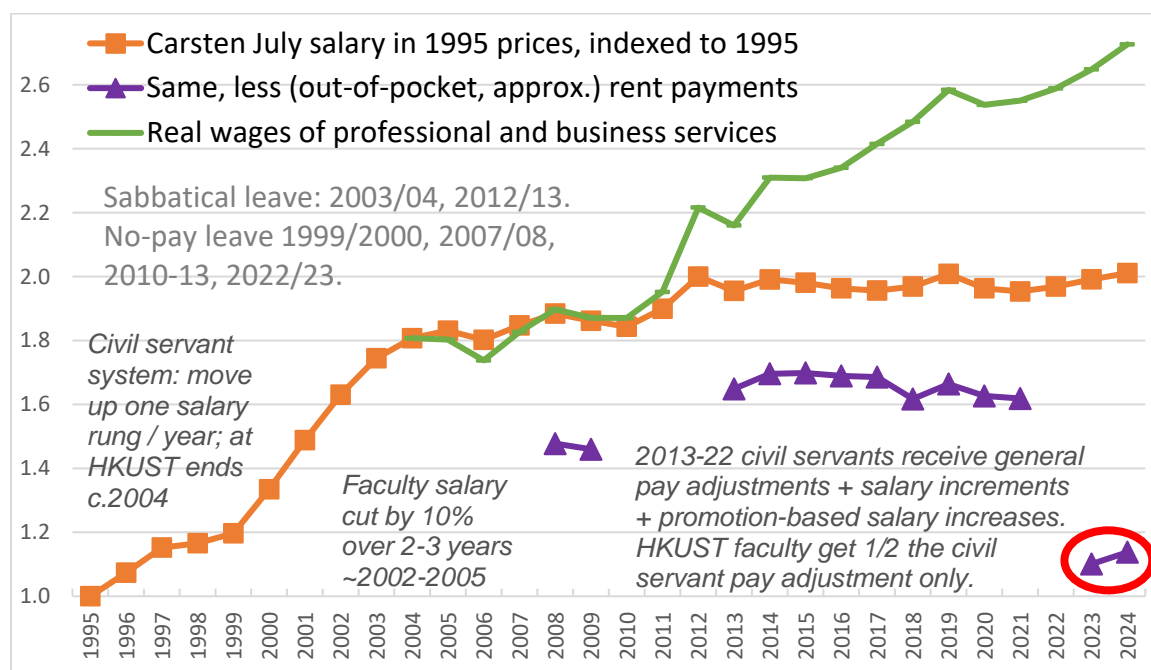


I appreciate that I received the full civil servant general pay adjustment in 2024 and that, after 9 years of “service” and many denied applications, I finally will have a (6-month) sabbatical.

These issues are on my mind:

- (1) My HKUST Staff Superannuation fund at end-2024, 5.5 years prior to mandatory retirement, stood at HKD 6,890,478, about a quarter of what it should reasonably be.¹
- (2) Housing currently consumes half my salary, or 60% if agent fees, moving costs and start-up costs in a new apartment are included. Taxes and superannuation contribution consume another 20% of my salary. There is no scope for saving.
- (3) As of end-March 2025, the cumulative shortfall of receiving half rather than the full general pay adjustment over several past years is HKD 730,600 (without interest).²
- (4) I am in the lowest remuneration bracket at HKUST.³ My real salary has been flat for more than a dozen years, and near-flat for twenty years while real wages of professional and business services have in the meantime risen by about 50% (see chart).



Out-of-pocket housing expenses *exclude* agent fees and costs for moving and start-up.

Wages of professional and business services: https://www.censtatd.gov.hk/en/web_table.html?id=19. The series starts in 2004 and is then linked to my salary in that year.

The remainder of this ‘Personal Statement’ was not submitted online as it exceeds the allowed number of pages.

¹ HKD 6,890,478 affords 23 years of health insurance for two in the country of my passport, Germany (while we live under a bridge and dumpster-dive), or a c.350sqft apt. in Hong Kong’s Mid-Levels, or a monthly pension of HKD 16,400 for 35 years. Since Covid-19, my superannuation fund lost 15% of its *U.S. purchasing power* due to higher inflation in the U.S., and probably much more relative to the Euro due to higher inflation in Europe and significant Euro appreciation (the HKUST superannuation scheme offers *no* EU investment fund). Faculty applications for a delay of the mandatory retirement age have a 10% chance of success.

² Also missing is the corresponding HKUST contribution to my superannuation. Civil servants, on top of the *full* general pay adjustment, further receive salary increments and promotion-based salary increases.

