Chapter One: Introduction

1.1 The Modern Cinderella

The modern history of Hong Kong is strikingly similar to "Cinderella" the fairy tale.

In that well-known story, an innocent girl called Cinderella wanted to attend a ball held by the Prince who planned to choose his future spouse in that occasion. However, the poor maiden had neither a decent dress nor the money to hire an equipage. Desperately, she fell crying near the cinders where she usually worked.

Suddenly, an elderly fairy appeared and asked Cinderella why she was crying alone. Cinderella told her the truth. Then, the fairy, with her wand, turned a pumpkin into a coach, a bunch of mice into a group of fine horses, a rat into a fat jolly coach-man, a pack of lizards into six footmen, Cinderella's ugly and nasty clothes into clothes of gold and silver, and at last her broken boots into a pair of magnificent glass slippers. And at the same time, the fairy commanded Cinderella to leave before twelve o'clock, or else the magic would vanish.

When Cinderella arrived at the ball, there broke out a temporary silence. Everyone, including the Prince himself, ceased what they were doing, and joined together appreciating the extraordinary beauty of this unknown lady. The Prince later took her out for a dance, and there the couple had the finest moment in their life.

Time flew and the clock began to strike twelve. Cinderella quickly rose up and fled as nimble as a deer towards the door. The Prince quickly followed her but could not catch hold of her. Cinderella came home quite out of breath, without coach or footmen, and in her old ugly clothes; she had nothing left of all her finery. She once again sat down upon the cinders, there dreaming to see the Prince to come and pick her up some day.

Hundreds of years later, a similar story happened in the real world. This time, however, the main character was no longer a poor maiden in a Medieval European village, but instead a tiny harbour in Far East Asia called Hong Kong. Also, there was no more elderly fairy this time but instead we have the British.

One day towards the mid of the nineteenth century, a group of people with brown hair and white skin landed on the Hong Kong Island and claimed the island to be theirs. From that day onwards, the fate of this previously insignificant southern Chinese harbour has completely changed. With the magic of modernization that the British has brought in, with only one hundred and fifty years of development, Hong Kong fully exerted the economic potential of her great harbour and her geographical location, turning herself from a deserted island into one of the most prominent cities in the world in the late twentieth century. This is akin to how the magic of the old fairy helped to fully exert the innate beauty of Cinderella.

Hong Kong's economic success is well known to the world. As a matter of fact, in 1997, the per-capita income of Hong Kong was not far behind that of the United States. (See figure 1.1) That is close to incredible. A celebrated economist once wondered: how could six million people living on a tiny spit of land with negligible resource manage to produce as high a per-capita income as the United States, a country of 260 million people that stretches from sea to shining sea, with enormous resources, and a two-hundred-year background of more or less steady growth, supposedly the strongest and richest country in the world?[1] As a result of this economic miracle, all kinds of praises and jealousies on Hong Kong quickly developed, similar to the appreciation on the beauty of Cinderella in the ball.

---

[1] Paraphrased from Milton Friedman, "The Real Lesson of Hong Kong," *National Review*, December 31st 1997, pp. 37.

Figure 1.1 Per-Capita GDP in 1997[2]

Country / Region	Per-Capita GDP (in USD)
United States	31,037
Hong Kong	26,351
United Kingdom	22,545
China, Mainland	726

Unfortunately, along with the handover on July 1st 1997 and the subsequent Asian Financial Crisis, the magic that has surrounded this harbour city for more than a hundred years suddenly disappeared. Almost instantly, all the praises and jealousies vanished, only to be replaced by sneers and unconcern from the rest of the world. The sentiment of Hong Kong in the years following this fateful year is probably the same as the feeling of Cinderella when she was forced to leave the castle at midnight: reluctant yet compelled to leave. On July 1st 1997, Hong Kong was back to where the fairy tale began – in the good old China House.

1.2 A Macro Vision of the World

After 1997, there emerged a common perception among all the souls in Hong Kong that the world around them suddenly looked totally different. Gone were the days of unstoppable economic growth, gone was the brilliant leadership of the British Colonial government, and gone were the days when everyone's dreams always come true. All of a sudden, the old way of living and thinking ceased to make sense, and everyone has to quickly adapt to the new environment. The future that once looked clear and promised is covered by layers and layers of mist, obstructing our vision in the road ahead. Partly due to this new situation, people longed for new theories to reinterpret the new position of the city and, if possible, to throw light on the darkened future.

Figure 1.2: Hong Kong Convention and Exhibition Centre[3]

A view of the elegant and luxurious (US$620 million) New Hong Kong Convention and Exhibition Centre (opened in 1997) in which the 1997 handover ceremony took place. Its shape reminds me of a widespread prophecy that has been around in Hong Kong for at least forty years. The prophecy says: "Hong Kong is set to decline when a sea turtle crawls into the Victoria Harbour from the Peak." Doesn't the convention centre, which

[2] International Monetary Fund, *International Financial Statistics* (Washington: International Monetary Fund, 2002), pp. 357, 361, 1033, 1041.

[3] Photo taken from Hong Kong Convention and Exhibition Centre, *HKCEC Gallery Centre View* (Picture on-line, available from http://www.hkcec.com.hk/english/images/gallery/gal_cv_img01_1.jpg).

supposedly symbolizes the boundless success of the city, look like a gigantic sea turtle from this angle?

1.2.1 Old Theories and New Methodology

Many of these new theories are political. Some discuss how the pro-China political forces will put an end to the rule of law and deconstruct other established structures. Others talk about how the politics in Beijing will influence the fate of Hong Kong. Still, some scholars suggest how the Hong Kong leaders must be an old-hand in politics so that Hong Kong can benefit from the political contests between China and the rest of the world.

In the meantime, many others focus on various economic factors. Some explain how the discrepancy in terms of price and wage level between mainland China and Hong Kong will put the harbour city at a disadvantage. Some others discuss how the city should attract more information technology (I.T.) professionals in order to transform herself into the high-tech centre of Asia. Some go so far as to speculate how precisely Hong Kong should reposition herself during the integration of the Chinese economy into the advanced countries of the West.

Everyday in the newspaper, in TV talk shows, in the radio and all kinds of other media, people use these two types of theories to interpret events that take place in Hong Kong and in the rest of the world. It is as if politics and economics are our only windows to look at the world.

Let's try to understand Hong Kong from a brand new perspective. When analyzing a complex issue such as the one we currently have at hands, my preference is to take as wide a horizon as possible, instead of limiting myself to a few disciplines like economics and politics. Human society is never only about money and power. Other aspects like culture, art, religion, technology and philosophy are equally, if not more, important. Unfortunately, they are normally neglected or are treated in isolation by the general public as well as the academia. The ultimate consequence of this unfortunate preponderance of economics and politics is that people fail to notice the extensive interaction among the various components of a human society.

