aware/conscious of cultural differences without generalizing based on nationalities.
	Acceptance Demonstrate ability to accept understandings or behavior that is different from your own. Recognize that there is not just one best way to proceed and that successful practices in your own culture may not apply somewhere else.
	Respectfulness Be respectful to others and to their different perspectives and points of view.

Affective Dimension	*Empathy* The capacity to take on other's perspectives and to recognize people's needs and moods whilst responding to them in a culturally appropriate way.
	Appreciation Appraise the distinct cultural ways of others.
	Emotional Intelligence Be open for the reception of emotional information. Actively recognize and empathies with other's emotions.
	Sensitivity Be sensitive in inter- or multi-cultural contexts to other's perspectives/behavior as well as your own perspectives/behavior to eliminate any discrimination.
	Authenticity Be authentic in different or unfamiliar cultural situations.
	Emotional Tranquillity Be able to remain calm in situations of emotional distress.
	Patience Demonstrate patience if people or processes require more time or proceed differently than you are used to.
Behavioral Dimension	*Adaptation/Flexibility* Be able to adapt flexibly to different cultural situations by modifying your behavior in a culturally appropriate manner. Examples entail the adaptation of communication and management styles, business customs or working practices.
	Listening Skills Ability to listen actively to people and understand the actual meaning behind words.
	Communication Skills Ability to communicate effectively, which includes altering communication style and medium.
	Ability to Compromise Be able to compromise and step back from your own agenda, if necessary, to achieve a mutually beneficial outcome.
	Ability to Perceive & Communicate Commonalities Be able to mediate between different people and relate different perspectives. Pro-actively perceive commonalities between different cultures and/or bring different approaches together. Be able to communicate effectively the commonalities to make different parties realize the common thread between them. Be able to unite and manage people around a common goal.
	Language Skills Acquire language skills to show interest and respect.

Source: Own representation.

Importantly, the necessary managerial competencies are not based on simple awareness and passive toleration of general cultural differences. Rather, managers are required to actively understand the situational cultural context of a specific transaction by means of empathy, sensitivity as well as listening and communication. Thus, on the one side, managers need to be able to adapt flexibly to the situation in question in a culturally appropriate manner. In so doing, they appropriate the other's cultural perspective to a certain extent. On the other side, they have to be able to perceive and communicate the commonalities between the different parties:

> "So, I think, stripping that back, being able to listen to get the commonalities and having the confidence or the proactivity to try and get those commonalities heard and together, is what is really, really important. And that, if we're talking about culture, is I think one of the most important things. Because I think it is extremely rare, whether it is people or nationalities or cultures, that you can't find any common thread to what people are saying or doing in a situation. That's very, very rare" (Company B, HR Services, British Manager).

Thus, bringing different perspectives together under a common goal or common perspective and working around this commonality is the basis for long-term business relationships and effective cooperation ensuring mutual benefit.

5. *Discussion*

The main results of the empirical study with MNCs show that managers in Hong Kong, no matter what their cultural background, recognize that culture is not bound to national states. They stress that the cultural lens of their business partners is rather influenced by the industry's culture and customs, the organisational culture as well as their own individual culture. International exposure to and practical experience with other cultures are important factors that form culturally different stakeholders meaning that generalizations based on nationality can be misleading. This open and dynamic perspective on culture and the realization that economic transactions are embedded in a *network of diversity* of national, professional, organisational and individual cultures (Wieland 2010, 2016; Wieland &

Baumann Montecinos 2018, 2019) are indicators for a transcultural approach for cooperation in the case of MNCs in Hong Kong. Thereby, Hong Kong individuals in particular rely on knowledge and social involvement in Chinese and Western cultures, which can be referred to as aspects of *inner-transculturality,* enabling them to adapt flexibly to different cultural contexts. That is why Hong Kong members of organizations can act as cultural connectors in multicultural cooperation by translating the distinct cultural approaches to the cooperation side and thereby bridging different perspectives. Comparable to the notion of a cultural hybrid (Welsch 1999) and the Marginal Man (Park 1928), Hong Kong Chinese leverage transcultural aspects of their personal cultural identity to deal with external diversity and ambiguity. Consequently, they have certain *transcultural capabilities* which are highly useful to MNCs.

On the organisational level, cooperation across cultures in Hong Kong is still marked by the salience of cultural differences. The awareness and understanding of different outlooks on cooperation goals, distinct communication styles, negotiation practices and decision-making processes take on a central role in the cooperation and conflict resolution process. MNCs adapt their proposed solutions and communication processes based on the cultural background of the stakeholder. This emphasis on cultural differences in multicultural situations is not the focal point of transcultural but rather *intercultural management* (Wieland 2010, 2016). At the same time, while intercultural management generally relies on national models and cultural dimensions as guidance for management of cross-cultural transactions (Venaik & Brewer 2016), MNCs in Hong Kong focus on the pro-active understanding of the concrete cultural perspective of the foreign organization and its members. Hence, the understanding and appropriation of cultural differences to achieve cooperation is contextual for the specific transaction – a view that resembles transcultural understanding.

Furthermore, companies operating in Hong Kong take on a process-oriented approach to cooperation across cultures. Each collaborative action with a foreign stakeholder provides the MNC and its business partner with situational cultural learning opportunities, which lead to a better understanding of the organisational and individual behavior. This *learning process* resulting from repetitive collaboration or successful problem-solving facilitates future cooperation and helps to develop greater persistence capacity for intercultural conflict situations. Transculturality, simi-

larly, emphasizes the learning process from discursive interaction of diverse cultures. However, while transculturality as a concept stresses cultural commonality as the result of the social learning process, MNCs in Hong Kong underline in-depth understanding and adaptation to cultural differences and the development of mutual trust as its outcomes. The development of shared organisational business practices in terms of communication, negotiation or decision-making as well as the creation of shared values across organizations are not part of business reality of the MNCs examined. Still, with respect to commonalities, MNC managers stress the importance of individual competency when it comes to perceiving common perspectives and communicating them to the other party within multicultural transactions. Finding common ground by emphasizing overlaps instead of differences in business situations is an essential managerial capability. Uniting different parties around a common goal for the concrete transaction helps to leverage the potential of cultural diversity inside and outside the organization. Hence, managerial *transcultural competencies* are an important factor contributing to the achievement of cooperation between different cultures in Hong Kong.

Manifestations of those transcultural capabilities on the organisational level are insufficient for the case of the MNCs analyzed. Companies lack the adaptive governance structures that guide organisational behavior in multicultural contexts thus ensuring the continuous effective execution of transactions (Wieland 2016). Transcultural considerations are not incorporated in strategic and/or diversity management as proposed by the transcultural management approach. As for corporate culture management, companies with centralized, strong corporate cultures have underlined that shared corporate values establish common ground for organisational members and thus facilitate intra-organisational cooperation. Whether strong corporate cultures promote or hinder the inter-organisational transcultural cooperation process needs further examination and cannot be deducted from the cases at hand.

Transcultural economic cooperation in Hong Kong, as it is embedded in a complex network of diverse individual and collective cultural agents, relies on multiple cultural approaches at the same time to ensure successful cooperation. Understanding cultural differences via the acquisition of cultural knowledge, openness as well as willingness and the ability to adapt to different cultural contexts is one aspect of transaction management in Hong Kong. Companies regard cooperation as a continuous

learning process which originates from intercultural interactions and shared business experiences. Simultaneously, managers also make use of the perspective of cultural commonness and interconnection to relate to other's differences during a particular business transaction by, e.g., emphasizing the common goal. As such, cooperation in Hong Kong is characterized neither solely by transcultural nor intercultural management. Rather, it incorporates aspects of interculturalism and transculturalism as shown above. Thus, corporations in multicultural environments need to be flexible and rely on a comprehensive and integrative cultural management approach for *the specific transaction* and *the situational cultural context*.

6. Conclusion

Emergent theories on transculturality as well as transcultural management challenge the paradigm of static, homogenous cultures and the focus on cultural differences in intercultural encounters. Transculturality paves the way for a new understanding of culture as a dynamic and open process and therefore shifts the focal point of intercultural interactions from differences to commonalities. Because business corporations in globalized economies cross national borders in the process of creating economic value, they rely on cooperation with stakeholders with various cultural backgrounds. Further, corporate organizations also face an increased cultural diversity within their own organisational boundaries, when, for example, managing employees, subsidiaries, joint ventures and international headquarters. Transcultural management as an active and practice-oriented approach thus provides companies with the opportunity to manage transactions involving multiple cultures by developing competencies that help to seek and create cultural commonalities. These transcultural commonalities build the foundation for successful local or global cooperation which, in turn, is indispensable for survival in the competitive globalized business world.

