

Faculty of Business & Economics
School of Business
The University of Hong Kong
STRA 3708 “A Century of Business in Hong Kong”
1st semester 2016-17

Lecture: Tuesday 13:30-16:20

I. Lecturer:

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Contact hours: Tuesday: 16:30-17:20 (by appointment)

II. Requirement:

A total of three group presentations will be organized. Students will take turn to play the roles of presenter, discussant, and observer. Themes for group presentation will be an extension of discussion in the weekly lectures (please refer to part VIII). Assessment will be based on performance of group presentation and term paper, and there will be **NO** examination.

III. Course Readings:

1. A list of assigned readings and course references will be distributed via MOODLE and there is **NO** reference textbook.
2. Students are encouraged **NOT** to memorize but to understand the major arguments and concepts given at each of the lectures. There is **NO** lecture notes distributed.

IV. Course Information:

Description:

This module will provide students with a substantive knowledge of the major changes and developments in the Hong Kong business and economy between 1841 and 1997. Its content is supported by the course organizer's own research agenda, particularly the current monograph project on *Chinese Business in Hong Kong*:

Localism and Transnationalism, 1841-1997.

In this module, taught as a combination of lectures and seminars, we propose to explore the trajectory of European and Chinese businesses from the opening of Hong Kong as a free port in 1841 until the handover in 1997, integrating economic, social and political history. There is no overlap with courses offered by other departments of the university while some of the content of this course addresses modern business history in broad terms.

Business history is not a new discipline but in Hong Kong, mainland China and Taiwan, it is rather new. It is often said that Hong Kong is a business miracle since its GDP per capita is now higher than its sovereign state China and the former colonial master England. However, to explain how Hong Kong achieved this success, we cannot simply give an answer until empirical research has been done. Is the success due to Hong Kong's colonial rule (by the rule of law and laissez faire policy) or because of Hong Kong being a hub of flow of capital and human and other resources in Asia? This module examines the growth of Hong Kong as an outpost of British trade in Asia in the 19th century, to the city's rise as an international finance centre in the 1980s. Focus will be on the changing patterns of state-business relations, business networks, growth of industry, market competition, business organization, rise of Chinese tycoons (before and after the handover) and the business culture. Methodological issues will be addressed in analysis of business documents and merchant biographies.

Objectives:

1. To understand the development of Hong Kong's economy and society in the last century;
2. To critically examine the facts and events related to Hong Kong business in transitional periods;
3. To experience the joy of engaging in creative and analytical abilities in the study of business history;
4. To explore different kinds of source materials and learn to use them effectively;
and
5. To improve writing and presentation skills.

Teaching and Learning Activities

1. Lectures on major concepts and issues.
2. Class discussions in which students will be asked to actively participate and share their views on the assigned readings.
3. Group presentations by different groups of students who will take turns to play

the roles of presenters, discussion participants and observers.

4. Group projects will allow students to undertake research and analysis on topics chosen by them, which is a further exploration of a lecture or a group discussion.
5. A site visit to the **HSBC Group Archives** in Hong Kong or **China Merchant Group Archives** in Shekou (Shenzhen) will be arranged. The field trip is to enable students to be more familiar with the organization and presentation of sources of materials in doing research on Hong Kong economic and business history. Please note the CMG Archives is a showcase of Chinese business archives. It is located at Shekou with museum facilities to display the history of the Group.

V. Learning Outcomes:

By the end of this course, students are expected to be able to:

1. Identify, discuss and critically analyze the major issues in Hong Kong's business history, such as the colonial setting, connections with China, individual success stories, business networking and the Chinese business culture;
2. Present critical and reflective ideas on historical issues relevant to the course in a dynamic and interactive seminar environment; and
3. Critically evaluate a range of sources pertaining to Hong Kong's political economy from 19th century up to present
4. Develop skills in case analysis of both business organization and individual entrepreneur;
5. Ability for organization, presentation, communication and team work.

