

To: Kellee Tsai, Dean, School of Humanities and Social Science  
From: Carsten Holz, Professor, Social Science Division  
Date: 3 September 2018

Dear Kellee,

On 7 December 2015, I wrote to Dean James Lee asking for a salary increase. I never heard back.

The issue did not just go away. It is the same, except that the salary issue has only become bigger over time. New in 2018 is that my home financing allowance has ended. I request a near-doubling of my salary and explain below (in part again), why I do so.

#### A. My salary is not a living wage

This starts with a backward iteration: There is not enough money for retirement at the mandatory retirement age. Therefore, I need to save a big chunk of my salary now, therefore there is no salary left to live on.

The retirement part: On rather optimistic assumptions, I can expect to have approximately HKD 12mio (at today's prices) for retirement at age 65.<sup>1</sup> HKD 12mio compares to the HKD 22mio price of the approximately 600sqft apt. that I lived in during the 2017/2018 academic year (a rather poor apartment that didn't allow for good sleep = productive work). All of my retirement funds aren't enough to buy more than half of a poor apartment—with no funds for food or anything else. Renting instead of buying an apt. leads to the same contradiction.

Let me try to retire outside Hong Kong. If I budget for 30 years of retirement, I'll have—again, in the most optimistic scenario—USD 50,000 per year. After taxes and health insurance, that may leave me with around USD 2,500-3,000 per month (and no home ownership). That's too little.

So I need to save a fair share of my salary today for retirement. (Roughly: I need to save close to half of my salary to boost my retirement funds by 50-80%.) This means that after taxes and savings, there is not enough money left to pay rent, let alone other living expenses.

Rent: I no longer have a home financing allowance. The allowance of HKD 24,760 was by far insufficient to begin with and I had to top it up with my salary. When I inquired in fall 2017, I was told the apartment that I lived in on campus when I was an Assistant Professor (for 7.5% of my salary) would now cost me HKD 40,000. Rent for an off-campus apartment that I can live and work in starts around that level.

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<sup>1</sup> My HKUST substantiation pension account currently (mid-2018) has approximately HKD 4mio, and the gratuities that I received at the end of my first two three-year contracts (and invested myself) add up to just below HKD 1mio today. Assume that for the next twelve years until I retire at age 65, the annual contributions to the HKUST pension account continue as in the past. Assume an annual \*real\* rate of return of 4% (or a nominal return of 7% and an inflation rate of 3%) and that there is no stock market crash (I would call this a highly optimistic scenario). Then, when I retire, I'll have HKD 12mio.

## B. Unacceptable degrees of salary discrimination

1. As I pointed out in my email of 13 Oct. 2015 to SOSC faculty, economics faculty get paid significantly more than faculty of other social science disciplines. I drew on the example of UCLA and documented a 66-68% difference between economics and sociology in 2014. In my 2008 review I was denied full professorship on the grounds that I should publish in better-ranked economics journals (documented at <http://ihome.ust.hk/~socholz/HKUST-SOSC.html#UASC-VPAA>). I have subsequently published in top economics journals (and had done so at the time of the review, but staff in the Provost office blocked the information from reaching the UASC). Given the formal, written evidence that HKUST evaluates me as economist, I expect to be paid as economist. I doubt that my salary is 66-86% higher than that of a comparably performing sociology professor in SOSC.

2. For a concrete example, in 2015, I took the sociologist Cameron Campbell because we have information on him. Cameron and I are both full professors. I had 32% more citations than he did (and most of my work is solo-authored compared to Cameron's typically multi-authorship publications). Cameron Campbell's salary at UCLA in 2012, just before we hired him, was USD 153,526 (<https://ucannualwage.ucop.edu/wage/>), equivalent to a monthly HKD 99,792. I doubt that he took a big salary cut when joining HKUST. Assume he was willing to come to HKUST at the same salary as he received at UCLA. Assume he received the standard civil servant pay increases from 2013 to 2015. Then Cameron Campbell's monthly salary in 2015 was HKD 112,730. Mine was HKD 105,255. At a 66-86% salary premium for economists over sociologists, in this case Cameron Campbell, my salary should have been on the order of HKD 187,132 to HKD 209,678, i.e., 78% to 99% higher.