The business case of Hong Kong represents an excellent illustration of how economic cooperation is achieved in a multicultural context. Specifically, it allows one to examine how organizations and their members proceed in transactions and situations of business conflict when different national and organisational cultures are involved. Companies in Hong

Kong, on the one hand, rely on aspects of intercultural management by emphasizing contextual understanding of the cultural differences of their cooperation partners and an adaptation of individual and organisational behavior in a culturally appropriate manner. On the other hand, they perceive cooperation as a process that requires both partners to adjust their cultural perspectives and learn from their shared practical experience. This transcultural learning creates the common ground for long-term business relationships and mutual trust. Transcultural management is, thus, also incorporated in cooperation management in Hong Kong. Embedded in complex networks of diversity, corporations need to be flexible and use transcultural and intercultural approaches integratively depending on *the specific transaction* and *situational cultural context.*

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Corporate Transnationalism, Identity Politics and Career Mobility: A Case Study of Hong Kong Chinese Female Bankers

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Abstract

Women are emerging as significant players in international financial industries which tend to be concentrated in metropolitan cities functioning as national and international business hubs. Although recently, mid-level management teams in the banking industry are being quickly feminized, the glass ceiling is real and having an, often invisible, impact. This case study of Chinese female bankers in Hong Kong, where one finds the highest concentration of banking institutions in the world, attempts to unravel the reality that Chinese female bankers' upward mobility is often blocked by informal barriers embedded in the invisible force of transnational consortia. This chapter will argue that Chinese female bankers in Hong Kong play a key role in building and maintaining dynamic and transductive relationships among the interlocking networks of financial and business services providers. The transnational family-life project of female bankers is a grudging, forced choice, in an attempt to succeed in corporate transnationalism. This chapter also argues that the identity of being a "non-communist Hongkonger" has emerged as an invisible barrier for Chinese female bankers working in state-owned Chinese banks. The lack of trust on the part of the "Beijing boss" towards local Hong Kong bankers reflects the politics of ethnicity and place of origin. This deep and far-reaching effect is beyond the control of individuals and calls on

us to develop a multi-dimensional understanding of transnationalism in a post-colonial city like Hong Kong.

1. Introduction

Women professionals are increasingly attracted to fast-growing cosmopolitan economies and are quickly becoming important players in international financial industries. Studying the experiences of women professionals working in the banking sector of world cities is important because it will enable us to better understand the emerging global phenomenon of the feminization of mid-level management teams in service industries. Hong Kong has one of the highest concentrations of banking institutions in the world. In 2012, Hong Kong was ranked first among the world's 60 leading financial systems and capital markets in the World Economic Forum's Financial Development Report (World Economic Forum 2012). Not much research has been done on banks in Hong Kong (Fung 2002; Zhen & Ho 2012) compared to the existing scholarly literature on banking in other financial centers (Pi & Timme 1993; Beaverstock 1996, 2002, 2014; Berger & Mester 1997; Fogelberg & Griffith 2000; Bartel 2000), and even less research has been done on banks in Hong Kong from a social and cultural perspective.

This chapter focuses on Chinese female bankers in Hong Kong – a subject which has yet to receive substantial attention in international literature. It aims to examine 1) how the life trajectories of women bankers reflect an emerging trans-local path among women professionals in urban service industries; and 2) how the locality of a bank lays the groundwork for work experience and the career opportunities for Chinese female bankers in Hong Kong.

2. Globalized Economic Space, Transnationalism and Translocality

The mobility of capital causes globalization of markets in services for industry, commerce and finance (Featherstone 1990). The rapid increase in the cross-border movement of social resources such as goods, services, technology and capital has further consolidated the interdependence of national economies (Joshi 2009). Mobile life has become a dominant

characteristic of urban professionals. There are increasing numbers of migrants who are able to live 'dual lives' through creating 'dense networks across political borders' in their quest for economic advancement and social recognition (Portes 1997: 812). "Transnationalism" as a conceptual idea involves the social interaction and connection associated with frequent cross-border activities among mobile migrants. Further, the ideas of 'transnationalism from above' and 'transnationalism from below' generate both utopian and dystopian views of globalization. 'Transnationalism from above' refers to 'transnationalism of the multinational corporate sector, finance capital, of global media, and other elite-controlled macrostructural processes' while 'transnationalism from below' is 'the sum of the counterhegemonic operation of the non-elite who refuse assimilation to one given national-state', 'a resistant site' (Mahler 1998, cited in Lionnet & Shih 2005).

Insights gained from the study of transnationalism have led to growing concerns about the need for learning more about local context, internal migration (Trager 2005), global-to-local relations and local-to-local interactions (Guarnizo & Smith 1998; Núñez-Madrazo 2007; Smith 2001), and the expansion of analytical focus beyond the limits of the nation-state (Oakes & Schein 2006). The new conceptual idea of translocality has been developed to describe the phenomena involving mobility, migration, circulation and spatial interconnectedness that are not limited to national boundaries. It studies 'complex social-spatial interactions in a holistic, actor-oriented and multi-dimensional understanding', and 'integrate[s] notions of fluidity and discontinuity associated with mobility, movements and flows on the one hand with notions of fixity, groundedness and situatedness in particular settings on the other' (Greiner & Sakdapolrak 2013: 376).

The sociological concepts of 'transnationalism and translocality' apply to an increasing number of urban professionals in general and, particularly, to the women professionals working in international banks whom I interviewed during this research. This chapter applies these concepts to conceptualize the complexity of multiple interlocking networks involving both work and social relationships and to explore the spatial interconnectedness of work and challenges and coping strategies of women professionals working in the financial industry in Hong Kong.

3. Methodology

This chapter on Hong Kong is part of my larger comparative cross-national study on Chinese female bankers in Australia, Hong Kong and mainland China. In my study, a 'Chinese female banker' refers to a Chinese woman who has worked in a bank for at least three years in at least a middle management position, such as a head of department, a customer officer, a branch manager, a general manager or a director.

My interview respondents were found though personal contacts, interviewee referrals, banking associations, community organizations in Hong Kong, and Human Resource Departments in several commercial banks. Using an open-ended interview schedule, in-depth interviews were conducted in 2013 and 2014 with a total of 50 respondents in Australia, Hong Kong and mainland China. Seventeen respondents were Chinese female bankers in Hong Kong, a special administrative region of China. Most of the interviews in Hong Kong lasted between one and half hours and three hours and were conducted in Cantonese and English. To facilitate the analysis, all interviews were recorded and transcribed verbatim. The entire set of interview transcripts was then organized and coded to identify the themes, patterns and insights which emerged.

Table 1 summarizes the background information of my Hong Kong respondents:

Table 1: Information on Respondents' Backgrounds (sorted by interview days)

Case No.	Job Title	Years in Banking	Age Group (as at 2013)	Education
1	Vice President (Operations)	10	30-35	Masters Degree
2	Customer Service Manager	17	36-40	High School Certificate
3	Customer Service Manager	15	36-40	Bachelor Degree
4	Premier Relationship Manager	5	30-35	Bachelor Degree
5	Head of Capital Introductions (Asia)	12	30-35	Masters Degree
6	Director/Head of Relationship Management (Asia Pacific)	17	40-45	Bachelor Degree
7	Senior Branch Manager	17	40-55	Masters Degree

8	Managing Director	18	40-45	Masters Degree
9	Branch Head	20	45-50	Masters Degree
10	Director, Client Relationship Management (Private Banking)	25	45-50	Diploma
11	Vice President (Alternatives and Real Assets)	7	30-35	Bachelor Degree
12	Manager (Change Delivery)	13	40-45	Bachelor Degree
13	Senior Relationship Manager (Consumer Banking)	20	40-45	Masters Degree
14	Vice President (Hong Kong Team)	35	50-55	High School Certificate
15	Vice President	27	50-55	Masters Degree
16	Senior Associate	7	30-35	Masters Degree
17	Associate	15	35-40	High School Certificate

Source: Own representation.

The majority of my respondents in Hong Kong were managers or heads of department with some in higher positions including managing directors, vice presidents, or senior branch heads. Fourteen out of 17 respondents (approx. 82%) had been working in the banking industry for more than 10 years. The longest period of working in banks was 35 years. Most of the Hong Kong respondents were in their 30s or 40s. Regarding their level of education, about half (47%) held a Masters degree.