In hope of avoiding such mistake, this book will adopt a macro horizon so as to arrive at a more thorough understanding of Hong Kong. Hopefully, such methodology shall reveal something that a narrow-sighted study does not allow. This multi-disciplinary method that simultaneously takes into account many sides of a society in the analysis is of course not a creation of mine. In fact, back in the nineteenth century, a certain German idealist philosopher called Georg Hegel (1770-1831) had already suggested that:

> …really to understand and explain anything or event in the world meant to set it off from every other thing in the universe, and to show its particular place in the great totality of things. Not connection with some preceding cause, but connection with the whole of the great world process, gives true understanding.[4]

This passage basically summarizes the methodology of this book.

This Hegelian method must be manipulated before putting into practice. Surely enough, the ideal scenario would be to take into account every little factor in the universe in the analysis. However, because of human's limited reasoning power, Hegel's ideal must remain as an ideal, as it is quite out of human reach to synthesize all the known facts in the universe at once. Moreover, there is no doubt that some factors are more pertinent than others, thereby granting us the option to eliminate those that are less relevant. As an extreme example, it simply does not make sense to start talking about dinosaurs in the current study, even though those creatures used to dominate the world hundreds of millions of years ago. Therefore, the

---

[4] John H. Randall, *Making of the Modern Mind* (Boston: Houghton Mifflin, 1926), pp. 420.

next task of our study is to determine how wide should our horizon be.

1.2.2 Examples of Macro-Analysis

But to begin with, we must first assign a more precise definition on the term “horizon”. Generally speaking, the horizon of every social or historical analysis has at least three dimensions. The first dimension deals with the number of disciplines to be included. For example, should one analyze a certain social issue solely from an economic perspective, or should one bring in other disciplines like politics, psychology, or even arts in the analysis? The second one concerns with the geographical perspective. For example, when analyzing a phenomenon in Hong Kong, should one also look at other cities or regions where something similar has happened in the past? The third one deals with time. For example, when analyzing a certain phenomenon that took place in, let’s say, the 1990s, should one take a look at the 1980s or even further back in order to understand its origin?

Having properly defined the term horizon, the next logical step is then to determine each of these three dimensions for our current analysis on Hong Kong. But before doing so, let’s take a quick survey on how several well-known writers in the past have decided on the horizon of their macro analyses. This shall familiarize us with a macro analysis.

The most famous amongst all the writers who have done such a macro study is no doubt Karl Marx (1818 - 1883). His idea on the evolution of human society, mostly included in his *Manifest der Kommunistischen Partei* or *The Communist Manifesto* in 1848 and his *Kapital* or *Capital* in 1867, can be summarized as follow: human history can be categorically divided into five distinctive epochs, namely the primitive age, the slavery age, the feudal age, the capitalist age, and the supposedly forthcoming communist age. Each of these ages is characterized by their proper mode of economic exchange, whose specific features are beyond the scope of this book. For the purpose of the present discussion, it suffices to state that for every age, there always exist economic conflicts between different social classes. Whenever such class struggle reaches an acme and cannot be resolved, a new production mode will emerge and replace the old one, thereby alleviating the struggle. Gradually yet definitively, the new economic structure will determine the religious, philosophical, governmental, juristic, and even the ethical aspects of the new society. In short, for Marx, the economic system is all that counts in a society. His provocative theory later proved to be utterly erroneous and impractical. Unfortunately, many less developed countries still adopted his communist ideology, and this eventually became the biggest threat to humanity in the twentieth century.

Nonetheless, it is his choice of dimensions rather than the conclusion of his theory that interests us the most. He has shown us what a macro perspective really means. His first dimension, namely the variety of disciplines, includes almost everything that one can imagine, ranging from economics, politics, religion, to law, ethics and philosophy. The second dimension, namely the geographical perspective, includes not only Europe, but also India (even though his analysis on India is completely wrong), China, and others. The third dimension, namely the one on time-frame, apparently stretches from at least hundreds of thousands years ago when the primitive society first appeared, until his own days when he was convinced that the capitalist society would soon come to an end and would shortly be replaced by a communist society. Leaving the accuracy of his analysis aside for the moment, one must respect Marx’s rich knowledge in practically every domain, as well as his enormous power of creativity and lateral thinking that allowed him to synthesize all his knowledge tightly together under a logical framework. Such is the significance of Marx.

Another example of analysis with a similar broad horizon is *Der Untergang des Abendlandes* or *The Decline of the West*, written

by Oswald Spengler (1880-1936), published immediately after the end of the First World War in 1919. This German philosopher had analyzed the rise and fall of the ancient Egyptian Empire, the ancient Indian Empire, the Roman Empire, and the Arabian Empire, and believed that every civilization inevitably goes through a certain spring-summer-autumn-winter life cycle. With the knowledge generated from this analysis, Spengler boldly argued that the heyday of the European civilization has already been passed. Then, he went on to predict that the twentieth century would not be an age of democracy, progress and peace, but instead a period of ruthlessness, imperialism and war – a prediction that is partially accurate. In a sense, Spengler had really come close to the ideal of the Hegelian method in that he went so far as to link the evolution of civilizations with natural laws. After all, both Spengler and Marx belonged to the same German philosophical school of idealism, of which Hegel was one of its founders.

Once again, it is Spengler's horizon in *The Decline of the West* that interests us the most. His analysis deals with Egypt, India, Middle East, and Europe, and he inspects the economic, political, religious, and artistic aspects for each of these civilizations. His temporal dimension, meanwhile, is shorter than Marx's since he has only covered a few thousand years of history since the beginning of the Indian civilization.

1.2.3 Information Revolution[5]

After the Second World War, there emerged a new school in United States that has similarly shown enormous interests in the long-term evolution of human society. These scholars have rejected the then prevailing Marxist approach which heavily focused on class struggle, and have also rejected Spengler's cosmic and metaphysical type of speculation. Instead, they exclusively focused on the effect of technological progress on the shaping of human society and concluded that the recent Information Revolution (defined below) that has begun somewhere in the 1950s would soon transform the Industrial Society into a so-called Post-Industrial or Information Society. Because this school of thought has a number of important connections with the theory to be proposed in this book, I shall briefly lay down some of the main features of this school of thought.

Let's begin with a short definition on the term "information". The term can best be illustrated with a continuum. (See figure 1.3) The continuum begins with *chaos*, which is basically the fragmented and unorganized data that is meaningless and useless to both human and computer. For example, in a marketing research of soft-drink, the *chaos* will simply be the unprocessed sales figures of soft drink. That is to say, *chaos* is simply the raw data awaited to be processed.

