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Crafting the Financial-Subject: A Qualitative Study of Young Workers' Experiences in Financialised Pension Investment in Hong Kong

TAT CHOR AU-YEUNG* AND KA KI CHAN**

*Department of Sociological Studies, University of Sheffield, UK
email: tcau-yeung1@sheffield.ac.uk
**Department of Social Work, Hong Kong Baptist University, Hong Kong, China
email: kaki01@hkbu.edu.hk

Abstract

This article applies the concepts of the financial-subject and micro-foundation of financialisation to young workers' experiences with Hong Kong's financialised pension regime. The results of our qualitative analysis show that many respondents doubt and belittle their financial investment for retirement. In response to the compulsory investment required by the government and the fact that their aspirations for security in later life seemed unfulfilled, some young workers undertook 'uninformed' investment and 'age-led' risk taking. The findings also show that employment precarity translates into investment precarity owing to workers' unstable incomes and contributions; labour inequalities are reflected in financial inequalities. Arguably, the neoliberal crafting of the young financial-subject, including constructions of financial irresponsibility, irrationality, and illiteracy, is fraught with tensions, turning workers into investors and using finance to satisfy socio-economic needs. It contributes to social policy studies by connecting selfhood and institutions, and calls for questions about the future of financialised pensions.

Keywords: Financial-subject; entrepreneurial self; micro-foundation of financialisation; young workers; pension investment; Hong Kong

Introduction

This article investigates young workers' experiences and perceptions of Hong Kong's (HK) financialised pension regime. Informed by the notion of entrepreneurial-self, it utilises the concept of the financial-subject (Mulcahy, 2017) and micro-foundation of financialisation to develop a qualitative study that shows how workers respond to the financialisation promoted and shaped by neoliberal social policy; this approach ties notions of selfhood and subjectivity to a particular policy context, avoiding the danger of a 'free-floating' and voluntarist interpretation of agency (Verdouw, 2017).

The study consists of in-depth interviews with young workers who began saving and private investment in their individual pension account as required

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by the government. The results reveal workers' tensions and contestation of this compulsory saving. They suggest that while the policy successfully incorporated young workers into the intertwining financial and labour markets, this financialisation was done in a top-down and coercive manner and the process was far from smooth. Rather, the process can be characterised by structural constraints upon the interviewees in this study and their resulting 'irrational' behaviour. This suggests that despite the institutional power of financialisation, the crafting of young workers' financial-self is also shaped by policy dynamics, public attitudes towards pension and security, and the financial market. Arguably, the unstable micro-foundation of a financialised pension regime could undermine the latter's long-term sustainability and legitimacy, not restricted to the case of HK.

In order to demonstrate how the concepts of financial-subject frame the analysis of young workers' experiences in Hong Kong, the remainder of this paper is structured as follows. It begins with the outline of the conceptual roots of financial-subject in relation to the notions of neoliberal governance and entrepreneurial-self. With an emphasis on the micro-foundation of financialisation, it outlines the essence of financial-subject and its implications for policy-related research. This is followed by an introduction to HK's pension policy and then by a section detailing this study's research methods. In the data analysis section, this paper explicates several themes that emerged regarding young workers' experiences and perceptions of the HK pension system. Finally, this paper offers some conclusions, raising questions about financialised pension investment policies and suggesting some directions for further research.

Neoliberal governance and the entrepreneurial-self

The discussion of financial-subject should be traced back to Foucauldian concepts of entrepreneurial-self, governmentality, and (neo)liberal government. According to Foucault (2008, p.226), individuals' neoliberal governance is not only top-down, but also involves the construction of '*homo economicus*' as an 'entrepreneur of himself, being for himself his own capital, being for himself his own producer, being for himself the source of [his] earnings'. He continues on to argue that in the individual pursuit of 'capital-ability', human and social relations are dissolved and instead become different kinds of capital that accumulate via the capitalist market. Therefore, the calculative behaviour and reflexivity promoted by market rationality reflect self-governing via a 'conduct of conduct' as the 'technology of self' that manufactures the consent and docility of populations (Foucault, 1991; 2003).

By transforming citizens from passive to active, the neoliberal state and market transfer risks and costs from the government and business to individuals (O'Malley, 2008). Dean's (2010) two-folded 'governmentality' includes the practice of 'govern' and the 'mentality' as the common sense of everyday life. In this

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connection, entrepreneurial-self, a governmental technique, demonstrates the neoliberal ethics and practice of the *homo economicus*. Rose (1998, p.159) defines entrepreneurial-self as 'an entrepreneur of itself seeking to maximize its own powers, its own happiness, its own quality of life, though enhancing its autonomy and then instrumentalising its autonomous choices in the service of its lifestyle'. The entrepreneurial-self, internalises the pursuit and exercise of 'self-optimisation' through the discourses of activation and freedom (Bröckling, 2015). The self, in other words, should be a risk-bearer capable of accommodating the market's uncertainty and unpredictability.