Intended learning outcomes (ILOs)

Program ILOs	Course ILOs	Assessment
1. Acquisition and internalization of knowledge of business and economics.	ILOs 1, 2, 3, 4	1, 2, 3
2. Application and integration of knowledge.	ILOs 1, 2, 3, 4	1, 2, 3
3. Inculcating professionalism and leadership.	ILOs 3, 4, 5	1, 2, 3
4. Developing global outlook.	ILOs 1, 2, 3	2
5. Mastering communication skills	ILOs 5	2, 3

VI. Assessment:

The assessment is based on class attendance, group discussion and group project. The weights of the components in determining the final grade are:

1. Class attendance, 20%
2. Group presentation, 40%
3. Group report (group project), 40%

Class attendance:

Students are expected to attend all classes as class attendance is crucial to successful learning. Active class participation not only facilitates the learning process but also makes class discussions lively and exciting. Unexplained absences will affect the grade.

Group presentation:

Group presentation is aimed at inviting diverse ideas and perspectives that students may bring to class, for creating a learning environment in which all students are comfortable enough when sharing their views. Themes for group presentations constitute extensions of discussions in weekly lectures. Students are expected to actively participate in group presentations. A written group report of not more than 3,000 words has to be distributed a week prior to the presentation. Tutorial participation is evaluated based on the quality of the group report and oral presentation. Students take turns to serve as presenters, discussants and observers. It is important that students divide themselves into different groups and be prepared for the discussions by reading the recommended reference materials and sharing with other group members.

Group project:

The group report allows students to undertake research and analysis on a topic chosen by them which is relevant to the subject of business and economic history of Hong Kong. The number of members for a group is 3-4. They can choose either an individual merchant or a company, or an eminent event in the economic and business development of Hong Kong. They have to submit the topic in or before the **9th week (Nov 1)** and get approval from the lecturer beforehand. The topic can be related to the one chosen for group presentation. A written report has to be submitted, which is limited to **3,000 words** at the maximum (including cover page, tables, figures, appendices, references and footnotes). Footnotes and information sources must be cited appropriately. The report has to be submitted in or before **13th week (Nov 29)**. **NO LATE** reports will be accepted. More detailed instructions will be given in the class.

Standard for assessment:

1. Class attendance (20%): Assessment criteria: Attendance
2. Group presentation (40%):
 - a) Content of the presentation (written report, 60%). Scores will be given to presentations which can communicate the essential elements of the analysis and conclusions to the audience in a logical manner. Concepts are thoroughly explained and clarified when necessary.
 - b) A successful presentation should demonstrate a deep understanding and comprehension of the topic. There should be clear evidence of independent and critical thinking.
 - c) Skills of presentation. The presenters should display verbal skills and deliver an interesting and coherent presentation. Visual aids should be used and completion should be on time.
 - d) Discussing and commenting presentation (30%). The discussants should make appropriate comments to both the written report and the oral presentation at the group discussion.
 - e) Attending group discussion (10%). The observers should raise questions or make response to either the presenters or the discussants.
3. Group report (40%):
 - a) Identification of critical issues (20%).
 - b) Understanding and correct application of theory -Articulation of arguments -Relevance, logic and creativity of recommendations -Structure -Use and correct citation of relevant sources of materials (60%).
 - c) Language and style (grammar and spelling) of writing, plus the use of footnotes and listing of references (20%).

Study Load:

Course teaching & learning activities	Expected contact hour	Study load %
T&L 1 Lectures with interactive exercises	48	40
T&L 3 Group project	24	20
T&L 4 Self-study	48	40
T&L 5 Field trip (integrated with lecture)	-	-
Total	120	100

Final Grade:

It will be based on the scores for all the assessment tasks as follows: Class attendance (20%) + Group presentation (40%) + Group report (20%). The conversion of the score to the course final grade is summarized in the below table.