Chaos becomes *data* once it has been processed in such a way that makes it intelligible to an information machine like a computer or a Modem[6]. In our example, once the raw sales figures of soft drink have been entered into a computer, *chaos* becomes *data*.

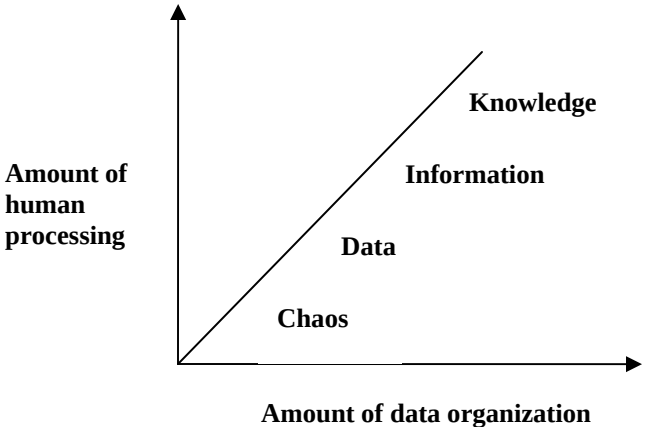
Data turns into *information* when the *data* has been organized into chunks that have meaning to humans. In our example, once the *data* on the sales of soft drink has been analyzed and unveils certain meaningful patterns or trends for practical purposes, *data* becomes *information.*

Figure 1.3: Chaos-Knowledge Continuum[7]

[5] A sizeable portion of the materials used in this section comes from Lelia Green, *Communication, Technology, and Society* (London: SAGE, 2002); Hugh Mackay, *Investigating the Information Society* (London: Routledge, 2001); and Christopher May, *The Information Society: A Sceptical View* (Massachusetts: Polity Press, 2002).

[6] Modem is an abbreviation that stands for MOdulator and DEModulator. It is a device that is used to connect multiple computers together through a telephone line or an optical cable.

[7] Graph adopted from Lelia Green, *Communication, Technology, and Society*, pp. 82.



At last, *information* becomes *knowledge* once the *information* has been successfully communicated to, and understood by, the knowledge workers. Simply put, the task of these workers is to combine the *information* with their own thoughts and ideas so as to formulate an action plan. In our example, once the *information* has been transmitted to the decision-makers in the soft-drink company and is used to make decision for future sales strategy, *information* becomes *knowledge*. Thus, *knowledge* is a human decision based on *information*.[8]

The origin of the idea of an Information Society can be traced back to the original work of Fritz Machlup (1902-1983). This political economist was the first to categorize knowledge and information tasks separately from the traditional industrial and social activities.[9] The most important pioneer in this school, however, was Daniel Bell (b. 1919), whose ground-breaking work entitled *The Coming of Post-Industrial Society*, published in 1974, has set the tone for most of the subsequent studies in this field. For Bell, the entire human history can be divided into three periods. The first one is the Pre-Industrial Society, began with the appearance of humanity some three million years ago, and ended with the Industrial Revolution somewhere in the late eighteenth century. This period is characterized by the fact that almost all of human's wealth had been produced through the struggle with nature with raw muscles. Then in the Industrial Society that followed, human began to produce wealth with machinery and natural resource like coal, oil and electricity.

Then beginning from the 1950s, the Industrial Age has come to an end, and was replaced by the so-called Post-Industrial or Information Age. For Bell and many other scholars, our future is all about information because in this upcoming Information Society, "what counts is not raw muscle power, or energy, but information."[10] The rise of Information Society is largely the outcome of the spectacular progress in information technology since the 1950s, which has granted humanity the power to handle an unprecedented amount of data and turn them into information. The end result of this explosion of information is that this new type of resource begins to play an increasingly important role in everyday business, and even becomes the main resource in finance, marketing, human resource, transportation, and many other business sectors. In short, as Bell once put it, "just as capital and labour have been the central variables of Industrial Society, so information and knowledge are the crucial variables in the Post-Industrial Society."[11]

[8] This section is partly adopted from Lelia Green, *Communication, Technology, and Society*, pp.82. In the original work, *Wisdom* has been included as the final stage of the continuum. However, the author fails to provide a meaningful definition for this term, and thus *Wisdom* is excluded from the description above.

[9] See his book entitled *The Production and Distribution of Knowledge in the United States* (Princeton: Princeton University Press, 1958) for more details.

[10] Daniel Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting* (London: Heinemann, 1974), pp. 127.

[11] Daniel Bell, "The Social Framework of the Information Society," in *The Microelectronics Revolution: The Complete Guide to the New Technology*

As evidence to support his thesis, he included in his work some American labour statistics in his book and stated that since 1860 the information sector, however he has defined it, occupied a larger and larger percentage of American labour vis-à-vis the agriculture and industry sector. (See figure 1.4) He concluded that United States is no longer an Industrial but an Information Society.

Figure 1.4: Percentage of American workforce in each sector[12]

Year	Information sector	Agriculture sector	Industry sector	Service sector
1860	5.8	40.6	37.0	16.6
1880	6.5	43.7	25.2	24.6
1900	12.8	35.3	26.8	25.1
1920	17.7	32.5	32.0	17.8
1940	24.9	15.4	37.2	22.5
1960	42.0	6.0	34.8	17.2
1980	46.6	2.1	22.5	28.8

With the above theory of a forthcoming Information Society as the point of departure, hundreds if not thousands of researches were conducted within just a few decades, all intended to elaborate, refine, or simply echo this very concept. For instance, a few years before Bell's work, Peter Drucker (b. 1909) wrote that in the post-war period "the base of our economy shifted from manual to knowledge work, and the centre of gravity of our social expenditure from goods to knowledge"[13], and that the "impact of cheap, reliable, fast and universally available information will easily be as great as was the impact of electricity."[14] In a similar tone, Alvin Toffler (b. 1928) refined the theory and argued that the Post-Industrial or Information Society was "not a straight line extension of the industrial society but a radical shift of direction [⋯which would be] a comprehensive transformation at least as revolutionary [as the Industrial Revolution]."[15] More recently, Bill Gates (b. 1955), the founder of Microsoft Corporation, wrote that "the global interactive network will transform our culture as dramatically as Gutenberg's press did the Middle Ages."[16] In another analysis, Manuel Castells (b. 1942) wrote that the computer revolution is "at least as major a historical event as was the eighteenth century Industrial Revolution, inducing a pattern of discontinuity in the material basis of economy, society and culture."[17] The futurist Tom Stonier (1927-1999) echoed with Daniel Bell that "modern productive systems no longer depend on land, labour and capital as their primary input; rather, they require information." [18] Likewise, David Bolter (b. 1951) wrote that computer occupies "a special place in our cultural landscape. It is the technology that more than any other defines our age [...] giving us a new definition of man, as an information processor, and of nature, as information to be processed."[19]

All the different thoughts of these writers can be neatly summed up in one sentence: recent progresses in information technology will transform the way we organize our society and the way we produce wealth. This is the essence of the Information

and Its Impact on Society, ed. T. Forester (Oxford: Blackwell, 1980), pp. 506.