³ See <https://carstenholz.people.ust.hk/Initiative/2023-11-28-Salary2023.pdf>.

Reflections on my recent research record

Sorting through many folders, boxes, and piles of documents and looking at my 3,000+ google citation record, I am conscious of a great number of unfinished papers and unpublished manuscripts (including three book manuscripts) and a slowing publication record starting around 2008, with a temporary rebound following my self-financed Stanford year 2012/13 and the 2014/15 sabbatical. While in retrospect trajectories and causation tend to be deceptively clear, I wouldn't dismiss them altogether, either.

A first turning point is almost certainly the denial of full professorship in 2008, a decision that the provost at the time, when put on the spot, could not defend.⁴ The decision was reversed two years later (with the same publication record).⁵ This was the second time in my three promotion cases that a promotion decision was incomprehensible and indefensible.⁶

Between 2008 and 2010 my academic fulfillment derived primarily from teaching non-standard undergraduate courses on East Asian economic development and the Chinese economy. I wrote letters of recommendation for students who went on to graduate studies at MIT, NYU, and Oxford. (One of these ex-students met up with me in Hong Kong in fall 2024.) Otherwise, my interests shifted outside academia. I am aware of one similar case of an incomprehensibly denied full professorship at another university; that professor eventually stopped publishing altogether.

In 2010-12, I taught at the University of Southern California. Visitors carry a heavy teaching load (no time for research) and are paid little; I came back to HKUST to teach a summer course in 2011 just to make ends meet. With 6 years' HKUST sabbatical leave claim, I applied for and was denied sabbatical leave. In summer 2012, with no income, I walked the Pacific Crest Trail from Mexico to Canada, then took up a 3-month fellowship at Stanford and stayed on for the remainder of the academic year 2012/13. This mostly self-financed year cost 4-8 years of my retirement savings (considering the effect of compound interest over 30-40 years). In the next Research Assessment Exercise, HKUST management collected the rewards for my productive year at Stanford which HKUST management *had refused to pay for*. I still find that incredible.

Given HKUST management's systematic denial of sabbatical leave, the only way to focus on research without drawing down my savings was to apply for a General Research Fund grant that requires field work. Research on the PRC's national accounts—my decade-long specialization with plenty of publications and recognition by the profession—doesn't require field work. I wrote an application far from my expertise and received the grant. Then, suddenly, sabbatical leave became available for 2014/15. I grabbed this one-time opportunity and visited the Economics Department and the Fairbank Center at Harvard University. It turned out that I was limited to a short-term J1 visa (6 months) due to my presence in the U.S. in 2012/13. Moving for six months is not particularly conducive to settling in and focusing on

⁴ See <https://carstenholz.people.ust.hk/HKUST-SOSC.html#UASC-VPAA>.

⁵ It took two years to reverse the decision because I couldn't view my review file in time for re-application the next year; the relevant administrator to share the review file with me was on vacation.

⁶ The first time was my first contract review in 1997/98. After teaching, in my first year (1995/96), three non-standard courses, outside my discipline of economics (as requested/required), and again so in the second year, I had two published book chapters and a book manuscript. This was considered not enough. Some years later I brought up the issue with a new dean; *since then*, new hires are not given a full teaching load in their first year (let alone required to teach outside their discipline) and the first contract renewal has become quasi-automatic.

research. Massive data work in those 6 months led to published papers on PRC investment statistics and capital measures. Further papers for which these data were compiled were started but remained unfinished as time was running out on the GRF project. This project then suffered from a very tight deadline; one paper was published years later.⁷

The chaotic episode from 2012 through 2018 illustrates well the disastrous consequences of HKUST management's anarchic rule. There is a reason why certain professional practices (such as sabbatical leave) have evolved as 'best practices' over many years and across many institutions.

A second turning point was the end of my Home Financing Allowance in summer 2018. I had opted for the Home Financing Allowance at the last possible moment back in 2002. Astounding HKUST management failures (including the intentional violation of university rules) led me to not be able to buy an apartment; this is well documented at <https://carstenholz.people.ust.hk/FakeMeritReview2019/CarstenHolz%20HFA.pdf> .

I stretched the HFA for as long as possible by frequently moving home and incorporating rent-free periods, such as via short-term visits to institutions abroad.⁸ These visits had the additional advantage of allowing me to escape HKUST management's prison during the summer heat. (They also typically meant digressing from my own research agenda.)