A+, A, A-	85% - 100%
B+, B, B-	70% - 84%
C+, C, C-	60% - 69%
D+, D	50% - 59%
F	< 50%

VII. Schedule:

Weekly sessions will be divided into four units: 19th century, pre-war and late 1940s, 1950s-1960s, and 1970s-present. Some of the sessions will combine lecture and group discussion. Students will take turn to present or comment in the group discussion.

Weekly schedule:

1st week (Sep 6)

Lecture 1: Introduction and organization

2nd week (Sep 13)

Lecture 2: Trading in the edge of the empire: HSBC in Hong Kong and China

Readings:

1. Leo Goodstadt, "Laissez-faire's limitations: the evolution of monetary policy in Hong Kong, 1935-80," in Catherine Schenk (ed.), *Hong Kong SAR's Monetary and Exchange Rate Challenges: Historical Perspectives* (New York: Palgrave Macmillan, 2009), pp. 75-94. HKU Call# [332.456095125 H77](#)
2. Qing Lu, "Government control, transaction costs, and commitment between the Hongkong and Shanghai Banking Corporation (HSBC) and the Chinese government," in *Enterprise & Society*, Vol. 9, Issue 1 (2008), pp. 44-69. E-file available

3rd week (Sep 20)

Lecture 3: Dependent or independent: Chinese comprador and merchant in colonial Hong Kong

Readings:

1. Lee Pui-tak, "Chinese Merchants in Hong Kong Colonial Context, 1850-1910," in Wong Siu-lun and Toyojiro Maruya (eds.), *Hong Kong Economy and Society: Challenges in the New Era* (Hong Kong: Centre of Asian Studies, the University of Hong Kong; Tokyo: Institute of Developing Economies, Tokyo, 1998), pp. 61-86. HKU Call# [330.95125 H779](#) E-file available
2. Hui Po Keung, "Comprador politics and middleman capitalism," in Tak-Wing Ngo (ed.), *Hong Kong's history: state and society under colonial rule* (London; New York: Routledge, 1999), pp. 30-45. HKU Call# [951.25 H788](#)

4th week (Sep 27)*

Lecture 4: The first Hong Kong Chinese tycoon: Ho Tung

Readings:

1. Eric Peter Ho, *Tracing My Children's Lineage* (Hong Kong: Hong Kong Institute for the Humanities & Social Science, University of Hong Kong, 2010). HKU Call# [351.51250092 H6 t](#)
2. Victor Zheng & Wong Siu-lun, "The Mystery of Capital: Eurasian Entrepreneurs' Socio-Cultural Strategies for Commercial Success in Early 20th Century Hong Kong," in *Asian Studies Review*, Vol. 34, No. 4, pp. 467-487. E-file available

5th week (Oct 4)

No class

6th week (Oct 11)

Visit to HSBC Archives in Hong Kong, or China Merchant Group Archives in Shekou

7th week (Oct 18)

No class, Reading Week

8th week (Oct 25)*

Lecture 5: Ethnicity and Chinese business networks: Chinese views of capital

Readings:

1. Takeshi Hamashita, *China, East Asia and the Global Economy: Regional and Historical Perspectives* (London & New York: Routledge, 2008). HKU Call# [382.0951 H198 c53](#)
2. Pui-Tak Lee, "Linking Global and Local Networks of Credit and Remittances: Ma Tsui Chiu's Financial Operations in Hong Kong, 1900s–1950s." In Ulbe Bosma and Anthony Webster (eds.), *Commodities, Ports and Agency: Shaping Maritime Mercantile Networks in Asia from the Eighteenth Century Onwards* (London & New York: Palgrave Macmillan, forthcoming). E-file available.