[12] Excerpt from ibid., pp. 522.

[13] Peter F. Drucker, *The Age of Discontinuity* (New York: Harper & Row, 1969), pp. 287.

[14] Ibid., pp.27.

[15] Alvin Toffler, *The Third Wave* (New York: Morrow, 1980), pp. 366.

[16] Bill Gates, *The Road Ahead* (New York: Viking, 1995), pp. 9.

[17] Manuel Castells, *The Rise of Network Society* (Massachusetts: Blackwell, 2000), pp. 30.

[18] Tom Stonier, "The Impact of Microprocessors on Employment," in *The Microelectronics Revolution: The Complete Guide to the New Technology and Its Impact on Society*, ed. T. Forester (Oxford: Blackwell, 1980), pp. 306.

[19] David Bolter, Turing's Man: Western Culture in the Computer Age (London: Penguin, 1986), pp.8-9, 13.

Revolution. Judging from their description on the forthcoming Information Society, so many things will be fundamentally different that it is as if the sun will rise from the west in the Information Age!

1.2.4 A Sceptical View on the Information Revolution

Unfortunately, this fascinating theory of an upcoming Information Revolution is far from perfect. Underlying the works of all these writers is a very clear belief in technological determinism. Broadly speaking, technological determinism implies that technology is the main determinant of social progress, thus the prime mover in history; that technology is an independent factor outside the influence of any person or other social factors; and that other factors like politics, arts and religion are assumed to be unimportant, or at least far less important than technology during the course of the evolution of human society. In a sense, these theorists considered human and the human society merely as mechanical recipients of the uncontrollable technological factor; or, to put it differently, the progress in information technology created almost as a by-product the various social, economic, and intellectual transformations.

Technological determinism, sad to say, is simply the wrong point of departure for any meaningful long-term social analysis. A critic called Frank Webster once brilliantly commented on the concept of an imminent Information Society:

> So much commentary on the information age starts from a naïve and taken-for-granted position: "there has been an information technology revolution, this will have and is having profound social consequences, here are the sorts of impacts one may anticipate and which may already have been evidenced." This sets out with such a self-evidently firm sense of direction, and it follows such a neat linear logic – technological innovation results in social change – that it is almost a pity to announce that it is simply the wrong point of departure for those embarking on a journey to see where informational trends, technological and other, are leading.[20]

As far as I am concerned, none of the writers mentioned in the previous section have ever really wondered like Webster if technology is really the most important factor that shapes our society. Just as machinery is far from being the single most important factor that has set the stage for the Industrial Society, and just as raw struggle with nature is far from being the sole feature of the Pre-Industrial Age, the spectacular development in information technology is definitely not the key determinant in the shaping of the contemporary world. Other factors like the maturing of capitalism, the two World Wars, the Cold War, and the decline of philosophy and religion are all as important as, if not more than, the advancement in information technology. And yet, scholars in this school completely neglected all these factors and solely emphasized on technology.

This, of course, does not mean that the progress in information technology has been totally insignificant. After all, nowadays computers play such an important role in our everyday life that our society will not even function properly without it. What really went wrong with the theory is that they have assigned an erroneous significance on it by attempting to explain the evolution of human history with technology as the only relevant factor. Thus, the oversimplified concept of technological determinism must be abandoned and a complete redefinition of the role of information technology in the long-run history is urgently needed.

Apart from technological determinism, there exists a second flaw with this celebrated theory, namely the periodization of human history. As mentioned above, those scholars divided the entire human history into the Pre-Industrial Age, Industrial Age, and Post-Industrial Age. However, while the Pre-Industrial Age has lasted for

---

[20] Frank Webster, *Theories of the Information Society* (New York: Routledge, 1995), pp. 215.

almost three million years, the Industrial Age has only endured for less than two hundred years. Intuition already tells us that such ridiculous unbalance of length of these two epochs may suggest problems with such division. Surely enough, during the million years long Pre-Industrial Age, there existed no machinery and therefore human had to rely on their raw muscle in the creation of wealth. However, machinery is far from being the most important technological breakout in human history. The discovery of fire, the creation of letters, the production of metallic tools, the invention of agriculture, the use of hydro and animal power, as well as an untold amount of other crucial inventions and discoveries can hardly be judged to be less important than machinery. And yet, those scholars fully disregarded this fact and assigned special positions to machinery and computer.

What's even more problematic about such division is their implication that the entire Pre-Industrial Age is uniform in terms of religion, culture, value standard, and social organization, to name just a few.[21] For example, it is difficult to imagine how a tribe in a dense forest one million years ago with no more than a hundred members can be similar, let alone identical, to Rome the city with no less than one million dwellers in the second century AD. As another example, it is hardly convincing to argue that everyone in the Pre-Industrial Age uniformly cared only about the maintenance of life, as one writer put it.[22] While this observation may hold for our ancestors living in forest, it is definitely incorrect to generalize it to the ancient Greeks. These Post-Industrial theorists have probably never studied the Greek civilization in any meaningful depth. For even the most superficial reading of any Greek literature is sufficient for one to draw the conclusion that what the Greeks, who according the Post-Industrial theorists belonged to the same Pre-Industrial Age as do our ancestors millions of years ago, valued the most was the cultivation of their human nature.[23] The same is true for other areas like ethical, religious and thought standard. In short, it is plainly absurd to generalize three million years of history under the title Pre-Industrial Age.

A third problem with the theory once again touches the core of their methodology, namely their exclusive concern with the mode of production and the social structure in each epoch. Generally speaking, the main interest of these scholars is to figure out how did machinery and computer transformed the way human used to produce wealth and the way human used to organize the society. Other elements in a society like religion, philosophy, and arts received far smaller attention in their work.

The ridiculousness of such exclusive interest in economics and social structure can best be understood with a simple analogy. Our complex civilization is like a house. A house has a garden, a kitchen, a living room, a washroom, and a few bedrooms, just as our civilization is composed of economics, politics, arts, religion, technology, plus numerous other components. Yet, when these Post-Industrial theorists visit the house, they only stay within the washroom and appreciate how high tech the state-of-the-art artificial-intelligent stool is, without taking a look at the living room and the kitchen outside. As such, how can they grab the full picture of the house, needless to mention the specific atmosphere that the interior designer has imbued into the house with the genius combination of colours, light, and lines?