4. Biographical Profile: A Day in the Life of a Female Banker in Hong Kong

Case analyses of female bankers in Hong Kong provide insights into the situation of female bankers working in the intersectional region of a capitalist-oriented market economy and a Chinese culture dominated society in a stage of transition from being a British colony. The case study examines themes, patterns and insights embedded in the career paths of Chinese female bankers. Before embarking on a detailed analysis of the interview contents, I first present a portrait of a Vice-President of the Operations Department of a global investment bank in Hong Kong, Sally (pseudo-

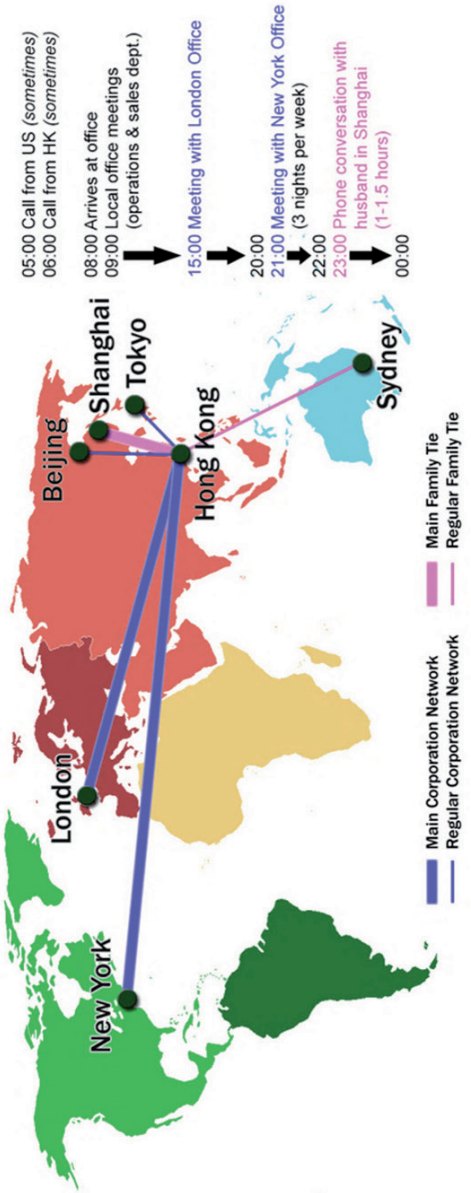
nym). This portrait attempts to give an intimate and detailed picture of a day in the life of a woman professional in Hong Kong, not to generalize a specific pattern for all women working in the banking industry. Nevertheless, it both examines how life trajectories of female professionals reflect an emerging translocal path among contemporary urban elites in financial service industries; and it helps us to re-evaluate both the contribution and the disruption of global connectedness in the work and lives of women professionals working in the finance industry.

Figure 1 shows a typical working day for Sally. Her day begins early, around 5 A.M. Although she arrives at the office about 8 A.M., an hour before her colleagues, she needs to be on stand-by at home in case New York needs to telephone with information concerning her Hong Kong clients. Also, her Hong Kong clients sometimes call her at home at around 6 A.M. Upon arriving at her office, she catches up on what has been happening in the New York office overnight, reading emails and assessing the latest market information that is relevant to her department. Her first scheduled meeting is with her own department at 9 A.M. Her next meeting is with colleagues from the sales and business departments. After lunch, she attends the daily long-distance conference meeting with London, beginning about 3 P.M., 8 A.M. in London, which lasts for four to five hours. Three nights a week at 9 P.M., she holds a long-distance call with New York, which is 12 hours behind. Sally's working day finishes between 10 P.M. and 11 P.M., when she rushes home to call her husband, who works in Shanghai, China, for his family business. They spend an hour to 90 minutes talking to each other.

As a key member of the managerial staff, Sally acted as a node connecting corporate offices in London, Beijing, Tokyo and the head office in New York. A team in New York prepares daily accounts reports for two of Sally's most important clients in Hong Kong, and the project manager and technical team in London provide detailed instructions for her projects. Beijing and Tokyo also have joint projects with Hong Kong. These offices keep in touch mainly by email, long-distance conference calls and face-to-face visits at least once a year.

Like other female bankers in Hong Kong working in global office networks, Sally explains that she has to work longer hours than her colleagues in London and New York. During her long-distance conference meeting with New York, usually late at night in Hong Kong, Sally is already exhausted, having worked for 13 hours. She needs to make a special

Figure 1: Sally's Work and Family Networks and Daily Routine



Source: WP Clip Art 2019.

effort to engage in small talk before getting down to serious business, and to speak loudly and clearly in order to be heard. However, the New York team often have animated discussions among themselves, forgetting that Sally is on the phone.

In addition to long hours, working in the Hong Kong office of an American bank presents real difficulties associated with recognition. The Managing Director of the New York office and his team have gained a deeper knowledge of their colleagues located in the same office and core managerial teams in the United States, and thus give them more recognition. Although the Managing Director visits the Hong Kong office twice a year for one week at a time, it is difficult for members of the Hong Kong team to display their abilities and project their personalities during his short visits.

5. *Dynamic Process of Translocality: Public Work and Private Life*

The vast multinational networks of service firms and the global integration of affiliates construct new patterns of local-global connection and thus, inevitably, affect an individual professional's working pattern, way of life, and everyday experiences. The new pattern of external economic co-operation and competition forces international and local firms to respond and adapt in order to survive in changing global and local milieus.

Sally's life pattern reveals a part of how global offices are interconnected and this globally connected, cross-border business co-operation demands a huge amount of time and energy. The same is true when it comes to maintaining a translocal marriage. Sally feels that living in different cities – she lived in Hong Kong and her husband lived in Shanghai, a key financial city in mainland China which is about three hours flight away from Hong Kong – lessens tension between her and her husband and that their relationship has improved. This unexpected, positive side of living apart is because of deliberate efforts to communicate, albeit by means of cross-territorial communication. However, sometimes the personal calls to her husband are exhausting for Sally, especially after a working day of more than 12 hours and sometimes up to 18 hours. Her husband understands her situation, having worked at the same investment bank before moving to Shanghai. He is sympathetic, often gently reminding her that she is talking to him, not a client, when her responses become

simple and monosyllabic, like 'er … yes … ok …'. Sally, like many other busy professionals, struggles with the concept of 'time bind', the time for work and family are intertwined and blended together (Hochschild 1997).

Sally's daily life is interwoven with both her instrumental corporation's networks and her expressive emotional ties, which cross borders and countries. The corporation's networks include a main network with London and New York and a project-based one with Beijing and Tokyo. The transmission of information and ideas among offices located in different countries or cities strengthens the interconnection of global office networking and so contributes to the success of global co-operation in the fast-moving financial industry. As for emotional ties, the one she shares with her husband in Shanghai is strong. She also maintains family ties with her brother and cousins, who live in Australia, through emails, phone calls and occasional visits. The strong emotional connectedness associated with intensive everyday virtual communication is embedded into her assemblages of international cooperation globally. This dynamic process of translocality is very important for forging and maintaining her marriage bond.

6. Mobile Needed for Trust Building

In the globally connected financial services industry, overseas travel becomes an important part of building transcended connectedness. Using the time-geographic perspective, studies have found that women face a higher level of fixity constraint and they have lower levels of individual access to urban opportunities when compared to men (Kwan 1999, 2000). But in my study, all respondents had one thing in common: they were highly mobile across cities and countries.

I've spent so much time travelling for work. I probably travel once a week to Japan, China, Korea and Australia (Case HK5, Head of Capital Introductions, French bank in Hong Kong).

The region I cover is the Asia-Pacific, including Australia, New Zealand, India, China, Japan, and Korea. About 35 percent of my working time is travelling. I have to travel about 10 days every month. I've been working in this bank for only one year, but I've already been to Singapore 10 times, London twice, Berlin once, Beijing once and I'll go there more often next year. For each trip, I usually spend less than one week

away, normally four days for each trip. But sometimes the trip may be longer. For example, two weeks ago I was in London and Berlin for eight days. Because my husband and I have some very good friends who live in London, I went an extra day early and stayed an extra day after the trip to catch up with different friends. When I go to Singapore, it's usually an overnight trip or for four days, maximum. If I go to Australia, I'll visit Brisbane, Sydney, and Melbourne together – all together three days and then I come back. The flights there work well. It's easy. Fly down on the overnight flight, do three to four days' business, catch an overnight flight back. So, even when I went to New York and London, when I was with my previous investment bank in Sydney – I used to go to New York, probably once or twice a year – I would leave Sydney on Tuesday and get to New York on the same day. I would leave New York on Friday afternoon, then I'll (sic) be back in Sydney on Sunday morning, roughly (Case HK6, Director/Head of Relationship Management, German bank in Hong Kong).

The globalization of finance firms all over the world has parallels with the globalization of human movement. The clients of banks are no longer only located in one particular country but are mobile and translocal persons. The Head of Relationship Management (Asia-Pacific) of a French bank in Hong Kong had clients in Australia, New Zealand, India, China, Japan, Korea and other countries in the Asia-Pacific region. The intensity of market competition is geared toward an increasing demand for more personal business relationships. In business practice, travel to meet clients face-to-face is an important element for building a 'personalized relationship'.

Female professionals in the banking industry and their colleagues are like ancient Chinese couriers travelling from station to station, across different societal borders. By travelling so much they continue to nurture the feeling of trust between banker and client; they weave strong, interlocked networks and contribute to the depth of global connectedness. The complex process of city connectedness is imbued with global, national, regional and local connectivity.

7. *Hierarchical Stratification of Chinese Identity*

Although banking is a results-oriented industry, it is not merely about individual ability; it also involves power struggles that are interwoven with national and ethnic-based politics. Heidrick & Stuggles, a global executive employment agency, reported that among the top 10 international banks, only 30 percent of chief executives in Asian offices were Asian or of Asian origin (*Oriental Daily Malaysia*, 25 August 2013). The senior management and top executive positions in international corporations are still dominated by professionals who share the same race or similar cultural background as the banks' chief executive officer (CEO). My respondents, who have worked in banks with managers from various backgrounds – local Hong Kong, American, British, European, Singaporean and other nationals – indicated that there are racial and ethnic barriers for Hong Kong Chinese female professionals to move up to the top management team. The racial preference in promotion decisions is well documented. However, my study found that that there is also a hierarchical stratification of Chinese identity: In [Chinese] state-owned banks, for sure, the top leader will be a man, a Chinese man. It is impossible for it to be a foreigner, no matter whether they are male or female, to be appointed as our top leader. They will assign a man from Shenzhen or another city in mainland China. They will definitely not promote any Hongkonger to be the top man. All the top leaders are sent from mainland China (Case HK7, Senior Branch Manager, Chinese state-owned bank in Hong Kong).