After moving off campus in 2007, an over time ever growing portion of my income was spent on rent as the HFA, woefully inadequate to begin with, covered an ever smaller portion of rent (my HFA was based on house prices one-fifth of what they are today). This meant frequent apartment downsizing, jettisoning valued furniture, and eventually discarding my grand piano, a big incision. When a particular move didn't work out as intended and much of my household was stored with a moving company for a lengthy period of time, all books became moldy (partially saved by wiping down each book with alcohol) and electric equipment was irreparably damaged. I have thus experienced the gradual, near-complete destruction of my household and professorial living arrangements.

The frequent moves contributed to the end of my career as an expert on PRC statistics. My extensive and up-to-date collection of PRC statistical yearbooks—many series I had collected from their first annual issue onwards—became too cumbersome to lug around. The HKUST library for some time carried some of these series in an electronic version until access was cut off by mainland authorities. (Electronic versions were never the same as print versions which carry my notes on statistics errors and contradictions in the margins.)

I inquired about living back on campus (at market rent) and was told I am not allowed to move back on campus. Twice, in the span of several years, I inquired with the dean about a better office—to possibly live in a tiny apartment and work in the office—and was told both times that (for me, in contrast to some colleagues) no better office was available.

For the last two years I made the decision to rent an apartment comparable to faculty housing on the HKUST campus. Moving as far away as South Lantau in order to afford the rent still means, as mentioned above, that rent etc. consumes 60% of my salary.

⁷ Incidentally, by the time I started on the GRF project in 2016, my knowledge of the Tibetan language, which I had studied during my year at Stanford in 2012/13, was lost.

⁸ Post-Covid, the opportunities for such visits are no longer available.

With no possibility to save, I have now known for almost two decades before mandatory retirement that what I have to look forward to is an eventual HKUST management-induced train wreck.⁹ Between 2015 and 2023, I brought the issue to the attention of the dean three times, in writing, with no results (no response, and twice a ‘nothing can be done’).

I did two consulting projects for (limited) extra income. My consulting career was cut short when I was asked to, in a report on PRC state-owned enterprises, delete all mentioning of the “Chinese Communist Party.” I declined. Meeting the requirement would have violated the most basic academic value of ‘seeking truth.’ Message received: In my field, only moral and professional corruption secures livelihood.¹⁰

A stagnant HKUST (real) salary over two decades, coupled with no home, increasingly unaffordable rent, no additional income, and a looming retirement crisis, presents an unsustainable situation. And it is not conducive to research. One of the few ways I can marginally alleviate the situation is by substituting time for expenses. One example is the case of moving, where packing up one’s household oneself reduces moving expenses, though at a significant cost in terms of time and nerves.¹¹

A third turning point is more of a gradual realization of just how big a failure HKUST’s management system is. I have over the years taken a number of initiatives on academic matters, many of which are of interest to the academic community at large ((documented at <https://carstenholz.people.ust.hk/Initiative.html>). From asking questions or analyzing the implications of management decisions to lodging grievance procedures, the results are demoralizing. I applied for the deanship position so I might be able to address some of the distressing features of HKUST’s management system; I wasn’t even granted an interview with the committee.

If ‘voice’ is not an option at HKUST, I also do not have the option of ‘exit.’ As an applied China economist, I found that I do not fit into a standard economics department, nor into a sinology department.

Some cultural issues may be playing out: As committee member I have seen HKUST managers argue that if a specific promotion is denied, the candidate will “try harder next time.” The counterview of PhD academics likely is that HKUST has rules; if one meets the criteria laid down in these rules one deserves the promotion. If the promotion is not given, one deals with (management) crooks, and who wants to deal with, and work for, crooks?

An external factor that affects academia is the “National Security Law,” imposed on Hong Kong in 2020, that has created an environment resembling 1930s Germany. I have written

⁹ For the long-run abysmal returns in the HKUST superannuation scheme see <https://carstenholz.people.ust.hk/FakeMeritReview2019/CarstenHolz-HKUST-RetirementFunding-inclRateOfReturn-29Apr2019.pdf>. Since the period covered in that write-up, the average annual nominal rate of return of a portfolio with two-thirds growth funds (and otherwise conservative and money market funds) in the six years from July 2018 through June 2024 was 2.3%, and the annual *real* rate of return 0.6%.

¹⁰ The message at HKUST would seem not that much different, see, for example, <https://carstenholz.people.ust.hk/Initiative/2023-4-30%20FORS%20PersonalStatement%20CarstenHOLZ%20April2023.pdf>.