Human society is like a spider web in which all the elements intertwine with each others in such a complexity that no single element can be treated in isolation. Accordingly, if one limits oneself to a little corner, chances are one will never come close to greater understanding of humanity. Hence, only by studying the society with

[21] One scholar have prepared a table of comparison among the agricultural, industrial and information society in terms of production power structure, social structure, and value outlook. See Lelia Green, *Communication, Technology, and Society*, pp. 74. List some of the items in the table.

[22] See Lelia Green, *Communication, Technology, and Society*, pp. 74

[23] This topic will be covered in great details in chapter three.

a broader perspective may one really understand the atmosphere of different periods and the rhythm of history. This is the essence of the Hegelian method.

To sum up, the theory of information society, in spite of its bold attempt to analyze human history at a macro level just like what Marx and Spengler did, proves to be unsatisfactory. These scholars have erroneously taken the technological determinism for granted; they rashly grouped the entire human history before the industrial age as pre-industrial age; and they failed to include other elements in a society in the analysis. Yet, the general public seems to be unaware of these flaws in the theory.

1.3 The Knowledge-Value Revolution

It is exactly these shortcomings on the existing theory of the Information Society mentioned above that make the work of Sakaiya Taichi[24] (b. 1935) really outstanding. In his book entitled *The Knowledge-Value Revolution*[25], first published in Japanese in 1985, this scholar gave a brand-new historical significance to the current progress in information technology. His cunning methodology successfully avoided many mistakes committed by other theorists, although it unfortunately created many others at the same time.

1.3.1 The Innovation of Sakaiya

Like all other writers mentioned so far in this chapter, Sakaiya analyzed a certain social phenomenon with a breathtakingly wide horizon. The first dimension of his analysis, namely the variety of disciplines included, ranges from technology, social structure, economics, perception of wealth, to psychology, religion, and art. This already suggests how he really endeavoured to draw a fuller picture on the evolution of human society than the traditional post-industrial theorists who care about nothing but technology and economics. The second dimension, namely the geographical scope, stretches from Europe, Egypt, Middle East, India, China, Japan and United States. The third dimension, namely the one on time frame, spans from approximately 6000 BC since the beginning of agriculture until nowadays.

Yet, what is even more astonishing than his gutsy choice of dimensions is his finding. Sakaiya roughly divided the history of humanity since the appearance of agriculture some eight thousand years ago into five distinct periods: Neolithic,[26] Antiquity, Middle Ages, Modern Age, and Information Age.

Sakaiya begins his analysis with the Neolithic, the period that witnessed the initial stage of agriculture. Sakaiya assigned such an era-making significance to the invention of agriculture because of its "overwhelming importance in the formation of civilization and society."[27] Indeed, without agriculture, human could never rise above the level of hunter and gatherer. The primitive agricultural technology that these early farmers possessed, however, probably didn't allow a high crop yield. Therefore, in order to ensure the preservation of a large portion of the harvest as seeds for the following year, abstinence through the help of a royal power was necessary, thus creating the first nation-state. Under such material abstinence, "people devoted their energy to introspection rather than the things of this world."[28] Accordingly, men have concentrated their spiritual energy in religious affairs and attempted to give form to the

[24] 堺屋太一
[25] 智價革命

[26] Please note that Sakaiya never used the word Neolithic in his work. However, the agricultural age between 6000 BC and 1500 BC that he refers to roughly corresponds to the Neolithic Age used by most archeologists.
[27] Taichi Sakaiya, *The Knowledge-Value Revolution*, trans. George Fields and William Marsh (Tokyo; New York: Kodansha International, 1991), pp. 83-4.
[28] Ibid., pp. 87.

supernatural. Such disinterest in the material world could be shown from the abstract figures of man and animals (which for Sakaiya means art that makes no attempt to objectively depict the real world) on the potteries and copperwares produced during this period. It seemed that human in this period "sensed a more noble beauty in speculative abstractions [⋯] than he found in a realism based on the material world."[29]

By around 1400 BC, a number of new agricultural technologies like waterways, iron tools and perhaps a specialized bureaucracy together helped to substantially increase the output of agricultural products. This soon produced a strong interest in material things and an ambition to acquire more and more of them. This was the beginning of Antiquity. Out of this mentality emerged a system to employ other people in production, thus slavery, and the idea of expanding arable lands, thus expansionist territorial state. The government correspondingly became administrative-oriented and performed many functions that modern government performs, like law enforcement, taxation, road building and military protection. The increased food supply had also substantially boosted the scale of commerce and level of population to a point unseen by the ancients. And, along with all these social developments went their "pursuit of realism in art and their spirit of scientific inquiry."[30] For the ancients, religion, however, "was not a decisive or crucial matter."[31]

Starting from around 200 AD, however, the Ancient World showed patterns of disintegration. The arrival at the limit of the world (desert, ocean, and black forest), the depletion of lumber resource, the reduced supply of slaves, and the decrease in population, all jeopardized the very spirit of the ancient world, namely the interest in acquiring more and more resource. This corresponded to the degeneration in realistic representation and the decline in scientific research in this period of time.

[29] Ibid., pp. 88.
[30] Ibid., pp. 96.
[31] Ibid., pp. 101.

This set the stage for the Middle Ages, roughly began from 650 AD. The most important feature of the Middle Ages was that people have lost the interest in material things of the world, and instead devoted a large portion of their energy on spiritual contemplation. For Sakaiya, the disproportionate and unrealistic paintings that were imbued with ideas of gods and devils that were produced during this period showed all too clearly the general anti-materialistic attitude of this epoch. Equally significant was the fact that people have abandoned the highly material-oriented religion of Greece and Rome in the West and Confucianism in China, and instead adopted the purely spiritual Christianity, Buddhism and Taoism. In fact, during the thousand years long Middle Ages, the society as a whole lacked interest in material things, devoted much of their time on spiritual contemplation, and hesitated to engage in the pursuit of scientific knowledge. Simply put, "the Middle Ages were another world entirely."[32]

Beginning from the tenth century in China, the use of coal and steel, as well as the development of the resourceful Southern China soon resulted in an increase in material supply in China. This was the origin of the highly modern Sung dynasty[33] (960-1279), under which China achieved the highest level of prosperity in pre-Modern history. Unfortunately, because of over-population, lack of competition with another civilization, and enormous pressure from the Northern barbarians, this proto-modern experiment finally failed.