3. If HKUST evaluates economists in SOSC as economists but does not pay them as economists, then the following holds. James Kung hasn't enabled his google scholar citation profile. In 2015, browsing through what comes up when googling James Kung in google scholar and adding up the citations, the sum was somewhat less than my citation number of 1681. A complete google scholar citation list for James Kung would probably come out with a similar citation number as mine. I don't know what James Kung's salary is (was), but I doubt it is (was) the same as or lower than mine. Kellee Tsai's google scholar citations were 1592. I don't know what Kellee's base salary is (excluding the division head bonus), but I doubt it was the same as or lower than mine.

I now document citations for division faculty, appended below. Based on citations alone, ignoring discipline, I need to be given the same salary as the highest-paid faculty members in the division. Adding discipline distinctions then raises my salary yet higher. (The teaching evaluations, also documented below, equally show me to be at the very top.)

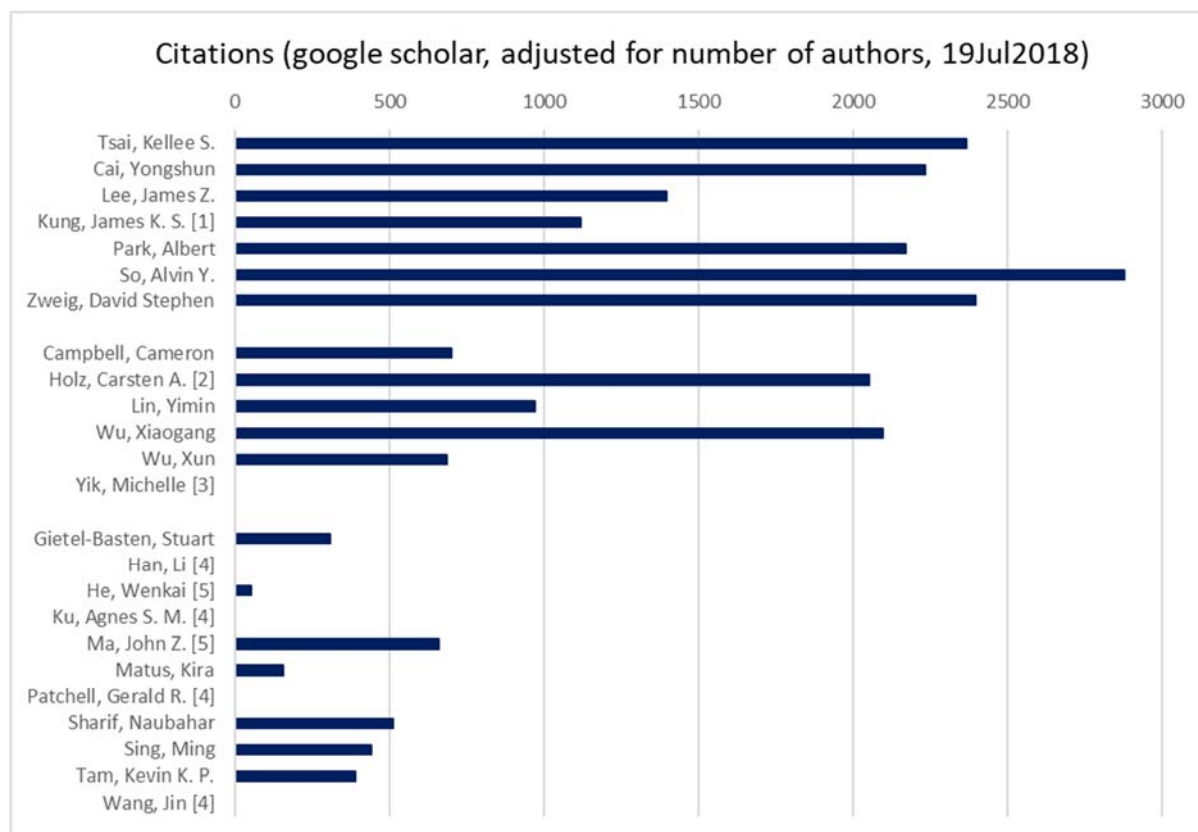
4. I have somewhat reliable information that the second-highest salary in SOSC in spring 2014 was around HKD 140,000, i.e. 50% more than mine. Since then, the discrepancy will only have widened, given the continuous real salary cuts that Dean James Lee handed me. I don't need to have the second-highest salary but I accept nothing far below. Therefore, I ask for a 45% salary increase. Given that the salary imbalance can be traced back several years, there is an argument to be made for the salary increase to be retroactive starting from 2013, when I returned from no-pay leave.

