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70% of Hongkongers Support Greater Income Redistribution

Relevant photos are available on EdUHK webpage
<https://www.eduhk.hk/aps/>

In the latest survey conducted by The Education University of Hong Kong (EdUHK), nearly 90% of respondents thought that Hong Kong's economy is controlled by large corporations and 70% attributed social inequality to the manipulation of a coterie of people in power. The majority of respondents supported the government to impose higher taxes on the wealthy. Scholars have advised that a widening income gap between the rich and the poor is not conducive to social development. Thus, policy makers should facilitate wealth redistribution through a holistic review of the tax system.

A total of 1,002 Hong Kong citizens aged 18 or above were randomly selected and interviewed in a telephone survey commissioned by the Department of Asian and Policy Studies at EdUHK in February this year. They were asked to express their attitudes towards income redistribution and social policy in Hong Kong. Although more than half of the respondents regarded Hong Kong as a fair society, 11% fewer did so than when the same survey was conducted about 10 years ago. The findings also indicate that an increasing number of Hongkongers hope the government will act to redistribute wealth by increasing taxes on the wealthy. More results of the survey are as follows.

		2007	2017
Large corporations control Hong Kong's economy	Agree	74.3%	87.5%
	Neutral	19%	5.5%
	Disagree	6.5%	4.6%
Social inequality due to the manipulation of a small group of people in power	Agree	52.6%	69.5%
	Neutral	28.4%	5%
	Disagree	18.9%	22.1%
Children of the rich are more likely to succeed	Agree	74.4%	79.8%
	Neutral	12%	5.5%
	Disagree	13.5%	13.8%
Hong Kong is a place with fairness and justice	Agree	62.9%	51.5%
	Neutral	20%	18.7%
	Disagree	16.9%	28.2%
The government can reduce social inequality through tax and expenditure control	Agree	66.9%	69.4%
	Neutral	20.5%	7.3%
	Disagree	12.4%	19.6%

The rich should pay a higher tax rate to reduce income inequality	Agree	59.2%	70%
	Neutral	21.4%	6.6%
	Disagree	19.3%	20.8%

The survey also showed that the younger generation is more conscious than their elders of the fairness and justice of distributing wealth in society. They have higher expectations of the government eradicating the uneven distribution of income and bridging the wealth gap. Only one-fifth of the respondents in the 18-26 age group thought that the government had done a lot for the underclass.

	Age	18-26	27-41	42-51	52 or above
The rich should pay a higher tax rate to reduce income inequality	Agree	76.7%	80.7%	60.9%	67%
	Neutral	6.4%	8.8%	9.5%	5%
	Disagree	15.7%	10.5%	25.7%	25.2%
Social inequality due to the manipulation of a small group of people in power	Agree	78.4%	82.8%	68.9%	61.3%
	Neutral	5.8%	1.7%	7.8%	4.8%
	Disagree	14.6%	15.5%	19.4%	28.4%
Hong Kong is a place with fairness and justice	Agree	41.5%	42%	50.9%	59.7%
	Neutral	21.6%	25.4%	22.3%	13.9%
	Disagree	36.8%	30.9%	22.9%	25.4%
Children of the rich are more likely to succeed	Agree	88.2%	81.9%	89.3%	72.4%
	Neutral	4.7%	7.1%	6.7%	4.6%
	Disagree	7.1%	10.9%	4%	21.3%
The government has done a lot for the poor	Agree	22.9%	34.3%	40.3%	56%
	Neutral	21.1%	16.6%	14.4%	15.2%
	Disagree	56.1%	48.6%	44.8%	26.7%

Dr Alfred Wu Muluan, Assistant Professor at the Department of Asian and Policy Studies and the principal investigator of this study, commented that the problem of the local economy overly relying on industries such as financial services and large corporations monopolising the market is serious. When this is combined with the trend of reducing permanent jobs, shortening employment terms and contracting out positions in the job market, people in the working class find it difficult to raise their incomes by accumulating work experience. As a result, the problem of wealth inequality is further aggravated.

Dr Wu explained that “in the past, the government emphasised ‘making the cake bigger’ to improve the life of the working class through the trickle-down effect, but the

effectiveness of that method is questionable. As a Confucius saying goes, ‘scarcity is not fearful, yet unevenness is.’ As an advanced economic system, if Hong Kong is still adopting the mindset of developing countries, it is simply milking a bull”.

He further pointed out that “although in recent years the Hong Kong SAR government has devoted quite a lot of effort to relieving poverty, this has merely involved ‘handouts’ rather than institutional arrangements, and such measures bring no benefit to improving the problem of income inequality in the long run”.

Dr Wu added that he foresees the wealth gap in Hong Kong further widening as the main economic structure is not changing and the population is ageing. He recommends that albeit controversial, the government should review the tax system as soon as possible, with possible changes including an increased corporate profit tax rate, reintroduction of the estate duty and the introduction of a capital gains tax so that the social income redistribution mechanism can be strengthened through contributions from the wealthy.

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For media enquiries, please contact Dr Alfred Muluan Wu, Assistant Professor, Department of Asian and Policy Studies, EdUHK (Tel.: 2948 7058; Email: wumuluan@eduhk.hk).