In Europe, on the other hand, supply of material boomed in the eleventh century due to an increase in arable land and increase in productivity, and this sparked a revival in intellectualism and materialism in the twelfth century. Europe was more fortunate than China in that the discovery of America has allowed the excess population to move elsewhere and at the same time brought in new

[32] Ibid., pp. 180.
[33] 宋朝

resource. Such abundant supply of material further revived European interest in material things, and was the roots for the springing of realistic paintings in Renaissance and the later scientific development. This materialist culture reached its culmination with the Industrial Revolution in the eighteenth-century and later peaked during the petroleum culture in the mid-twentieth century.

However, starting from the mid twentieth century, the western materialist culture was plagued by the slowdown in population growth in the western world, the fear of drain in the supply of various natural resources like oil and coal, pollution, the increasingly worrisome global desertification, and the run-out of new frontier to develop. These factors that highly resembled to those that had once caused the Ancient world to collapse, according to Sakaiya, caused the post-war petroleum culture — the zenith of everything the industrial society stands for — to go downhill in a rapid pace.

As evidences for the current turn of tide, Sakaiya wrote that "Light/Thin/Short/Small/Efficient" has replaced "Big" as the slogan for beauty,[34] as shown in the design of automobile, furniture, architecture, and electrical appliances. He interpreted this change in aesthetic standard as signs that people no longer saw excessive consumption but instead conservation of energy as something pleasing, thus reversing the trend since the Industrial Society.

Even more significant was the fact that people began to assign a high value to knowledge-value (or information-value). This is due to the fact that knowledge-value is in great abundance in the recent decades compared to energy and material, thanks to the progress in information technology. Equally noteworthy is that knowledge-value is "subject to rapid and fickle changes"[35], thus the value of knowledge products can be extremely volatile. Sakaiya spent his last two chapters to predict how the upcoming knowledge-value society will be imbued with knowledge value in every corner.

Such is Sakaiya's mind-shaking analysis. To sum up, the Japanese scholar has successfully averted many errors of the traditional theorists. First and foremost, he dropped the technological determinism from his work, and instead used the fluctuation in material supply as the main determinant of history. Secondly, he avoided any overly generalization of history, such as the traditional theorists have done with the Pre-Industrial Age, and spent considerable amount of pages to carefully depict the difference in terms of religion, social structure, philosophy, and aesthetic sense of people in each period. His work indeed represents a major improvement over other theorists mentioned above.

1.3.2 Errors in Sakaiya's Theory

Unfortunately, while his original analysis skilfully avoids many mistakes of the traditional theorists, it creates many others at the same time. Some of them are minor issues about accuracy of facts. As an example, Sakaiya mentioned that medieval Europeans believed that "the earth is flat"[36], and used it to support his view that people in those days had little interest in scientific observation of the world around them. While his interpretation is largely correct, it is nonetheless a factual error that medieval people thought the world as flat. Most people today are unaware of the notion that medieval European believed in a flat world is only a modern myth. This myth was created, tongue in cheek, by the nineteenth-century American writer and humorist Washington Irving (1783-1859) in his half-fact half-fiction *The Life and Voyage of Christopher Columbus* published in 1828.[37] The truth was that only a very small group of Christian

[34] Taichi Sakaiya, *The Knowledge-Value Revolution*, pp. 42.
[35] Ibid., pp. 252.
[36] Ibid., pp. 165.
[37] For an in-depth discussion on this topic, see Jeffrey B. Russell, *Inventing the Flat Earth: Columbus and Modern Historians* (New York: Praeger, 1991).

scholars who were largely ignored by the church argued that the world is flat. And in fact, even the Bible suggests that the world is spherical in form.[38]

A second problem with his analysis also deals with accuracy of facts. He mentioned that towards the end of late Antiquity, even the uncivilized barbarians began to respect the anti-materialistic and spiritual temperament. As an example, he wrote that the reason why "in 452 Attila the Hun, having reached the gates of Rome with his armies, was persuaded by Pope Leo I to remove himself to the North"[39] was because Attila "had advanced to the medieval stage of deriving spiritual satisfaction."[40] In other words, Attila forgave Rome because of the spirituality of Leo alone. However, by accepting Sakaiya's conclusion, one must necessarily neglect facts like the serious losses Attila had suffered the previous year in Châlons, some logistic problems the Huns had encountered, a plague that swept through his army, and also an expeditionary force sent by the Eastern Roman Emperor Marcian (392-457; r. 450-457) to the heartland of the Huns. Few historians would disagree that it was mostly because of these reasons as well as a possible bribe from the Pope that made Attila to pull back. And yet Sakaiya preferred to resort to his own speculation that better suits his theory.

As another example on this issue, Sakaiya wrote that in the Western Jin dynasty[41] (265-316) in China, Shi Lo[42] the king of the Huns[43] was won over by the lofty elegance of the captured Secretary of Defence[44] of Western Jin called Wang Yen[45]. Accordingly, he decided not to behead his defeated adversary but instead resorted to a "far less humiliating expedient to the people of that time: toppling a stone wall on him and crushing him to death"[46] Has he looked at the chronicle by Sima Guang[47], he would certainly discover that the story about Shi Lo attracted by the lofty elegance of Wang Yen is only part of the story. What Sakaiya omitted to recount in his book is how Shi Lo ridiculed on the "lofty elegance" of Wang Yen.[48]

The third issue with Sakaiya's analysis deals with his discussion on art. As mentioned earlier, Sakaiya observed a cyclical pattern in the evolution of visual art and used it to confirm his view on the cyclical shift of human psychology. For him, Neolithic art is

[38] "It is he who sits above the circle of the earth." See the Bible, Isaiah 40:22.
[39] Taichi Sakaiya, *The Knowledge-Value Revolution*, pp. 163.
[40] Ibid., pp. 163.
[41] 西晉
[42] 石勒
[43] 匈奴
[44] 太尉，主司軍事的執政官，三公之一
[45] 王衍
[46] Taichi Sakaiya, *The Knowledge-Value Revolution*, pp. 163.
[47] 司馬光
[48] "In the April of 311AD, Shi Lo captured the Chief General of Western Jin called Wang Yen and asked him the reasons of Jin's defeat. Wang replied that he had nothing to do with the crushing defeat. He further told Shi that he never wanted to be an official in his whole life and that he was never concerned with the mundane world. He later suggested Shi to crown himself Emperor so that he might not be killed by Shi. But Shi told Wang, 'You are an official since you were young. You have gathered an enormous reputation and you now hold one of the most important posts in your government. As such, how can you say that you have never intended to be an official? Who else should bear more responsibility for the defeat of your government than people like you!'" See Sima Guang, *Zi Zhi Tong Jian* (Beijing: Zhonghua shu ju, 1993), vol. 87. My own translation.
司馬光《資治通鑒》卷第八十七。『孝懷皇帝中永嘉五年（公元三一一年）。夏，四月，石勒帥輕騎追太傅越之喪，及於苦縣寧平城，大敗晉兵，縱騎圍而射之，將士十餘萬人相踐如山，無一人得免者。執太尉王衍、襄陽王范、任城王濟、武陵莊王澹、西河王喜、梁懷王禧、齊王超、吏部尚書劉望、廷尉諸葛銓、豫州刺史劉喬、太傅長史庚金全等，坐之幕下，問以晉故。衍具陳禍敗之由，雲計不在己；且自言少無宦情，不豫世事；因勸勒稱尊號，冀以自免。勒曰：「君少壯登朝，名蓋四海，身居重任，何得言無宦情邪！破壞天下，非君而誰！」』