The overall picture is striking. If I were to accept impoverishment in retirement by not saving now (which I am not), then, after tax, pension contribution, and rent, my salary in 2015 was

less than at the end of my period as Assistant Professor at HKUST, in 2002. (And that was the lowest possible salary, in 2002, after a significant raise to bring it to the minimum level required by university rules to allow me to apply for substantiation.) In 2018, without home financing allowance, my salary—assuming that I continue to rent an acceptable apartment—is below the level when I started at HKUST as a fresh PhD in 1995.

I have little choice but to ask for a salary increase of approximately 35% to cover a share of the rent, and of an additional approximately 45% to end the discrimination against me.

## Appendix: Research and Teaching Comparison



### Notes:

Top block: chair professors, middle block: professors, bottom block: associate professors; all substantiated faculty.

Citations according to google scholar user profile (adjusted by approximate average number of authors, obtained taking into consideration the number of citations of each item); if user profile was not enabled: see [4].

The google scholar search was conducted on 19 July 2018.

[1] No longer at HKUST. Was at HKUST through spring semester 2018.

[2] Profile checked for articles mistakenly attributed by google scholar for this author; these misplaced articles were then removed. (Others' citation count may include citations that google scholar erroneously included, unless they also cleaned up their profile.)

[3] Google scholar user profile enabled. Has 5978 citations, many of which as part of a 80-head research team; most others with about 3-5 co-authors.

[4] Google scholar user profile not enabled (or could not be found). Regular google scholar search for this name yields results but it's too difficult to determine which articles are by this author.

[5] Google scholar user profile not enabled (or could not be found). Regular google scholar search for this name yields results. The reported result is the sum of all citations (with the citation for each article divided by the number of authors), starting with the highest citation-count item and stopping at or below the last item with 5 citations. (I.e., items with 1-4 citations are omitted.)

### Rationale for dividing the citations of each publication by the number of authors

Starting point: one author writes a paper and gets X citations for it.

Two authors together write a paper by each writing one half of the paper and get X citations for it. Since each author only did half the work, s/he is being attributed half the citations.

Two authors together write a paper by each putting in as much effort as they usually do for a solo-authored paper. The paper then is of substantially better quality (why else would they each put in a full-paper effort compared to the half-effort required for a joint paper), gets into a better journal, and thereby gets more attention and 2 times X citations (if not more, given that some people only cite articles in top journals). Again, attributing half of

the total citation count to each person corresponds to their contribution. — "Better" journal by definition means a higher-impact journal, and the impact factor of a journal is a direct measure of the average number of citations per article in a journal. I.e., by definition, the expected value of the number of citations increases with the impact factor (degree of "betterness" of the journal).

Counting the total citations of each paper for each author would create incentives for 2 authors to each write their paper and put each other's name on it—without making the article any better or receiving more citations—and to thereby additionally gain the citations received by the other persons' article, to which one's only contribution has been to add one's name. At that point, why not have an agreement among all faculty members of the division to put the name of every faculty member of the division on their paper. Each of us then gets thirty times more citations?

I.e., if HKUST were to remunerate citation counts that are not adjusted for number of authors, it remunerates the illusion of citations rather than the actual achievement of citations. Since only a few colleagues benefit from the double-/triple-/quadruple-/quintuple-/ and in the case of psychology 80-fold double-counting of citations, HKUST, if it remunerates citation counts that are not adjusted for number of authors, gives very strong incentives to play a meaningless game, to the detriment of those in the division who don't play games. — Every time I was in Dean James Lee's office (at least three times), he pointed to a chart of \*total\* citation counts (first lying on his desk, then pinned to the wall) that he was using as basis for evaluating faculty performance, i.e. Dean James Lee did not adjust for co-authorship but double-/triple-/quadruple-/80-fold counted citations.

### Findings

I have the same citation count as all best-performing colleagues, whether that is Kellee Tsai,

Cai Yongshun, Albert Park, or David Zweig.

I have significantly more citations than James Lee or Cameron Campbell.

I also have more citations than the economist James Kung.

### Teaching

My teaching evaluations are at the very top of SOSC faculty.