To situate the entrepreneurial-self within public policy, Marttila (2018) suggests that the neoliberal government's exercise of entrepreneurial culture is constructed differently based on modes of accumulation. Thus, the knowledge-based and finance-dominated regimes correspond to contrasting model of economic actors. Likewise, Jessop (2008, p.30) argues that 'A key element in all areas is the promotion of entrepreneurialism and an entrepreneurial culture supported, in more recent policy paradigms, by calls for investment in social capital and for the promotion of good governance'. The recent behavioural turn of social policy also mirrors how (neo)liberal governments shape the entrepreneurial-self through bio-political techniques to promote 'freedom' and 'civility' in a preventative paradigm instead of a correctional approach (Peeters, 2019). These efforts suggest that unpacking the interaction between the entrepreneurial-self and policy contexts is central to understand the roles and meanings of pension financialisation.

Micro-foundation of financialisation, financial-subject and social policy

Financialisation denotes the increasing importance of the financial economy driven by neoliberalisation and globalisation and characterised by the structural shift of capitalist economies and financial power to productive industries, commercial banks, and households (Epstein, 2005; Lapavitas, 2011). While macroeconomic changes and corporations' organisational patterns are well addressed, fewer studies have examined the cultural and everyday practices, which are also necessary for a full understanding of financialisation (Van der Zwan, 2014). To this end, sociological research of finance should pay better attention to how micro-mechanisms affect financial transactions and domination (Carruthers and Kim, 2011), i.e. local settings, social networks, and normative expectations.

Watson (2009) defines the micro-foundation of financialisation as the decision-making behaviour and assumptions of stakeholders in financial markets, which consider cultures and everyday practices (Froud *et al.*, 2006; Martin, 2002; Montgomerie, 2008). Arguably, the construction financialisation material culture derives from actors' experiences and (re)interpretation of finance, an

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interactive meaning system that links agency to structure (Fine, 2017). In other words, financial lived experience reflects the transformation of citizens to investors and the growing connection between life and finance (Van der Zwan, 2014) in which consent and conformity is a precondition for financial commodification. The so-called 'democratisation of finance', therefore, signals the need to create a literate 'financial citizenry' (Erturk *et al.*, 2007).

These subjective dimensions of financialisation bring the financial-subject into focus (Aitken, 2007; Mulcahy, 2017). As an extension of the entrepreneurial-self, financial subjectivity represents the 'creation of individuals as subjects of finance through institutional discourses and practices, so that they recognize themselves and their goals in relation to financial economic and political policies' (Mulcahy, 2017, p.217). Financial subjectivity is marked by an internalised entrepreneurial ethos and both present and future success in financial markets on the stratified basis of institutional and everyday worker practices. Constrained by financial structures and discipline, workers are obliged and encouraged to invest or borrow as strategic feedback into the systems.

Van der Zwan (2014, p.113), meanwhile, defines the financial-subject as 'the autonomous individual who insures himself against the risks of the life cycle through financial literacy and self-discipline'. The prototype of the financial-subject is constructed as a responsible investor who exploits financial opportunities, takes necessary risks, and is incentivised by financial returns (Langley, 2008; Santos, 2017), with the shift of culture from consumerist to 'investist' that requires individuals to behave like investors in all aspects of life. The discourse surrounding the financial-subject echoes notions of governmentality and technology of self that see risk and investment as individual rationality and morality (Foucault, 2003; O'Malley, 2008).

What defines financial rationality is the ability and motive to manage wealth, purchase financial products, and prevent asset devaluation (Maciejasz-Światkiewicz, 2017). Yet the individualised and responsible financial-subject cannot conceal the class-based selectivity and unequal outcomes of financial markets. While worker and household financial engagement is provoked, individuals are still vulnerable to income precarity and inequality (Tridico, 2017). The discrepancies between financial rhetoric and outcomes are associated with the opaqueness of saving and investing portfolios (Erturk *et al.*, 2007). Haiven (2014), for example, maintains that the financial, insurance, and real estate sectors transfer financial liquidation risks from markets to other non-financial spheres of life (i.e. student loans, mortgages, and pensions) in the name of scientific and mathematical rigorousness; such industries see precariousness and risks as profitable, opportunistic investment to 'leverage precarious life into more advantageous outcomes' (p.71).