abstract,[49] ancient art is realistic,[50] medieval art is highly symbolic and childish,[51] modern art is realistic,[52] and art in knowledge-value society is irrational, abstract and anti-materialistic.[53] This idea of using artistic materials in a social analysis no doubt represents a major innovation over other conventional theories; however, his interpretation unfortunately contains at least two weaknesses.

Firstly, Sakaiya somehow failed to include other types of arts in the discussion. Visual art, after all, is not the only type of art known to us. Has he brought music and literature in his work, he would certainly realize that his "either realistic or abstract" labels that he applied on visual art are hardly applicable to these two types of arts. For instance, while it may be correct to say that nowadays' abstract paintings do not look as realistic as paintings two hundred years ago, how can one say that nowadays' popular fiction written by writers living in a knowledge-value society is more "abstract" than the works of Shakespeare? And how can one say that today's popular music written by composers living in a knowledge-value society is less "realistic" than classical music? This simply does not make any sense. Abstract and realistic may be the adequate adjectives to categorize visual arts, but certainly not for music and literature. Thus, the fact that he strictly limited himself to visual art made his observation to appear one-sided, and it cannot be generalized to other types of arts.

Secondly, it seems that in Sakaiya's mind, realistic and abstract is what art is all about, since he never used other adjectives to comment on an artwork. To be fair, his observations that Ancient and Modern art looks more realistic than Neolithic, Medieval and contemporary art is no doubt largely correct. Nevertheless, realistic or abstract are only two of the crudest adjectives to be used in art critics. The principle of art itself is much too complex to be described with these categorical terms. For instance, what is really underneath the "realistic" paintings of Renaissance in the fifteenth and sixteenth century Italy is a profound interest in studying and portraying human nature, something people usually referred as humanism. And yet, Sakaiya discarded all these important features and only focused on whether they are realistic or not.

The fourth problem is more serious, as it deals with his periodization of history. He wrote that the some thirty years after the Second World War was the zenith of the industrial society, thanks to the "discovery of petroleum resources in the Middle East in the 1940s and 1950s."[54] He also mentioned that a materialistic epoch like the Antiquity and the Modern Industrial Society should produce only realistic art. However, as he himself acknowledged in his book, Impressionism, the first sign of breakdown of the "tradition of realistic representation in art,"[55] in fact emerged as early as in the mid-nineteenth century, a full hundred years before the industrial society has shown any major signs of decadence. He attempted to explain this by claiming that art is a leading indicator of social transformation and thereby changed before the society. Such cosmic type of reasoning is by no means scientific and rational. This leaves the origin of Impressionism a mystery in his book: what exactly caused those Impressionists in the mid nineteenth century to feel that the materialistic Industrial Society was coming to an end, at the time when the idea of desertification, pollution, drain of natural resource, and the lowered growth in population were still largely unknown to the West? There are two possibilities: the first one is that the Impressionists felt a reduction in supply of a certain material or energy that Sakaiya omitted; the second is that there is no real connection between supply of material and arts. The answer to this question is of course the second one, as will be shown in the rest of this book.

[49] Taichi Sakaiya, *The Knowledge-Value Revolution*, pp. 88.
[50] Ibid., pp. 167.
[51] Ibid., pp. 167.
[52] Ibid., pp. 148.
[53] Ibid., pp. 150-1.
[54] Ibid., pp. 139.
[55] Ibid., pp. 150.

The fifth trouble concerns with his description on the psychology of people in different epochs. He categorized the Ancients and the Modern people to be materialist, meaning that they considered the consumption of resource and energy a glory; while people in Neolithic, Middle Ages and the current Information Age are labelled as anti-materialistic, meaning that they assigned a high value to non-materialist objects. This observation may hold for the ancient Romans and the nineteenth-century European. However, it is definitely incorrect to say that people in the Classical Greek Age (800?-400? BC) – the zenith of the Ancient culture – cared only about their material life. As will be shown in details in chapter three, wealth plays only a very small role in the everyday life of the ancient Greeks. A similar problem happens to his description of the Modern Age. While his comment that people in Renaissance and the Industrial Age encompassed a strong desire of materials is partially acceptable, it is simply ridiculous to link the increase in productivity with the Protestant Reformation in the sixteenth century.[56] Simply put it, materialistic and anti-materialistic are hardly the best criteria to divide human history.

The sixth one deals with the relationship between science and the supply of material. He wrote that an abundance supply of material would cause people to objectively observe the world, thereby breeding a scientific spirit, and vice versa. Then he used this theory to explain why the resourceful Ancient society had developed a certain "spirit of scientific inquiry,"[57] why the poor Medieval world did not spawn the kind of scientific spirit that "closely observes the things of this world"[58], and why the resourceful Modern Age was once again interested in science.[59] Using this neat and linear logic of his theory, one should predict that in the supposedly energy-scarce Knowledge-Value society that began from 1970s, the scientific spirit should be gone, or at least in visible decline. Such decline certainly did not take place. After all, without a firm sense of scientific inquiry, all those recent spectacular progresses in biology and electronics could have hardly happened at all. In short, the neat interaction between scientific spirit and the supply of material does not hold in the current epoch, thus rendering his entire theory shaky.

The seventh one is about a fundamental gear in his theory. Sakaiya suggested that supply of resources, energy and living space determine whether an epoch would be a materialistic and intellectual or anti-materialistic and anti-intellectual, and would also mould our mentality and behaviour. This concept looks fine until it is applied, especially when it is applied in the transition from Antiquity to Medieval Age. Anyone who is familiar with the history of Late Antiquity will know that it was really the embrace of Christianity by the entire Roman society somewhere in the fourth century that had put an end to Antiquity. The fundamentally different Hebrew philosophy brought into Europe through Christianity was more powerful than any other factor in changing the course of the late Roman society. Same thing for the transition from the Middle Ages to Modern Age, as it was really the rather mysterious revival of humanism that has set the tone for the Modern Age. (Both of these issues will be discussed later in the book.) The fact that Sakaiya's theory that attempts to explain the epoch transition by a single factor (material supply) fails to work with the two transitions above is enough of evidence to conclude that his rather gutsy theory as a whole is incorrect.