In Chinese state-owned banks in Hong Kong, Chinese citizens with Communist Party membership have more opportunity to reach the top managerial team. Although the state-owned banks in Hong Kong are registered as independent local companies and are legally separate entities from their parent companies in mainland China, they are still closely related to each other in terms of administration management and cross-border core business activities. Chinese state-owned banks are still heavily reliant on central government-directed business models, which puts their respective political objectives ahead of profit maximization (Subachi et al. 2012: 8). The politics between mainland Chinese and Hong Kong Chinese are invisible but real and block Hong Kong women professionals' upward mobility in Chinese state-owned banks. The colonial historical background is an irreversible history and hidden label for Hong Kong people,

that is, there is a notion that a Hongkonger is another kind of Chinese. For these banks to appoint someone who is a holder of a passport of 'The Government of the Hong Kong Special Administrative Region of the People's Republic of China' to a top managerial position, is viewed as an unnecessary risk. Between Hong Kong and mainland China, this politic of ethnicity and place of origin is always interwoven with gender to create a 'triple jeopardy' for local Chinese women bankers in Hong Kong.

8. Corporate Transnationalism: Exploitation Outflow

The combination of spatial dispersal and global integration of financial services in the world creates new strategic command and control roles for cities (Sassen 1991). My Hong Kong case study reflects a hidden side of corporates' transnational practice – corporations strategically redistribute their human capital away from countries where unions have influential power over negotiations for dismissal. A manager working in one key bank in Hong Kong indicates that:

As a big international group, our bank fired a lot of staff after the financial crisis in 2008 and 2009. What I heard is that the majority of layoffs happened in the Asian markets, the most profitable markets. Then, they transferred some staff from overseas, like the U.K. and U.S.A. Why? Because they have unions! Therefore, they cannot fire a large number of employees there but only a small portion of their staff. Then, they said to the staff they kept: No more position in their mother country, are you willing to shift to branches in Hong Kong or mainland China? (sic.) So, in Hong Kong, mainland China or other places in the Asia-Pacific, they fired as many people as they wanted! The reason is simple: We don't have unions here! This is a system problem. There is no way out. When you are alone, you don't have the power to speak out. If you want to make noise, then you will find no bank in Hong Kong will dare to hire you when they receive a reference letter from your previous bank (Case HK4, Premier Relationship Manager, Foreign-owned bank in Hong Kong).

Pursuit of profit is the ultimate goal for the majority of large corporations operating in multinational locations. On the one hand, the transnational practice of international corporations contributes to the rapid increase in the cross-border movement of social resources and ideas and further consolidates the interdependence of national economies (Joshi

2009). Nevertheless, I argue that, on the other hand, this corporate transnationalism is also a business strategy for managing risk. By transferring staff from countries where employees are protected by strong unions to countries/cities where unionism is weak (most of the cases are in Asia) in a period of economic recession, big international corporations reduce their costs and shift their risk to regions where unions are not yet mature and employees have less statutory protection. The problem of exploitation outflow associated with this global-connected governance is indeed a dark side of corporate transnationalism.

9. Conclusion

Globalizing forces inevitably invade our ways of life, our working patterns, our gender-identity, our everyday experiences, and our private and public lives in encounters with clients, colleagues, friends living around us or even apart from us – a thousand miles away. The portrait of one day in the life of a woman banker in Hong Kong has revealed the importance of women forging nodes of connectedness among cities. The experiences of Chinese women bankers in Hong Kong in this chapter not only reflect the courses of their lives but, more importantly, provides a window to reveal how external forces reluctantly or willingly become internal drivers for "modern men and women" to respond and adapt to meet social expectations in changing global and local milieus.

At the intersection of global capitalism and as one of the foundations on which trust in Chinese society is based, the financial economy requires modern professionals to be mobile for trust building with clients now no longer fixed in one particular place, but also mobile and transnational. Meeting face to face, in person, still plays an important role in building personalized relationships. But there are factors at work that transcend the boundaries of the individual microcosm. The politics of race, ethnicity and place of origin are invisible barriers that have a real impact on the career mobility of Chinese female bankers working in state-owned and foreign-owned banks in Hong Kong.

My study urges us to pay more attention to the invisible tensions between the local and the global. Transnational corporations such as international banks strategically make best use of the gap between different political and economic systems in different countries. Laying off staff is

very difficult in one country but can be easily done in another country. The practice of transnational exploitation is not limited to the financial and banking industry but to other industries associated with cross-border movement. The dark side of transnational practice has remained relatively invisible. More research needs to be conducted to discover the complexity and ambiguity at the crossroads of the world's capitalist, globalizing modernity.

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From Hybridity to Transculturality. The Transcultural Approach as a Promising Process for Hong Kong?

Tobias Grünfelder

1. Introduction

> "Hong Kong people say Hong Kong needs to preserve its uniqueness. I say Hong Kong's uniqueness is in its diversity, its tolerance of difference cultures... China does not want to see Hong Kong in decline. I have full confidence in its future" (Jack Ma).

The fact that Hong Kong as a British colony was handed back to China in July 1997 was not only a dramatic event for the international media, but also a historical event that had a profound impact on Hongkong yan ("Hong Kong people") and their sense of identity. Prince Charles famously said on behalf of Queen Elizabeth II at the British farewell ceremony for the Hong Kong handover on Monday, 30 June 1997 that "Hong Kong has created one of the most successful societies on Earth."

Without any doubt Hong Kong is a unique city with a unique history. More than seven million people live in Hong Kong now and ethnically, Hong Kong mainly consists of Han Chinese who constitute approximately 92% of the population (Population By-census, Summary Results Report: 37).

Hong Kong was governed as a colony and British Dependent Territory of the United Kingdom for 155 years and has been influenced by the rise of China in various ways. Over time the cultural sphere of Hong Kong has often been described with the concept of hybridity and as a place where East meets West. Many headlines and discussions over the last

years concentrated on the so/called "national identity crisis" in Hong Kong. The answer to the question "what is a Hongkonger" is anything but simple.

This is a highly political discussion with notions of national identity that often hinder identification of human commonalities and development of common ground.

This essay will aim to shed light on the national identity crisis, the concept of hybridity, the unique transcultural sphere in Hong Kong and the strength of the transcultural approach to initiate a more practical social learning process in Hong Kong and other places.

2. Hong Kong experiences

In the first paper, I want to reflect on some experience gained during our field research in Hong Kong. Visiting Hong Kong for whatever reason is always an exciting and meaningful experience. As the journalist and author Nury Vittachi described it "You can leave Hong Kong, but it will never leave you" (Vittachi 2006). Looking back to the field trip to Hong Kong in 2018 with our research group, there are several experiences that influenced this essay and reflection on the potential strength of a transcultural learning process for a place like Hong Kong. During the field trip we visited different institutions and organizations and met various people who live and work in Hong Kong. Our research group visited cultural, governmental and economic institutions to experience the diversity of this city.

The flight to Hong Kong was the first place that we experienced its diversity. People from all over the world have connections to Hong Kong. Half of the world's population can be reached in a five-hour flight from Hong Kong airport. During my flight to Hong Kong, I met a businessman from Switzerland, who has travelled to Hong Kong every year over the last 25 years to establish factories in Guangzhou and Shenzhen for different companies. He mentioned the long process of trust building and the learning process for both sides. He commented that "our own language influences our interactions more than we think. A German and Swiss, who speak English in China, are often perceived completely differently. Simply by translating German or Swiss German into English has different nuances and outcomes in business interactions. Some languages are

politer in their daily life and therefore, the translated English will be nicer and politer." He talked about various projects, the rise of China and the unique location of Hong Kong. For him, Hong Kong has always been a gateway to China where East meets West. The conversation made me aware that Hong Kong is a place full of different interests and where many different transactions take place. Looking at these different transactions was one of our research aims. "Transactions have become the meeting place of economics, physics, psychology, ethics, jurisprudence and politics" (Commons 1924: 4). Transactions are the nodes of a complex system. Therefore, the characteristics of these nodes, and how they are connected, determine the performance of the networks (Wieland 2018: 41).

The 2014 Umbrella Movement attracted international attention and generated discussion around the world. Hong Kong is a very interesting network of transactions and as we were told by representatives of a foreign ministry: "For a long time Hong Kong was mainly interesting from an economic point of view, but over the last years it has become very interesting politically. Hong Kong offers an opportunity for China watching."