¹¹ Moving is reportedly the second-biggest stressor after divorce; I am moving practically every year.

half a dozen non-academic articles related to the takeover (not my area of expertise). Being imprisoned by HKUST management in such an environment is not beneficial to academia.¹²

Conference travel and networking have evaporated. The annual school allocation of research travel funds may be sufficient for traveling to the mainland, but is by far insufficient for international travel. The funds cannot be carried over and combined with the subsequent year's allocation of travel funds; even the dean does not know the rationales for the amount of travel funds and the non-portability into subsequent years.¹³ GRF grants come with a travel allowance but after four unsuccessful applications, reading the reviews I drew my conclusions and stopped applying.¹⁴

Our division used to be a postgraduate- and research-focused division, both in its actual operations and as officially stated. Then HKUST management destructed the research postgraduate program. I do not have students to direct and collaborate with. Nor does this demotion into a half-baked community college create a vibrant research community.¹⁵

At times I wonder if I am being discriminated against. For example, in the mid-2010s a number of colleagues with research and teaching records no better than mine received the chair professorship title. I was (and have been) consistently overlooked. The research 'currency' of the manager at the time was google citations and the evidence in my favor was overwhelming, as it was for teaching, while my service to the *university* has always manifested strongly in my advocating for professional practices.¹⁶

Then there is the factor 'age.' Both my spouse's parent and my parents are at a very advanced age; HKUST management's prison rules are unhelpful if not cruel (apart from being unprofessional to begin with). Age also begins to matter for my health. Spending summers in the Hong Kong heat, as mandated by HKUST management, is debilitating.¹⁷ Maintaining my health is paramount; mitigating the negative health effects of HKUST management rules takes precedence over even academic pursuits. An unrewarding and unsatisfactory work environment with no future prospects and no room for personal, professional growth does not favor good physical and mental health, either.

I spend a lot of time on teaching where I face trusting students. Covid-19 meant the need to create PowerPoint slides for all courses; this was particularly burdensome for my contemporary Chinese economy course, which is updated annually.. Visiting Princeton University in 2022/23 meant creating a new set of Chinese economy courses for a Princeton clientele and developing a new graduate macroeconomics course. Back at HKUST, on my two teaching days a week I spend 5 hours each day on public transport and by the time I get home I feel as if I had just stepped off a long-distance flight. At least two further days are

¹² Since the imposition of the "National Security Law" and Covid-19, Hong Kong increasingly feels like an island that has been left behind by the academic world.

¹³ Too many things do not make sense: What sense does it make to have to wait for 10 years and fight for 4 years in order to get one 6-month sabbatical, only to have a sabbatical leave claim for 18 months annulled? HKUST management then also *halves* one's annual leave passage, perhaps because one incurs *extra expenses* with moving costs and plane tickets abroad?? (I asked for the rationale and did not receive an answer.)

¹⁴ See entry of 2022/2/15 at <https://carstenholz.people.ust.hk/Initiative.html>.

¹⁵ Research output in the social sciences, and any ranking of the division and school, can therefore not at all be compared to that of other departments and schools at HKUST.

¹⁶ Subsequently, I self-nominated repeatedly. See, for example, <https://carstenholz.people.ust.hk/Initiative/2021-4-12-CarstenHolz-Statement-Self-Nomination-ChairProfessorship.pdf>.

¹⁷ In 1998, it resulted in hospitalization and surgery. Since then, I have been highly sensitive to Hong Kong summers and their increasingly adverse health (and productivity) effects.

spent preparing the next classes; all my courses incorporate the latest literature and current events. But teaching this intensively feels more and more a waste of my time. It not only precludes time for research, but students enrolled in my economics-oriented classes do not even constitute a natural target group: The HKUST Business School systematically prohibits *all* its students from enrolling in my economics courses. It even went so far as to end the co-listing of a Chinese economy course the moment I became its instructor.

This teaching focus cannot continue. After my sabbatical, therefore, I may either try to concentrate all my teaching in one semester in order to create a solid research period, or see if I can opt for the SOSC 3001 model.¹⁸

I am not / no longer interested in writing a ‘quick’ article simply for the sake of showing another publication. My last published article took years to develop (in part because the topic was in a field new to me) and the final paper—in two versions, the published one and a second, 50% longer version—comes with a nearly 100pp. appendix. This requires time to focus (and a stable livelihood).

Sorting through many folders, boxes, and piles of documents—rediscovering numerous advanced but abandoned projects—and reviewing the trajectory of my publications has been a deeply painful process. It is clear to me that something went terribly wrong. In this ‘Personal Statement’ I have reflected on what has happened. In my view, HKUST management played a dominant role in destroying my livelihood and what was for the first dozen years of my employment at HKUST a rather promising publishing career.

¹⁸ For the SOSC 3001 model see my last year’s ‘Personal Statement’ at <https://carstenholz.people.ust.hk/Initiative/2024-4-28-PersonalStatement-CarstenHOLZ.pdf>.