Sum and Jessop's (2014) understanding of cultural political economy and semiotic analysis of financialisation is helpful to situate the Foucauldian

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perspective of subjectivation in the meaning-making of the finance-dominated regime. As financialisation is embedded in financial structures and people's experiences with finance, financial imaginaries, reframing of interests, and interpretation of 'crisis' and 'returns' are key to understand the subjective practices of financialised social relations. Thus, finance-related calculation, moral judgement, risk assessment, and coping strategies interact within finance's macro contexts (Van der Zwan, 2014). Embracing normative discourses of responsible investment and an instrumental sense of knowledge justifies financial discipline and hegemony. In addition, the financial-subject is constantly denounced as irrational consumers and pathological investors in financial stereotypes (Joseph, 2013).

There are two ways that financialisation's micro-foundations are relevant to social policy. First, the shift of social insurance and occupational pension from defined-benefits to defined-contributions not only demonstrates reduced inputs from states and employers (Santos, 2017), but also conveys a message that a pensioner-to-be is a *de facto* investor who should make the right choices for their assets and retirement (Langley, 2008; Martin, 2002). Neoliberal pension privatisation reshapes citizens' identities as investment subjects (Ring, 2010) and enforces speculative pension savings. Studies have found that while there are differences in young people's certainty regarding pensions based on their education and financial knowledge, overall young people are more certain about investment and pensions (Webb *et al.*, 2014). However, Rowlingson (2002) demonstrates that this neoliberal rhetoric of individualised responsibility and existing insecurities may lead to an increasingly regressive distribution of risks and rising complexity of choices. Despite the dominance of financialised pension schemes, individuals are not necessarily passive or docile but occasionally display 'risk-averse investment' and contest these financial practices (Van der Zwan, 2014). Some researchers argue that the use of financial products and services depends on an individual's cultural beliefs and habits and external institutional arrangements that allow for financial resilience as a voluntary withdrawal from financial activities (Salignac *et al.*, 2016). In other words, turning workers and citizens into financial-subjects is far from straightforward.

Second, the rise of asset-based welfare and financial literacy and inclusion policy agendas arguably boost demands for financial goods and services and locates finance as the re-commodifying satisfier of human needs (Finlayson, 2009; Santos, 2017). Finance-directed social policy fosters financially ambitious and risky behaviour in savings, borrowing, investing, and planning. Financial literacy recognises the profitability and inevitability of indebtedness while considering financial illiteracy as a source of financial disorder. Consequently, asset-ownership becomes a means to upgrade citizens' status and fulfil their obligations (Berry, 2015; Gregory, 2014). Studies suggest that with government support, low-income citizens' financial capabilities to accumulate assets should be enhanced to improve their quality of life and provide them with full

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membership to society (Feldman, 2018). Others argue that financial literacy and planning can strengthen less-educated elderly people's consistency of decision-making and achieve better annuities for privatised pensions (Olivera and Ponomarenko, 2017). Meanwhile, shifting the focus of financial citizenship from economic independence to financial independence results in the depoliticization of economic securitisation and investment incentives.

However, this discussion has not yet spread to research on young people's financial subjectivation in relation to policy contexts. Howie and Campbell (2016) highlight youth's 'entrepreneurial capacity' in identifying untapped resources, describing it as an asset to cope with employment precarity. Others argue that the current neoliberal entrepreneurial-self of youth is institutionalised in education and employment policies (Oinonen, 2018). Negative discourses of youth-at-risk are increasingly outstripped by the positivity of entrepreneurial youth in terms of autonomy, responsibility, and independence (Kelly, 2006). The rhetoric of future-oriented and responsible youth defines risk management as a rationally adventurous behaviour and legitimises economic uncertainties (Hitlin and Johnson, 2015).

Notwithstanding the pressures of entrepreneurialism, some young people identify the gap between entrepreneurial expectations and socio-economic inequality without unreserved support of flexibility or instability (Oinonen, 2018). On the one hand, finance is increasingly penetrating the lives of people at all ages (Martin, 2002). On the other hand, however, the younger generation, unlike their parents, have immense pressure to rely on and survive in the financial market (Williams, 2007; Santos, 2017). In sum, without the understandings of how the young financial-subject makes sense of the everyday financialisation, we cannot examine the nature and scrutinise the future of financialised social policies.

Expanded pension financialisation and young workers in HK

HK's 'liberal' market tradition, inherited from the colonial era, paved the way for finance-led property and stock markets, which began in the 1990s. The HK government played a key role in promoting financialisation, not only boosting property mortgages via expanded privatisation of home ownership, but also directing the ascendancy of investment markets through financialised pension reforms.