Our field trip provided many spontaneous conversations with different people and we noted different perceptions about the future of Hong Kong. The influence of China is noticeable and Chinese tourists are present in every shopping mall. Hong Kong became known for its film industry in the mid 1990s and offers a wide range of cultural events and museums. During a vernissage (the opening of an art exhibition) in Hong Kong I remember an art curator claiming that "Hong Kong has 20 more good years to come and then it will be just a big shopping mall." In fact, shopping malls are everywhere, and you can walk from shopping mall to shopping mall. The curator's phrase summarizes the anxiety that Hong Kong is losing its unique culture and identity. Hong Kongers have feared becoming, as a common saying goes, just another Chinese city. That saying is regarded not as pejorative but, rather, as the natural order of things in Beijing. We were often confronted with the concerns that the Hong Kongese identity and culture are under threat in various areas from politics to language and the music and film industries. Other concerns are raised about inequality and the education system in Hong Kong. As Regina Ip – a member of the Executive Council (ExCo) and Legislative Council of Hong Kong (LegCo), as well as the founder and current chairperson of the New People's Party – noted (Regina Ip 2018), "some blame the rising

schisms on the wealth gap, the lack of upward mobility for young people, and the global wave of anti-immigration mania. Few are aware that an ideological war has been quietly tearing Hong Kong apart in the past few decades."

This ideological war was noticeable in our meetings and discussions. Looking back on our field trip, we had a lot of discussions about the rise of Chinese influence and the loss of the Hong Kong culture.

Finally, when expats from Germany, France, Australia or America were being taught about which skills were needed to work and succeed in such an international city, one of them answered: "I am not a big fan of cross-cultural training. It is more about being open-minded and training your ability to listen and not to judge in the first place. This was the key for me to adapt to such a diverse working culture. In Hong Kong I learned to train my active listening ability." Indeed, many cross-cultural training sessions are country focused and only look at one (or a few) cultures, e.g, Chinese, Japanese, Turkish, etc. The training, for example, focuses on etiquette, communication or negotiation traditions and so on. Such cross-cultural training would classify Cantonese people as clever and perhaps even a bit deceitful but nonetheless very good at making money. Of course, these are generalizations and stereotypes. In fact, these stereotypes sometimes prevent one from having an unbiased first interaction.

Imagine Germans travelling to Shanghai with a clear picture of Chinese businesspeople in mind and, in the end, they meet a Chinese businesswoman who studied in America and worked for a long time in Australia. In these kinds of cases, stereotypes can hinder unbiased encounters. By focusing on the differences between cultures, many concepts end up in (national) generalizations and cultural dimensions (e.g. individualism vs collectivism) that are simplifications and generalizations of complex cultural developments. This is supported by the findings of Savanin (2019) namely that managers in Hong Kong, no matter what their cultural background, recognize that culture is not bound to national states.

Prominent concepts that describe the interactions of cultures are interculturality and multiculturality and comparison of these concepts with transculturality have been extensively discussed in previous works (Wieland 2014, 2016; Wieland & Baumann Montecinos 2019).

The transcultural approach offers another way by focusing on cooperation and commonalities and by stressing attitudes such as non-normativ-

ity and respect for every individual with his or her own unique cultural roots (Gilsa 2019).

Overall, the field trip was a perfect opportunity for our research group to conduct interviews, to experience the unique city, to discuss with people from Hong Kong and to start a reflective process that is still going on. In the next part, I will shed light on the unique transcultural sphere in Hong Kong. My estimation is that history and current events mean that the transcultural approach could be helpful to start a social learning process at various levels by taking a more practical perspective.

3. Hong Kong and mixed identities

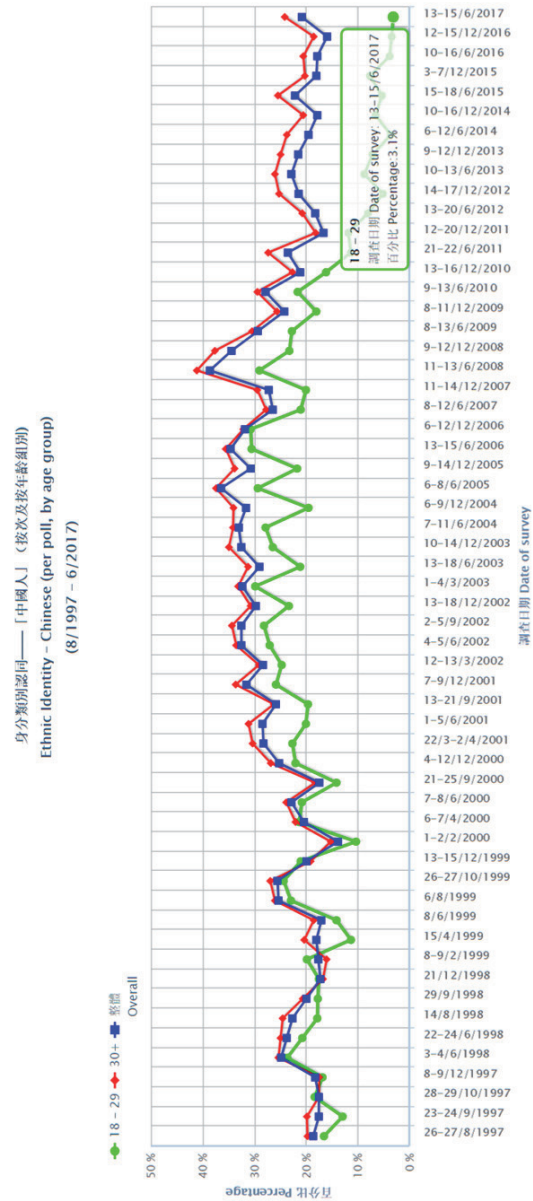
The political commentator Albert Cheng King-hon claims that Hong Kong people have long suffered an identity crisis. It was first noticed in the 1980s when China and Britain were negotiating over the future of Hong Kong (Cheng 2016).

In June 2017, the Hong Kong Free Press stated that the Chief Executive-elect Carrie Lam vowed to tackle pro-independence forces and foster a Chinese identity among toddlers. She also proposed teaching toddlers to identify with being Chinese as an effort to foster a stronger national identity among Hong Kong's future generations (Lam 2017). The Hong Kong Free Press quotes her:

> "We should make Chinese history a compulsory subject for junior high school students to learn about Chinese culture. Outside school, diverse activities or job opportunities can be provided for Hong Kong youth to learn about the country's latest developments. There is no conflict between identifying with Hong Kong and having a concept of belonging to a country." (Lam 2017)

According to a survey conducted by the University of Hong Kong in 2017, the percentage of young people identifying as Chinese has dropped to a new 20-year low (Cheng 2017). In one question, the survey respondents were asked if they were 'Hongkongers', Chinese or a mixed identity of both. In general, 37 per cent identified as 'Hongkongers', 21 per cent said Chinese, whilst 40.2 per cent either answered "Hongkongers in China" or "Chinese in Hong Kong." But different age groups presented very different results.

Graphic 1: Ethnic Identity – Chinese (per poll, by age group)



Source: Cheng 2017.

Only 3.1 per cent of the respondents between 18 and 29 said they identified as Chinese. It is the lowest result since the survey began in August 1997. 65 per cent of the age group identified as 'Hongkongers'. 28.7 per cent said they had a mixed identity (Cheng 2017).

According to another study, conducted by the think tank Hong Kong Policy Research Institute, one in three form five secondary school students face a "national identity crisis" as they do not consider themselves Chinese citizens (Ng 2016).

Andrew Fung, the director of the think tank, argues that a revised school curriculum should specify the attributes of a concerned and active citizen (Fung 2016). He argues that a good citizen should understand that Hong Kong "shares the same cultural roots with China, has a strong sense of civic responsibility, supports "one country, two systems", understands the major issues in Hong Kong, China and the rest of the world and takes the initiative to build a better environment for others" (Fung 2016).

The retired professor Michael Heng replied to that survey and argues that, rather than worry that many students and young people do not see themselves as Chinese citizens, the city should accept complexity as the norm and encourage a pragmatic attitude (Heng 2017).

In his opinion, Hong Kong people have a fluid identity and politics has nothing to do with it. He questions the statement of Andrew Fung Ho-keung that "it is a crisis because it endangers the very foundation of the 'one country, two systems' principle" (Heng 2017). Heng points out that 70 per cent of those who did not consider themselves Chinese citizens in the survey said "they had never participated in events such as the June 4 vigil or protested using radical methods and he concludes that, for the huge majority, politics has little or nothing to do with such feelings" (Heng 2017).

Heng sees Hong Kong as "a special, if not unique, place in the world. It can best be described as an oxymoron, like the term virtual reality. It is postmodern" (Heng 2017). For him, the survey results are not surprising because Hong Kong people are known to have multiple identities, or even a fluid identity.

Quoted from Blundy (2016) Beatrice Oi-yeung Lam points out in her research that

> "To a certain extent, categories of 'Hongkong-ese', 'Hong Kong Chinese' and 'Chinese' are categories constructed in identity surveys. What these categories mean to laypeople in Hong Kong is bound to vary, and meanings are not always as clear-cut as they appear to be. To put it another way, there are limitations in relying on these identity surveys to make sense of how people in Hong Kong identify themselves." (Blundy 2016)

In the past, the concept of identity was often linked to the concept of nation state. According to the German philosopher Wolfgang Welsch, the distinction between cultural and national identity is of elementary importance. "It belongs among the mustiest assumptions that an individual's cultural formation must be determined by his nationality or national status" (Welsch 2001: 73). Welsch argues that "the traditional description of cultures as islands or spheres is descriptively wrong, because cultures today are characterized internally by a pluralization of identities, and externally by border-crossing contours" (ibid.: 67).