To sum up, Sakaiya Taichi abandoned the naïve yet widely accepted technological determinism as the core of his theory, and instead constructed an original thesis based on fluctuation of material supply. Unfortunately, in spite of such divergence, Sakaiya still fell into the so-called "paradigmatic trap", as did all other information theorists. What this trap means is that these scholars so wanted to explain the complex evolution of human society with one and only one factor (technology for Daniel Bell, and material supply for Sakaiya) that it resulted in many absurdities and excessive

[56] Ibid., pp. 201.
[57] Ibid., pp. 97.
[58] Ibid., pp. 168-9.
[59] Ibid., pp. 149.

generalizations in the analysis. In the case of Sakaiya, the way he distorted real facts (Shi Lo and Attila the Huns), the way he oversimplified his analysis on arts and people's psychology, the way he explained the origin of Impressionism, the way he interpreted the transition of epochs, and the way the links his theory with science, are so evidently incorrect his theory as a whole seems dubious.

1.3.3 Lessons from Sakaiya and Others

Yet, in spite of the fact that all the theories mentioned above have serious drawbacks, some more serious than other, they are nonetheless interesting experiments. All of them tried to divide human history into several logical chunks and then explain the transition from epochs to epochs. Especially noteworthy is Sakaiya's attempt to turn the seemingly chaotic unfolding of human history into a logical cycle, while still grabbing each element in the society tightly together. The immense explanation power of these theories that are all based on long-term historical analysis, as well as the apparent inexactitude of their works, inspire me to follow their footsteps to construct a new theory that is also based on a long-term historical analysis and that shall avoid many of their mistakes. Hopefully, this will reveal certain hidden truth in the history of humanity. Such is the origin of this book.

A special credit must be given to Sakaiya's work for his inclusion of art as this showed us the value of art in long-term social analysis. Unfortunately, his treatment on art is often rash, one-sided, superficial, and at times subjective, and so the power of studying the history of art in a social analysis did not realize its full potential. My personal experience with the immensely interesting history of art shows me that art may be the single-most powerful tool when one tries to make sense from the apparently chaotic history of humanity. Hence, art will be treated in priority throughout the entire book. Please note that art here means not only painting, but also literature and music.

Another problem that most of the scholars mentioned above have committed is that they wanted to use one and only one factor to explain the complex evolution of human history. Marx used the class struggle theory; Spengler used the cosmic four season theory; most theorists on Information Society used technology; and Sakaiya used the fluctuation in material supply. Once again, the world is much more than only about class struggle, or technology, or material supply. Other factors like political and diplomatic events, the will and ability of some great men, natural disasters, as well as coincidences, all have indelible effects on the unfolding of history. As such, how can one pick only one type of factor and use it to explain the whole picture? Hence, to avoid this mistake, the current analysis will not attempt to construct a theory that will explain every single shift of epoch with one factor. Instead, efforts will be paid on how different kinds of elements joined together to turn the tide of history. (See figure 1.5 and figure 1.6)

Figure 1.5 Logic of the theories proposed by the authors above

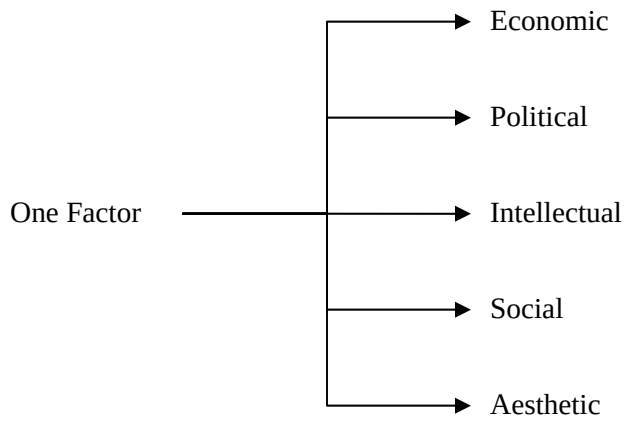
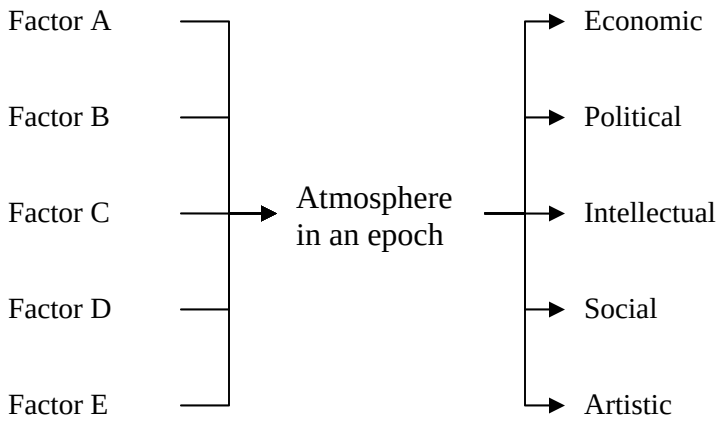


Figure 1.6 Logic of the theory to be proposed in this book



As for the choice of dimension, the works from various authors discussed in this chapter once again provide us with valuable experience. Given the apparently enormous power of explanation that a wide horizon can offer, this book shall follow their foot path and adopt a macro perspective. Therefore, the first dimension, namely the variety of disciplines to be covered, shall include economics, technology, politics, philosophy, religion, and arts.

The second dimension, namely the geographical perspective, shall be strictly limited to the western history. This is not only because of my limited knowledge on Chinese history compared to European history and my complete strangeness with the history of Egypt, Middle East, India, and Japan, but it is also because the western civilization is no doubt the single most important driving force in the contemporary world. Thus, merely studying the European history is enough to understand the present world.

The third dimension, namely the one on time frame, shall correspond with the lifespan of the western civilization. Although the ancient Egyptians had exerted considerable influence on the European continent thousands of years ago, it was really the Greek civilization that pulled down the curtain for the western civilization. Hence, the analysis will begin with the birth of the Greek civilization at approximately 800 BC. Such are the methodology and horizon of this book, which will be used to construct a theory to interpret the current Hong Kong society and in fact the entire human civilization as of the beginning of the twenty-first century from a brand new perspective.