In 2000, the introduction of the Mandatory Provident Fund (MPF) signalled institutionalised articulation between the labour and financial markets and structurally manufactured the identity of worker-investors (Lee *et al.*, 2018). According to MPF ordinance, most employees between the ages of 18 and 65 are required to contribute 5% of their wages into an individual pension account,

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which are supplemented by an equal contribution from their employers. Workers choose an investment scheme pre-chosen by their employers with various portfolios and risks. The implementation of MPF, indeed, did not represent a drastic financialisation because it was quite common for better-off workers to have private investment for retirement in previous decades. Nevertheless, MPF expanded the financial engagement to ordinary workers and unremittingly channelled most workers to the financial market by legal regulation.

While MPF is widely regarded as an 'employment-based, contribution-defined, privately managed, and compulsory savings' program (Chou, 2009, p.107), it is, by nature, a compulsory investment scheme in alignment with the global pension market. By bringing together the minimal welfare and financial markets, the government has adopted a 'collaborative strategy' to offer income protection in citizens' later lives and leverage the risks of longevity and retirement (Yu, 2008). Thus, the HK government has initiated widespread financial engagement with an emphasis on financial services and information transparency. Despite the variety in investment portfolios, workers are forced to save for retirement, thereby transforming their retirement funds into financial 'choices' managed by investors and financial trustees. Individuals are encouraged and obliged to capitalise on the emerging financial 'opportunities' and 'risks' to increase their returns after retirement.

Chou (2009) finds that workers (i.e. investors) need a minimum of 30 years' continuous contribution in order to have adequate money for retirement given a satisfactory and stable percentage of investment returns, real wage growth, and interest. According to these findings, MPF can be criticised for its failure to protect the least advantaged workers and for its exclusion of unpaid and precarious workers. Studies have found that MPF, as part of the residual welfare model, drives up the niches for the monopolised financial sector in the wake of an ageing population, resulting in the maintenance of financial capitalism and income inequalities (Chan, 2003; Lee *et al.*, 2018). Against the backdrop of pension financialisation and global financial crisis, young and middle-aged workers generally have higher future expectations and perceived financial knowledge than older generations, yet they have lower trust in government and fewer clear retirement goals. Their limited use of banks and fund managers is arguably due to their negative attitudes towards MPF (Chou *et al.*, 2015).

These findings suggest that age and cohort shape workers' perceptions of and behaviour toward retirement saving and investment. The shift from worker to investor and asset manager and the increasing financial commodification of labour is fraught with difficulties and strain; we hope that this study will fill some of the gaps in research and bring together the micro-foundation of financialisation and social policy to better understand some of this tension.

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TABLE 1. Interviewees' profile

	Name	Sex	Age	Average monthly salary (HKD)
1	Amy	F	32	HK$27,000.00
2	Alex	M	27	HK$21,000.00
3	Carman	F	26	HK$24,000.00
4	Crystal	F	26	HK$30,000.00
5	David	M	22	HK$10,500.00
6	Florence	F	24	HK$8,500.00
7	Bianka	F	21	HK$11,000.00
8	Jeff	M	27	HK$15,000.00
9	Kevin	M	26	HK$10,500.00
10	Leon	M	33	HK$20,000.00
11	Roy	M	23	HK$12,000.00
12	Sally	F	24	HK$20,000.00
13	Yale	M	26	HK$10,000.00
14	Vicky	M	23	HK$4,000
15	Paul	F	34	HK$25,000
16	Henry	F	21	HK$8,300

Study methods

This study adopts a qualitative approach, conducting in-depth interviews with 16 young workers in 2016. As a qualitative case study of micro-financialisation, the research objective was to gather data of how young workers-investors responded to the financialised pension scheme.

Respondents were chosen based on two sampling criteria. The first was current employment status and involvement in the MPF, regardless of employment type or occupation. The second criterion was age: we limited our survey to workers between the ages of 20 and 34 in order to better understand the perceptions and experiences of young workers. Respondents were recruited via convenient and snowball sampling; some interviewees were referred by youth service workers. Each interview took 1–1.5 hours and semi-structured guidelines were flexibly used to investigate respondents' perception of and behaviour regarding MPF investment and saving. While this research was theoretically informed, in-depth interviews allowed young workers to speak for themselves, thereby gaining a deeper understanding of workers' actual behaviour and motivations (Brinkmann, 2013). The recruitment of interviews ended while the data appeared to be overlapped and saturated (Schreier, 2018). Table 1 shows the profile of interviewees.