Furthermore, he argues that transculturality is found at the macro level and individual microlevel too: most of us are cultural hybrids (ibid.: 71).

Heng concludes that one word can explain it all and that is the answer: "pragmatism". In his view pragmatism can perhaps be called an ideology and was shared by Deng Xiaoping and the majority of Hong Kong people.

"Pragmatism can close the vast gap between communism and capitalism, narrow the schism between Beijing and Washington, and reduce the historically rooted conflicts between China and Japan. Until recently, it has taken the politics out of many matters which have been unnecessarily politicized. This brings us back to the opinion survey. Shall we read it as a barometer of some underlying trend that is politically significant? Is it really a crisis? Or do we take it as a reminder that Hong Kong is traditionally a place where pragmatic people have fluid and multiple identities?" (Heng 2017)

Overall, thanks to globalization, fluid (transcultural) identities are increasing and it seems to be a challenge for politics to respond to this. Against this backdrop, transculturality offers a practical solution-orientated approach. As previously stated, the transcultural approach argues that notions of national identity often hinder the development of common ground. Hong Kong is known for its mixture of cultures and identities

and, in the next section, the concept of hybridity is presented, which tries to capture this phenomenon.

4. Hong Kong and the concept of hybridity

> "Oh, East is East, and West is West, and never the twain shall meet, Till Earth and Sky stand presently at God's great Judgment seat; But there is neither East nor West, Border, nor Breed, nor Birth, When two strong men stand face to face, though they come from the ends of the earth!"

"The Ballad of East and West" by Rudyard Kipling (1889) is well known and the meaning of the poem has been much discussed and analyzed over the years. Some people interpret the poem as meaning that East and West have different cultures and ways of doing things, and always will. They will never unite in doing things or looking at the world in the same way. But, even men from very different cultures can always admire and respect courage, strength and generosity in men from another.

Scholars often refer to the concept of hybridity to describe the mixed identities and the unique cultural history of Hong Kong. It seems that the hybrid culture of Hong Kong is the product of colonization. It transformed the city and its inhabitants from genuine Chinese people to an ethnic of hybridity, bearing some of the characteristics of both cultures but not all. The reunification of Hong Kong with China further transforms this hybrid city. The Open Education Sociology Dictionary defines hybridity as: "The process by which a cultural element such as food, language, or music blend into another culture by modifying the element to fit cultural norms" (Open Education Sociology Dictionary 2019).

Where two cultures combine, new, different forms of culture emerge. These are known and described as cultural hybrids. In summary cultural hybridization is a new form of culture created from combining two or more forms of culture. A hybrid is something that is mixed, and hybridity simply means a mixture. Hybridity is not a new cultural or historical phenomenon.

Furthermore, there are different processes of cultural hybridization that must be considered. "Cultural erasure" refers to practices that have died out or are dying out. "Cultural retention" refers to practices that have

survived even when most other forms and symbols of culture are no longer evident. "Cultural renewal" occurs when a group goes through a conscious rejuvenation process and returns to some elements of its culture, which it believes have been ignored and or suppressed (Mohammed 2007). Cultural hybridity constitutes the effort to maintain a sense of balance among practices, values, and customs of two or more different cultures. In cultural hybridization, one constructs a new identity that reflects a dual sense of being, which resides both within and beyond the margins of nationality, ethnicity, class, and linguistic diversity (ibid.).

Homi K. Bhabha (1994) displaces hybridity from its racialized connotation to the semiotic field of culture. He explores hybridity in the context of the postcolonial novel, celebrating it as the resilience of the subaltern and as the contamination of imperial ideology, aesthetics, and identity, by natives who are striking back at imperial domination. He emphasizes hybridity's ability to subvert and reappropriate dominant discourses. Thus, Bhabha affirms that, "the social articulation of difference, from the minority perspective, is a complex, ongoing negotiation that seeks to authorize cultural hybridities that emerge in moments of historical transformation" (ibid.: 2).

Bhabha became one of the leading figures of postcolonial criticism with his 1994 work "The Location of Culture". In this seminal work, as well as in his other essays, Bhabha tries to give contours to what he calls the "hybridity" of the "Third Space," or an "in-between state", terms suggesting that all too firm distinctions such as West vs East, oppressor vs oppressed have ceased to live up to the complexity of a globalized modernity with its steady flows of information and migration. Given his disinclination to binary thought, Bhabha strongly distinguishes between a multicultural diversity (in which two or more camps can be distinguished as self-sufficient entities), and a far more complex transculturality. The terms he uses to describe transcultural phenomena, most notably hybridity, have considerably altered the academic understanding of national belonging.[1]

Bhabha views culture not in its unchangeable essence, but characterized by change, flux and transformation and, most importantly, by mixed-

[1] Another work on the concept of hybridity is by Canclini (1995). Canclini calls for cultural politics to contain the damaging effects of globalization and responds to relevant theoretical developments over the past decade.

ness or interconnectedness, which he terms "hybridity". Bhabha emphasizes what he describes as culture's "in-between," for instance, the interstitial spaces within and among individuals and cultures, which do not maintain a single position but form identities in an on-going process. Against this backdrop, Paul O'Connor (2010: 204) states that

> "it is Hong Kong's colonial and postcolonial experience that makes it so easily definable as a hybrid place. The mix of ''East'' and ''West,'' old and new, conspire to create vivid juxtapositions even as one strolls through the city. Hybridity is evident everywhere in Hong Kong; in the fusion of foods, fashion, cinema, architecture and language. If one considers Hong Kong, there are a variety of ways that it can be understood as hybrid."

Hong Kong offers a wide range of the concept of hybrid phenomena from food to music. For instance, topics such as education (Luk-Fong 2006), language use (Wright & Kelly Holmes 1997; Lin 2005), and cinema (Leung 2004; Marchetti 2004) are often analyzed with reference to the concept of hybridity.

For a long time, films from Hong Kong represented Hong Kong's hybrid culture (Cheung 2004: 268) but this hybridity was also exported and marketed locally, regionally and internationally (Erni 2001). The image of Hong Kong around the world has been influenced by this picture and concept of hybridity. Hong Kong is a place where East meets West.

The widespread use of hybridity has given rise to various critiques. These critiques are the result of hybridity's conceptual ambiguity but are caused by strong divergences on the meaning and implications of hybridity. One noteworthy paradox is that "hybridity's foggy conceptual circumference, in other words its extreme openness, allows for unpredictable, arbitrary, and exclusionary closure" (Kraidy 2002: 320). Gómez-Peña (1996: 13) analyzed the concept's limitations and concluded that

> "precisely because of its elasticity and open nature, the hybrid model can be appropriated by anyone to mean practically anything. Since the essence of its borders is oscillation, these boundaries can be conveniently repositioned to include and exclude different peoples and communities."

In a similar way Werbner (1997: 15) summarizes this point of view:

> "All cultures are always hybrid. Hybridity is meaningless as a description of culture, because this museumizes culture as a 'thing.' Culture as an analytic concept is always hybrid since it can be understood properly only as the historically negotiated creation of more or less coherent symbolic and social worlds."

The argument can be summarized as stating that hybridity is conceptually disposable because culture is always hybrid. In addition, Gilroy (1993: 2) argues that "creolisation, métissage, mestizaje, and hybridity" are "rather unsatisfactory ways of naming the processes of cultural mutation and restless (dis)continuity that exceed racial discourse and avoid capture by its agents".

Against this critique, O'Connor (2010: 221) argues that

> "hybridity however means little without a referent; it cannot exist without ideas, concepts or labels to deconstruct, fuse and suture. It has no substance of its own. This is perhaps why it is for so many people an awkward and unsatisfying theoretical term. Paradoxically, concepts that are considered more concrete, as representing something tangible and definable, such as society, ethnicity, culture and nation, are also repeatedly contested and refined in their explanations."

Overall, "the only theory worth having is that which you have to fight off, not that which you speak with profound fluency" (Hall 1992: 280).

Staples (2002) concludes that Hong Kong culture is "dominated by Chinese culture rather than Western culture and, as such, may not be regarded as a hybrid culture, but as a conglomerate of independently used cultures". Furthermore, the research findings of Staples challenge the validity of the Cultural Studies use of hybridity in association with colonialism and opens the way for other cultures designated as hybrid to be re-examined (Staples 2002).

The question as to how much Hong Kong culture is influenced by China or Western countries is up for discussion and will probably end up in generalizations that are not always helpful for specific situations.

As shown, the concept of hybridity is a rather foggy concept with limitations that must be considered. There are various hybrid phenomena in Hong Kong, but the concept is not satisfactory for describing further implications for managing cultural interactions and processes. Therefore,

the strength of the transcultural approach to foster a process for new collaborations in multicultural places like Hong Kong will be presented in the next part.