9th week (Nov 1)*

Lecture 6: The migrant industrialists from Shanghai

Readings:

1. Wong Siu-Lun, *Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong* (Hong Kong: Oxford University Press, 1988). HKU Call# [338.04095125 W87](#)
2. Jasper Becker, *C.C. Lee: The Textile Man* (Hong Kong: Textile Alliance, 2011). HKU Call# [338.76770092 L47 B](#)

10th week (Nov 8)*

Lecture 7: Banking crisis in 1965: How Hang Seng Bank merged with HSBC?

Readings:

1. Catherine Schenk, "The origins of anti-competitive regulation: was Hong Kong 'over-banked' in the 1960s?," Working Papers 092006, Hong Kong Institute for Monetary Research, 2006. E-file available
2. Leo F. Goodstadt, *Profits, Politics and Panics: Hong Kong Banks and the Making of a Miracle Economy, 1935-1985* (Hong Kong: Hong Kong University Press, 2007). HKU Call# [332.1095125 G64](#)

11th week (Nov 15)*

Lecture 8: CCP vs KMT: The political dilemma of Chinese merchants in Hong Kong

Readings:

1. Christine Loh, *Underground Front: The Chinese Communist Party in Hong Kong* (Hong Kong: Hong Kong University Press, 2010). HKU Call# [324.251075095125 L83](#)
2. Pui-Tak Lee, "Avoiding isolation by the revolution: K.P. Chen's dealings from Hong Kong with Shanghai and Taipei, 1948-1956." In Sherman Cochran (ed.), *The*

Capitalist Dilemma in China's Communist Revolution (Ithaca: Cornell University East Asia Program, 2014), pp. 45-64. HKU Call# [338.04092252 C24](#)

12th week (Nov 22)*

Lecture 9: Chambers of Commerce in Hong Kong

Readings:

1. Chan Wai Kwan, *The Making of Hong Kong Society: Three Studies of Class Formation in Early Hong Kong* (Oxford: Clarendon Press, 1991). HKU Call# [309.15125 C45](#)
2. Lee Pui-tak, 二次大戰結束前的香港華人商 (The Chinese chamber of commerce in Hong Kong before the end of the Second World War), in Lee Pui-tak (ed.), *商會與近代中國政治變遷* (Chamber of Commerce and the political change in modern China) (Hong Kong: Commercial Press, 2009), pp. 91-104. HKU Call# [\[中\] HF331.C6 S445 2009](#)

13th week (Nov 29)

Lecture 10: Writing business history in Hong Kong

Readings:

1. S.H. Goo, *Study Report on History of Company Incorporation in Hong Kong: Celebrating the 20th Anniversary of the Companies Registry* (Hong Kong: Companies Registry, 2013). E-file available
2. Lee Pui-tak, 再論香港的企業史研究 (The research of business history in Hong Kong: a revisit). In *Hong Kong Economic Journal Monthly*, No. 372 (March 2008), pp. 98-103. E-file available

14th week (Dec 6) Make up class

Lecture 11: Course conclusion and project sharing

A brief presentation will be given by selected presentation groups.

*stands for group discussion/presentation

Schedule summary:

Unit 1 (late 19th & early 20th century): 2nd & 3rd week

Unit 2 (pre-war and late 1940s): 4th & 8th week

Unit 3 (1950s-1960s): 9th & 10th week

Unit 4 (1970s-present): 11th & 12th week

Methodology and organization: 1st, 13th & 14th week

Archives visit: 6th week

No class: 5th & 7th week

VIII. Topics for group discussion/presentation:

1. Why HSBC was successful in Hong Kong and in mainland China? What are the key factors accounted for the HSBC's success? (Sep 27 & Oct 25)
2. What are the Chinese concepts of 'capital' and 'business network'? How Chinese developed businesses in Hong Kong and what are their socio-economic characteristics? (Nov 1 & 8)
3. What is 'laissez-faire'? How it can be applied to the economic development of Hong Kong in the 1960s-80s? What are the positive and negative impacts? (Nov 15 & 22)

7 July 2016 updated