All recordings were transcribed verbatim for analysis. Thematic analysis was implemented to examine the perceived meanings of respondents and weight the relative importance of emerging themes (Lapadat, 2010). The resulting qualitative data was categorised and coded to identify meaningful themes and patterns while comparing relationships, similarities, and differences. Each author conducted thematic analysis separately and the results were then combined

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to prevent any misinterpretation. The authors carefully translated all quotations from Cantonese to English to preserve the speakers' original meanings. All the names quoted below are not the real names of interviewees.

Results

The following sections highlight differences in respondents' perceptions and experiences around pension saving and investment.

Doubt towards the financial market and belittlement of compulsory pension investment

A common theme of the interviews was that the compulsory MPF scheme implied a loss in wages, which forced respondents to reframe the function and meaning of their financialised savings. While young workers had no choice but to conform, they expressed pessimism towards the performance of MPF and its potential returns. For example, Amy said that while she set aside MPF funds, as required, she was also prepared for the worst outcome:

> MPF is rubbish. I have no choice but to contribute. The money is stuck in my account, but the portfolios are too few to choose among. It is doomed to be a loss. I don't want to pay attention to it, as it is hopeless. (Amy, age 32, female, average monthly salary = HKD$27,000)

Although the MPF ordinance is a territory-wide policy, the implementation was supposed to be differentiated based on individual choice. However, data indicates that workers were more sensitive to the system itself than to individual investment programmes. Therefore, their negative perceptions were of the MPF for its association with financial fluctuation they could not control or expect. This caused them to doubt finance's ability to ensure an adequate income after retirement. One respondent told us:

> The MPF is a compulsory investment, but it is designed for retirement. It is part of the stock market, and it could appreciate or depreciate. It is possible that the market will collapse when you retire. So it is useless as an income protection. (Yale, age 26, male, average monthly salary = HKD$10,000)

Despite the drawbacks of coerced investment for retirement, some respondents told us that not having investment would also be a problem, since the real value of savings would diminish under near-zero interest rates. Therefore, they were not only forced by MPF policy but by macroeconomic and fiscal policies to invest for later life.

> If I only save without investing any money, this will be insufficient for my retirement … On the one hand, your savings will 'lose' to inflation, so you need to invest. On the other hand, investment could make you lose more. So, it is difficult to earn the money in any way. (Roy, age 23, male, average monthly salary = HKD$12,000)

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While the government uses its structural power to promote the young financial-subject and initiate pension investment, workers displayed scepticism towards the financial market as a means to security and adopted a set of coping strategies to reduce their expectations of the MPF or even ignore it. Respondents were generally sensitive to the possibility of loss and focused on stable returns, which were not guaranteed under the current policy set-up. Yet these strategies inevitably put them at risk of investment loss and undermined the stability of their retirement income. In other words, HK's institutionalised pension financialisation is arguably practised at the expense of the financial-subject, i.e. young workers' perceived and objective security.

On the one hand, all respondents expressed their pessimistic view on the compulsory MPF scheme regardless of their class and incomes. All interviewees thought that the MPF compulsory MPF scheme could not help them to manage or handle any kinds of uncertainties in their life, for example, unemployment, health risk or sudden death. On the other hand, according to the findings, it is found that there were differences for managing the MPF compulsory scheme for young workers who are from different class levels. The first of which is about the coerced saving for retirement. For the respondents with lower incomes, the MPF was taken as the only feasible 'choice' for saving. Even though they may not get the good returns from the compulsory MPF scheme, they believed that it was good for them because they were forced to save. Some respondents with higher salaries adopted more strategies to manage their MPF funds and to diversify risks in other private investment plans whilst the worker with lower wages had no extra resources to save or invest. Therefore, class still matters in shaping the experiences of pension investment.

'Uninformed' investment and 'age-led' risk-taking

Some respondents demonstrated extremely high-risk investment strategies in selecting portfolios and monitoring their MPF accounts. They believed it was worthwhile to bet on the highest rewards, even if they were high risk, at the beginning of their careers. Although there could be different combinations of investment, it was actually more attractive to young workers than the 'guaranteed funds', as they still had to pay for relatively higher and longer management costs.