5. The transcultural approach as an opportunity to initiate a social learning process

The question as to why Hong Kong is interesting for businesspeople around the world is often answered with its unique location in Asia, skilled local labor force, low taxes, and the reliable and trustworthy legal system. Abdelnour summarizes as follows: "It's not rocket science. Hong Kong has 95% tax compliance, because its code is only 4 pages long with a 15% flat tax" (Abdelnour 2011).

In fact, Hong Kong's economic freedom score is 90.2 (Index of Economic Freedom 2018), sustaining its status as the world's freest economy in the 2019 Index. Its overall score is unchanged from 2018, with increases in its scores for trade freedom, monetary freedom, and government integrity countered by a decline in judicial effectiveness.

According to Regina Ip, Hong Kong's old balance of Chinese cultural traditions and Western values, such as the rule of law, is coming apart because of anti-China zealots (Regina Ip 2018). As she does many others also notice that the deeply divided society is wrestling with an undercurrent of anxiety, as manifested in the highly polarizing debate currently raging on reclamation. In her opinion, in the colonial era Hong Kong was a far more harmonious enclave. Hong Kong's society was informed by three sources of values (ibid.):

> "the Confucian values of filial piety, respect for education and hard work, order and self-discipline, as in Singapore; the values of western Christianity – the belief in Jesus as the Son of God and the concomitant values of love, hope and faith; and the values of Western civilization, characterized by the concept of the centrality of the rule of law, representative bodies, individualism and freedom."

In Hong Kong that mix of values, with a kind of pragmatism, created a flourishing economy and a strong society. As Savanin (2019) has summarized, the uniqueness of Hong Kong comes from its location (in direct proximity to the People's Republic of China), its financial and legal sys-

tem, its well-educated, hardworking and English-speaking local workforce as well as its effective infrastructure relying on an international port and airport.

As described above, the concept of hybridity is useful to describe certain phenomena from food to music. The idea to understand and see culture as transformative and fluid is helpful and promising. In most cases, however, hybridity is generally evoked as a characteristic feature of transcultural dynamics.

Various critiques about the foggy conceptual circumference and extreme openness have been presented before but, despite its descriptive ability, the concept, in my opinion, lacks the importance of practical implications and suggestions.

The concept of hybridity lacks implications and helpful suggestions for managing or moderating the process of cultural dilemmas and clashes or in general situation where fluid cultures interact with each other while representatives of these cultures have different interests and agendas in mind. The concept of hybridity only states that the mix of cultures is happening.

Against this backdrop, the concept of transculturality could offer an approach that is trying to push the discussion further in order to create new collaborative communities including different cultural backgrounds.

People with transcultural competence have cooperation-oriented abilities to find and create commonalties, regardless of the specifics of the socio-cultural encounter Wieland (2018: 225). These people are able to implement reconciled solutions in culturally diverse environments and able to foster new forms of living and governing.

The unique circumstances in Hong Kong provide an application of the transcultural approach and, as our research has shown, transcultural competence is needed in places like Hong Kong (Savanin 2019; Jung 2019).

In this highly political discussion in Hong Kong, notions of national identity often hinder the development of common ground. In this context, the transcultural approach offers a helpful and practical way of creating commonalities and new solutions to cultural dilemmas by focusing on the social learning process and not on identity-related questions.

On the individual level, transculturality is not an identity. Josef Wieland (2016: 18) describes transculturality as a

> "learning process for the relationing of different cultural identities and perspectives. It is not a form of identity nor does it perform the demarcation of a space (or annuls such demarcation); rather, the prefix 'trans' designates the relation, the creation of connection, the building of a bridge between 'real intercultural interaction patterns' in social interactions through an ongoing process of learning."

Therefore, transculturality is not an identity, but it can rather be seen as a process of bridge building, of an interactive, social generating of commonalties when dealing with interaction.

Furthermore, the transcultural approach could be useful for curriculum designers and education systems as well. The attempt of the Programme for International Student Assessment (PISA) in 2018 to measure how globally competent fifteen-year-old students are in different countries around the world intends to push the discussion forward towards more awareness of crucial competences in a globalized world. PISA defines global competence as (OECD 2018: 7)

> "the ability to examine local, global and intercultural issues, to understand and appreciate the perspectives and world views of others, to engage in open, appropriate and effective interactions with people from different cultures, and to act for collective well-being and sustainable development."

The definition is similar to the idea of the good citizen for Hong Kong by Andrew Fung described earlier. The PISA framework development sowed the difficult process of balancing between different perspectives and interests on globalization (Grünfelder 2019).

> "Economic competitiveness is largely about acquiring technical skills to improve one's region or nation's position vis a vis other. Global civility, by contrast, is largely about understanding, solidarity, and empathy with others. Global competiveness and global civility are not conterminous." (Reimers 2009: 193).

Both perspectives usually refer to the notions of nation and identity. In this case transculturality provides an approach that is not derived from

identity and can hence bridge these two viewpoints. In addition, justice and solidarity could be pragmatically useful in this case of global interconnectedness. In a world where we are all interconnected, it is useful to think about all of us. Global challenges could force different positions to cooperate and work together. Therefore, the transcultural approach can provide a more practical approach of how to deal with cultures and focus on commonalities. The development of required competences to solve these challenges will be a task for all of society and a call to arms for education policies.

Transculturality is a process that aims to create new forms of collaborative communities (Wieland 2018). In fact, the contemporary definition of this relatively young and diverse term excludes neither the cosmopolitan nor the intercultural perspective. It is neither the extension of interculturality, nor its dissolution into cosmopolitanism.

> "A transcultural person has roots within a specific culture. There is no need to deny one's own origin. Cooperation with actors from other cultures to mutual advantage occurs on the basis of one's own cultural and moral conditioning. From a transcultural point of view one would accept that there is one world but also recognize that people live in different cultural contexts. Different individuals integrate elements stemming from other cultures in different ways" (Fischer & Wieland 2016: 38).

The practical approach of transculturality could be helpful for teachers and education systems to foster cooperation among students and the different stakeholders of schools. Hong Kong curriculum designers should take the transcultural approach into account and try to focus on the important attitudes and skills of transcultural competence such as non-normativity and cooperation, reconciling and connecting capabilities (Grünfelder 2019).

In the highly political discussion of what to teach and how to teach it, notions of national identity often hinder the development of common ground. In this context, the transcultural approach offers a helpful and practical way of creating commonalities and new solutions to cultural dilemmas by focusing on the social learning process.

6. Conclusion

Obviously, there are various hybrid phenomena from food to music in Hong Kong, but the concept of hybridity is not satisfactory for describing further implications for initiating unbiased cultural interactions and processes. Therefore, the strength of the transcultural approach to foster a process for new collaboration in multicultural places seems promising. As described above, the transcultural approach looks at specific collaborative transactions and does not refer to notions such as identity and nation. This argument is indirectly supported by Christopher Francis Patten, who served as the 28th and final Governor of Hong Kong from 1992 to 1997. In 2016, during an event at the University of Hong Kong, he told students: "I am going to say something which you may not want to hear: Hong Kong is a great society. It is not a nation state, do not deceive yourself (Cheung 2016)."

A nation state is defined as a sovereign state that has one clearly defined sovereign government. During colonial times Hong Kong was governed in a colonial manner. After the handover "the one country, two systems" idea was a brilliant solution to Hong Kong and a new form of governing a territory. The idea is unique and needs to be seen as that and cannot be compared to other forms of governing. Hong Kong is in a process of defining and working out two main questions: what is "one country two systems" and how do you strike a balance between the two?

The history of Hong Kong is unique and connected in many ways to the history of China and the Western world. Between the 1970s and 1997 Hong Kong benefited from the opening-up of China. China was opening-up slowly and Hong Kong was able to take up some of its functions. Martin Jacques points out that there are two main issues that must be considered. First, Hong Kong needs a different kind of administration, which is completely different from the colonial kind. Second, Hong Kong needs a different kind of economy, which is more open. In his view Hong Kong looks more like a typical colonial and monopolistic economy run by empowered tycoons and is not a competitive economy (Jacques 2019). In addition, he states that Great Britain ran Hong Kong for 155 years and claims that there was never a semblance of democracy and the British never introduced universal suffrage (ibid.).

The practical implications of the transcultural approach to cooperation and commonalities may be promising to create new forms of collabora-

tion between the different cultures that meet in Hong Kong. Overall, Hong Kong society should have faith in its own abilities and try to foster a learning process at various levels. The transcultural approach offers room for a new understanding of belonging, respecting every individual cultural development and fostering a new belonging by focusing on a process of cooperation. This seems promising for the situation in Hong Kong, where a new form of belonging needs to be created by all concerned. It should be a belonging that is shaped by a collaborative process. It is time for both sides to reconsider their connections and relationships. The transcultural approach with a less ideological and identity-based focus can help to foster this process.

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Annex 1:
The Joint Declaration and Its Implementation

The Sino-British Joint Declaration on the question of Hong Kong was signed in Beijing on December 19, 1984, by the Prime Ministers of China and Britain. On May 27, 1985, instruments of ratification were exchanged, and the agreement entered into force. It was registered at the United Nations by the Chinese and British Governments on June 12, 1985.