> I decided to put all my eggs in one basket for the 100% proportion of high risks. As I'm not sure whether I can get back my money and they are anyway put into the market, I chose the riskiest one. You know, I have just left school and worked for a while, so I want to give it a go ... Even if you chose the guaranteed investment, technically you still can receive a loss. (Alex, age 27, male, average monthly salary = HKD$21,000)

Some respondents complained about the complexity of risk assessment and calculation, which they argued took too much time for a working youth. After

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losing some of her funds, Amy decided it made no sense to stay in guaranteed funds and opted for high risk combinations:

The composition of MPF is so complex and I am too busy at work and have no time to do research on comparing funds. I have invested the guaranteed funds, but it turned out still a loss ... then I changed to all high-risk funds. (Amy, age 32, female, average monthly salary = HKD$27,000)

As an ordinary person I don't understand the management costs they charge and how many returns I am ensured. I have no clarity about it at all, but a certain amount of money after I get older. (Leon, age 33, male, average monthly salary = HKD$20,000)

Apart from the timing issues, the incomprehensibility and opaqueness of MPF portfolios was a main reason young workers did not and could not follow all trends in pension funds. Therefore, their investment choices were not well informed. This was a financially illiterate and less desirable behaviour, despite their strong financial inclusion and relatively high participation and contribution. In other words, enforced investment situated young workers in the financial market without exit choice, which resulted in moving their investment perceptions and behaviour away from what economists or financial sectors see as rational investing behaviour.

Honestly, I have never ... I seldom read the monthly MPF and funds report, as I am busy. However, the funds will post a thick annual report of returns to me. I normally glance at them once a year. (David, age 22, male, average monthly salary = HKD$10,500)

I planned to start with higher risk investment when I was young. If you choose the conservative investment, it is more likely to save a lump sum of money, but it may be inadequate for basic living. Why not bet for a bigger amount of money? (Yale, age 26, male, average monthly salary = HKD$10,000)

Many respondents saw age as a reason or condition for risky investment. It seemed 'natural' for Yale, for example, to take more risk earlier in his life. The perceived inadequacy of guaranteed funds also pushed the young workers to exploit their youthfulness to 'venture' for possible higher rewards. Although the maxim of higher returns for higher risk investment was embraced by the government and financial sectors, its materialisation depends on many circumstances.

Other respondents, like Kevin, treated MPF investment in a more random and casual manner rather than thoughtful way, as they did not believe it would result in economic security:

I don't perceive the sense of security because it is 'insecure' ... MPF? It's a toy only, why are you so serious? (Kevin, age 26, male, average monthly salary = HKD$10,500)

'Uninformed' investment was seemingly voluntary; respondents found it unnecessary to meet the requirements of MPF in their daily live. Hence, tensions

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between financialised pension regimes and financial-subjects at the micro-level marked the failure of neoliberal social policy to incorporate young workers into the game of finance.

Interrogating coerced investment and aspiring for real savings

Besides their 'unusual' investment patterns, some respondents fundamentally challenged the idea of putting their retirement pensions into the financial market. Given the chance of income loss after retirement, Crystal addressed the possible societal blame of young adults for failing to actively and wisely invest, resulting in financial loss. The financialised pension prevents the choice of pure saving to minimise risks.

I have no idea about investment and I am regarded as non-value-adding. Without investment my money is literally devalued due to administrative costs. It is worse than storing the money at my home. It is ridiculous that there is no difference between putting the money in my house and in an MPF account. (Crystal, age 26, female, average monthly salary = HKD$30,000)

Kevin recognised the inherent unpredictability and volatility of finance and questioned the appropriateness of tying retirement protection to private investment. In contrast, he suggested using bonds instead of funds to maintain stability. Moreover, he viewed savings as having higher manageability.

I understand that there could be a loss of revenue, but why doesn't the MPF imitate bonds? As the money is for later in life, the rationale should be simply based on security and our contribution, at least to ensure the absence of loss ... you can control your savings, but you cannot control the ups and downs of the financial market. (Kevin, age 26, male, average monthly salary = HKD$10,500)

The problem was that the nature of the financial market and investment contradicted the purposes of income security for retirement. Respondents' policy suggestions to reduce insecurity not only reflected their preferences but also manifested the road for a less commodified retirement than that provided by the government. Sally suggested recruiting an agent to manage the saving accounts, a party who would not charge for unnecessary administrative costs that pushed savers to invest. While the state could fill this role, it was filled by the financial market and private for-profit agents.

I currently have no investment because I have no idea and I am afraid of the high risks. It is so unreal, yet investment is the only way to increase your real income in HK. MPF can help me save, but the possibility of loss signals insecurity ... compulsory saving doesn't necessarily mean investment, it only needs an 'agent' to manage it. (Sally, age 24, female, average monthly salary = HKD$20,000)

Apart from hesitation regarding private pension investment, less well-off young workers were also confused about the class-based repercussions of

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finance. While retirement preparation was associated with the domination of finance, Yale also described it as a means of wealth accumulation that favoured rich people. This could be attributed to the inherently privileged position of investors with massive assets for risk diversification amid the financial market. However, the poor were structurally marginalised in the game of finance in terms of the cost of borrowing and choices of investment portfolio. Put another way, financialised retirement arrangements were perceived to be biased towards the wealthy class, rather than a universally conducive setup.

It is good for those who know how to invest, are already rich, and don't have these worries. We, poor people, are not familiar with investment but are forced to do so. (Yale, age 26, male, average monthly salary = HKD$10,000)

Despite respondents' compliance to state regulations regarding pension investment, financial-subjects and workers did not consent to financialised pensions and challenged the policy. This could undermine the regime's legitimacy and potentially increase its instability in the future.

Difficulties and uncertainties due to employment precarity

The last group of findings related to labour market precarity, which exacerbated respondents' challenges regarding financialised and occupation-based pensions. When asked about the possibility of private savings, Jeff blamed himself, responding that it was hard to save money with precarious jobs.

As my income is unstable or maybe I am abysmal in saving ... Insofar my job is freelance, and it depends on my boss's calls. (Jeff, age 27, male, average monthly salary = HKD$15,000)

Likewise, Yale was also negative about his ability to balance between current pressing needs and future plans.

I believe that my savings and investment could not pay for retirement life because I only have intermittent contributions owing to my job nature ... anyway, I had been unemployed for a while and I had a serious financial problem, so I couldn't have any savings. My current state of employment and salary don't allow for any savings. (Yale, age 26, male, average monthly salary = HKD$10,000)

Precarious employment and poor-quality jobs, therefore, were considered detrimental for retirement preparation and long-term planning. As the existing pension policies rely on the individual's contribution derived from workers' employment records, any employment precariousness or low wages are transferred to the finance-dominated and asset-driven regime for retirement. The interruption of employment harms both young workers' present quality of life and their prospects for retirement.

In addition, frequently changing jobs also put some young workers in an unfavourable position for pension investment. Although some better-off

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respondents may use 'exit' as the strategy to improve wages and working conditions, they were suffered at varying degrees in the MPF system as well as the low paid precarious respondents. Workers perennially employed by the same employers enjoy relatively lower costs and risks in finance accounts. However, the younger generation is increasingly challenged by the so-called gig economy and on-demand service economies, in which they were disproportionately 'penalised' by the MPF system for holding many investment accounts. Crystal and David responded that employment precariousness generated investment deficits and jeopardised their future returns.

> My multiple-job experiences meant I jumped from investment accounts to accounts with different companies ... I don't even know how many accounts I have. This cost me a lot due to the multiple charges, which forced me not to rely on the MPF. (Crystal, age 26, female, average monthly salary = HKD$30,000)

> Frankly, I have no idea whether my old accounts still operate after I changed to a new job or whether the money was transferred to a single account ... When young people shift jobs frequently, you inevitably open many accounts that may undermine your investment returns. (David, age 22, male, average monthly salary = HKD$10,500)

In other words, while the financial-subject is primarily crafted by the financial market and finance-led policies, it also connects to other policy regimes that may multiply the marginality of workers.

Conclusion

The difficulties experienced by the respondents reveal the problems inherent in turning young workers into financial-subjects via the pension regime, which informs the understandings of the financialised social policy in three ways (Watson, 2009). First, the logic of finance and the financial market contradicts with workers' needs for income security. Respondents cast doubt on the financial market and financialised pension investment as a means for income protection in later life. However, they were also realistic about the current institutional arrangements, in which private financial investment was directed and promoted by the government in the absence of occupational pension plans and social insurance. On the one hand, the structural power of pension reforms ruled out other collective measures and incorporated workers into financial investors; on the other hand, finance-dominated policy regime could not ensure trustworthiness and support from young workers.

Despite young or early career workers' higher risk-taking, as constructed by financial discourses, the data in this study suggested that they did not necessarily embrace the so-called opportunities provoked by financial investment and wealth accumulation. Respondents strategically downplayed the importance of the MPF and minimised their expectations as an effective way to

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maintain their quality of life in retirement. They questioned conflict between voluntary saving for a stable future and compulsory investing for higher returns despite their inability to change the policy set-up. As a result, there was general opposition to the compulsory and financialised pension investment program.