The Documents

The Joint Declaration consists of several documents:

1. the Joint Declaration itself;
2. Annex I, in which the Government of the People's Republic of China establishes its basic policies towards Hong Kong;
3. Annex II, which sets out the terms of reference and the working arrangements for the Sino-British Joint Liaison Group (JLG) which operated until January 1, 2000;
4. Annex III, which provides for the protection of land rights and for land leases granted by the Hong Kong Government before 1 July 1997. It also establishes the Land Commission, which operated until June 30, 1997; and
5. an exchange of memoranda associated with the Joint Declaration on the status of British Dependent Territories Citizens.

The Joint Declaration

In the Joint Declaration, the Government of the People's Republic of China declared that it had decided to resume the exercise of sovereignty over Hong Kong with effect from July 1, 1997, and the Government of the United Kingdom declared that it would restore Hong Kong to the People's Republic of China with effect from July 1, 1997.

The Government of the People's Republic of China declared that the basic policies of the PRC towards Hong Kong were:

1. Hong Kong shall be a Special Administrative Region (SAR) of the People's Republic of China upon the resumption of the exercise of sovereignty;
2. the Hong Kong SAR (HKSAR) will be directly under the authority of the Central People's Government and will enjoy a high degree of autonomy except in foreign and defense affairs which are the responsibilities of the Central People's Government;
3. the HKSAR will be vested with executive, legislative and independent judicial power including that of final adjudication. The laws in force before the resumption of the exercise of sovereignty by China will remain basically unchanged;
4. the Government of the HKSAR will be composed of local inhabitants. Foreign nationals working for the government of Hong Kong may remain in employment;
5. the social and economic system in Hong Kong before the resumption of the exercise of sovereignty by China will remain unchanged, and so will the lifestyle. Rights and freedoms, private property, ownership of enterprises, legitimate rights of inheritance and foreign investment will be protected by law;
6. the HKSAR will retain the status of a free port and a separate customs territory;
7. the HKSAR will retain the status of an international financial center and there will be a free flow of capital. The Hong Kong dollar will continue to circulate and remain freely convertible;
8. the HKSAR will have independent finances;

9. the HKSAR may establish mutually beneficial economic relations with the United Kingdom and other countries;
10. using the name "Hong Kong, China", the HKSAR may on its own develop economic and cultural relations with states, regions and relevant international organizations;
11. the maintenance of public order in the HKSAR will be the responsibility of the HKSAR itself, and
12. these policies will remain unchanged for 50 years.

The Sino-British Joint Liaison Group

The Chinese and British Governments agreed to set up the Joint Liaison Group (JLG) and a Sino-British Land Commission to handle matters relating to Hong Kong in the run-up to the resumption of the exercise of sovereignty by China.

Annex II of the Joint Declaration sets out the functions of the JLG as follows:

1. to conduct consultations on the implementation of the Joint Declaration;
2. to discuss matters relating to the smooth transfer of government in 1997; and
3. to exchange information and conduct consultations on such subjects as may be agreed to by the two sides.

The JLG was an organ of liaison and not an organ of power. It must meet in Hong Kong, London and Beijing, at least once a year at each venue. The term of the JLG ended on January 1, 2000. The JLG had held 47 plenary meetings between May 27 1985 and January 1, 2000: 18 in Hong Kong, 15 in London and 14 in Beijing. It also established expert groups which met many times.

Agreements Reached[1]

Since the establishment of the JLG in 1985, many agreements have been reached between the British and Chinese sides. Agreements reached are listed in the following paragraphs.

One of the JLG's main achievements had been to ensure the continuity of the independent judiciary in Hong Kong. Both the Joint Declaration and the Basic Law provide that the judicial system previously practiced in Hong Kong shall be maintained except for those changes consequent upon the establishment of the Court of Final Appeal of the HKSAR. In June 1995, agreement was reached in the JLG on the establishment of the Court of Final Appeal on July 1, 1997. The Court of Final Appeal was set up on July 1, 1997 in accordance with the provisions of the Court of Final Appeal Ordinance passed by the Hong Kong Legislative Council in the 1994-95 session. This agreement ensured that there was no judicial vacuum when China resumed sovereignty in 1997.

A list of these international conventions is listed at https://www.cmab.gov.hk/en/images/issues/eng_list.doc.

In 1986, the JLG agreed that Hong Kong should be deemed to be a separate contracting party to the GATT (now known as the World Trade Organisation (WTO)). In 1987, the JLG agreed that Hong Kong should become a separate Member of the Customs Co-operation Council (now known as the World Customs Organisation (WCO)).

The JLG also agreed that Hong Kong should continue to participate in various international organizations after June 30, 1997, including: the Asian Development Bank (agreement reached in 1985); Universal Postal Union (1986); World Meteorological Organisation (1986); International Maritime Organisation (1986); International Telecommunication Union (1986); Asian-Pacific Postal Union (1986); the Food and Agriculture Organisation of the United Nations and its subsidiary bodies in the Asia-Pacific Region (1987); United Nations Economic and Social Commission for Asia and the Pacific, and its subordinate bodies including the Asia and Pacific Development Centre, Intergovernmental Typhoon Committee and Statistical Institute for Asia and the Pacific (1987); International Labour Organisation (1987); United Nations Conference on Trade and

[1] This section has been adjusted for the book manuscript.

Development (1987); World Health Organisation (1988); International Criminal Police Organisation (1988); Asia-Pacific Telecommunity (1988); International Atomic Energy Agency (1988); United Nations Commission on Narcotic Drugs (1988); International Hydrographic Organisation (1988); Network of Aquaculture Centresin Asia and the Pacific (1988); International Monetary Fund (1989); International Bank for Reconstruction and Development (1989); International Finance Corporation (1989); International Development Association (1989); International Telecommunications Satellite Organisation (1990); International Maritime Satellite Organisation (now known as International Mobile Satellite Organisation) (1990); World Intellectual Property Organisation (1994); International Textiles and Clothing Bureau (1996); and the International Civil Aviation Organisation (1996).

Much was done to achieve a smooth transfer of government. As early as 1986, the two sides agreed to the introduction of a new pension scheme for the civil service. In 1987 agreement was reached on the expansion of the Police Force. In 1990, an agreement was reached on measures needed in respect of the Hong Kong Government's archives as a result of the establishment of the SAR.

Agreement was also reached in areas such as the future use of the defence estate in Hong Kong, the site for the Office of the Commission of the Ministry of Foreign Affairs of the PRC in the HKSAR.

The JLG agreed that some travel and identity documents issued to Hong Kong residents before July 1, 1997, would continue to be valid thereafter, including:

1. Certificate of Identity and Permanent Identity Card (1985);
2. Document of Identity (1987);
3. Hong Kong Seaman's Certificates of Nationality and Identity (1988);
4. Seaman's Identity Books (1992);
5. Re-entry Permits (1992);

Arrangement have also been made for the preparation of the issue of passports and other documents by the SAR.

In 1986, the JLG agreed on the establishment of a separate Hong Kong register of shipping. In 1994, agreement was reached on transitional arrangements for postage stamps, and the future arrangements for international call sign services for Hong Kong.

The Airport Committee was established under the JLG in 1991 to discuss matters relating to the preparations for the new airport. The Airport Committee reached agreement on matters such as the overall financing arrangements of the New Airport and the Airport Railway, and the Financial Support Agreements between the Hong Kong Government and the Airport Authority and the Mass Transit Railway Corporation.

The Airport Committee also agreed to a number of airport-related franchises, including franchises for air cargo services, aviation fuel supply services and aircraft catering services.

Land Commission

The Sino-British Land Commission was established in 1985 and was dissolved on June 30, 1997 in accordance with Annex III to the Joint Declaration. Its function was to conduct consultations on the implementation of the provisions of Annex III on land leases and other related matters. It met in Hong Kong for 35 formal meetings.

The Land Commission reached agreement on 26 legal documents to be used in various types of land transactions covered by the provisions of Annex III; on effecting by legislation the extension of New Territories leases in accordance with paragraph 2 of Annex III; and on the principles for dealing with special purpose leases. In 1994, agreement was reached on arrangements for granting the land required for the new airport at Chek Lap Kok and the Airport Railway. Land grants for a River Trade Terminal in Tuen Mun and the development of Container Terminal No. 9 were agreed in 1995 and 1996 respectively.

Under the terms of the Joint Declaration, premium income obtained by the Hong Kong Government from land transactions was, after the deduction of the cost of land production, to be shared equally between the Hong Kong Government and the future SAR Government. The Hong Kong Government's share of premium income was put into the Capital Works Reserve Fund for financing public works and land development in Hong Kong.

The SAR Government's share was held in a trust, the Hong Kong Special Administrative Region Government Land Fund, and established by the Chinese side of the Land Commission. The fund was managed under the direction and advice of an investment committee, which in-

cluded prominent bankers in Hong Kong, as well as a monetary expert from the Hong Kong Government.

Source: https://www.cmab.gov.hk/en/issues/joint2.htm#1

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