The findings of this study focus on young workers' perceptions of investment for later life; the results do not imply that respondents opposed all forms of investment, but rather that they challenged the notion of financialisation's straightforward 'victory'. The financialisation of labour not only appears in macro-economic institutions, but also intrudes into the everyday life of labour and reshapes material and cultural practice via social policies (Finlayson, 2009; Santos, 2017). This inevitably generates new conflicts between financial capital's incentives for accumulation and labour's needs for protection. The crafting of the young financial-subject in HK, therefore, is institutionally embedded in the reformed pension regime, yet this process is far from smooth and unproblematic but is instead fraught with clashes between finance's domination and workers' socio-economic needs. As the data suggests, respondents did not trust the MPF and act according to the system expected despite MPF's coercive power. Consequently, workers with higher income had to indecisively resort to the private investment outside MPF, regardless of the adequacy of their financial knowledge. Although the 'failure' of MPF probably pushed better-off workers to the voluntary financial investment, this did not necessarily signpost a successful financial subjectivation.

Second, the findings also demonstrate that the micro-foundation of financialisation in HK involves a construction of financial irresponsibility and irrationality via everyday pension investment. Although the seemingly rational financial arrangements assumed that every investor would calculate and act like *homo economicus*, instead the constructed financial-subject primarily acted in a relational sense rather than mechanically responding to fiscal stimuli. Respondents did not immerse themselves in the game of finance without frequent updates on their investment performance and ongoing switches between portfolios. These behaviours and attitudes could be seen as morally irresponsible and instrumentally irrational under financial literacy. According to the classification of financial rationality (Maciejasz-Światkiewicz, 2017), habitual and impulsive investment is the least desirable and riskiest behaviour in the absence of prudent assessment and drive for return maximisation. Respondents' 'irrational' financial behaviour aligned with 'irresponsible' investment patterns, including risk-averse or hyper-risky investment (Van der Zwan, 2014). This 'uninformed' investment and 'age-led' risk taking could be seen as morally wrong or flawed because investors did not act based on the finance-defined ethics of investment and saving (Joseph, 2013).

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Neoliberal bureaucrats and financial elites are the ones who define the appropriateness of finance-related behaviour, and young workers respond to their inability to live up to these definitions by either blaming the system or themselves. When financialised pension reforms did not match young workers' aspirations for long-term economic security, they generally criticised MPF. However, when it came to their own experiences with compulsory investment, some highlighted their own faults. This is in line with neoliberal economics' attribution of financial failure to personal ignorance and lack of information (Fine, 2017).

Despite their ambiguity towards responsible discourse, respondents showed no intention of changing their behaviour. Given the binding power of MPF ordinance, young workers' indifference towards MPF and their 'irrational' investment could be seen as minimal forms of resistance or non-conformity with the coerced financialisation. Yet these coping strategies were adopted under a 'no-choice' option at the expense of respondents. In other words, the narrow definition and construction of financial irrationality, irresponsibility, and illiteracy put young workers, as the financial-subjects, in an unfavourable financial position while justifying the financialised pension regime.

Finally, an understanding of micro-financialisation cannot be separate from employment relations; workers' investment and savings rely on their salaries and expectations of employment security (Cushen and Thompson, 2016). The findings of this study suggest that employment conditions play a key role in shaping the actual and perceived ability of young workers to save and invest. It was difficult for respondents with highly precarious jobs and interrupted employment records to gauge their risks and ability to invest. Studies have found that the promotion of flexi-employability and disciplinary activation policies for young people in HK may exacerbate employment precarity (Wong and Au-Yeung, 2018). The financialised pension regime could translate income precarity in the labour market into investment precarity in the financial market, in which workers find it hard to predict recursive inputs for minimising administrative costs and diversifying risks. As a result, the financial market and finance-dominated pension policy become a new site of inequalities that 'punish' young financial-subjects with unstable savings and investment.

As a result, the wealth gap between precarious workers and those with high income-cum-assets is reproduced or even widened (Tridico, 2017). Like the discrepancy between the rhetoric and reality of the entrepreneurial-self (Brockling, 2016), the promises of financialised pensions may not be realised while only few can win the game of finance. It is still unclear that the crafting of financial-subject will dissolve the boundary between the identities of 'worker' and 'investor' (Finlayson, 2009). However, the findings of this study suggest that the two identities are closely connected and could be mutually inclusive. Therefore, studying

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the micro-foundation of financialisation still requires attention to employment experiences.

These findings suggest that understanding the young financial-subject could further understandings of financial selfhood in relation to financialised policy regimes. The crafting of the financial-subject points to the making of a financial citizenry who interacts with the neoliberal accumulation regime and material culture (Erturk *et al.*, 2007; Fine, 2017; Montgomerie, 2008). Hence, the dynamics between policy actors and financialised structures are embedded in ideas, institutions, and interests, which emerge as new sites of inequality and precarity that involves domination and negotiation. While the findings of this qualitative research cannot be over-generalised to other contexts, as representativeness is not the primary concern, this article calls for more and deeper examination of lived experiences and policies stemming from financialisation and neoliberalisation.

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