

主旨: Views and comments on the consultation document
附件: Population policy - Comments.docx

To: Carrie Lam, Chairman, SCPP.

Dear Carrie,

Attached please find my comments on the consultation document released as part of the public engagement exercise on population policy.
Please feel free to contact me anytime if you need to clarify any of my comments.

Thanks and best wishes,
Abhishek Rawat

Comments on Population Policy Consultation Document

Comments with **numbered headings** relate to the corresponding paragraph in the consultation document.

Comments on questions are numbered with a '**Q**' followed by chapter number and question number.

1.2 I think there are flaws in your population projection methods. Total fertility rate (TFR) in the 2009-2012 period was bumped up by excessive Type II children born in Hong Kong. And you have used the 2011-2012 TFR for projections over next 20 years. You should adjust TFR lower for that short period of anomaly and project using a realistic TFR trend. This will likely result in much much faster ageing than you have modeled. So, the situation is more alarming than you suggest.

1.7 This long-standing focus on fiscal concerns is partially to blame for the situation Hong Kong is currently in. Instead of spending on improving the human capital, HK govt believes in reporting surpluses every year. We try to scrimp on spending on education, spending on R&D facilities, spending on innovative new-age industries, and only focus on how much additional revenues government would generate for every expenditure it makes. This is a ridiculous way of preserving or enhancing the quality of life.

1.11 Again, looking at population policy in isolation of other policies (poverty, housing, health) is like ostrich's head in the sand approach. All of these issues are inter-related and a comprehensive approach is required to handle them all satisfactorily. As an example, extremely expensive housing and commercial rentals is a major factor affecting population growth. Skilled overseas workers are hesitant to come here as rentals are a killer. Cost of raising children is expensive versus almost any other country, as most of the costs go to landlords for rentals of larger homes, schools, tuition classes, groceries, etc. Local innovative businesses cannot even dream of starting when 60-80% of their revenues will go towards fixed rental costs. Health services are already overwhelmed (I had to wait 10 months to get an appointment in Queen Mary Hospital for a back problem !!), and private health services are again expensive. So, why will any sane person think of supporting larger families?!

Q2.1 [Female homemakers rejoining workforce] This is not going to happen until Hong Kong's economy remains narrowly focused on real estate, finance or trading only. These major sectors of the economy rely on heavy manual labour or have rapid obsolescence of skills. To absorb more female workers, we need to diversify the economy into more healthcare services, education services, old-age services, childcare services, catering services, etc. Unfortunately, as mentioned in the points above, these services or small private businesses cannot flourish when fixed costs of operation are so high.

Q2.2 and Q2.3 [Business sector supporting flexible work] This requires legislation. Any company that fires staff due to pregnancy or refuses to rehire returning female homemakers, should be penalized.

Q2.4 [Mature workers staying on job longer] Mandatory annual internal trainings by every company for all its staff. Just like SFC requires all licensed finance professionals to undergo

compulsory professional training every year. This way, mature workers' skills will still remain competitive versus younger hires.

3.1 The idea that Hong Kong has land constraints seems like a carefully crafted notion propagated by the real estate tycoons. This enables property prices to remain high, thereby benefitting such vested interests. Unfortunately, the rest of Hong Kong population suffers. There is lots of land in NT, Lantau, and even on HK island. Over 2/3rd of Hong Kong land is forest or green area. Why do we need so much green area? With pollution coming mainly from shipping and Guangdong factories, the green area of Hong Kong is not really helping much in reducing pollution. So, why bother keeping so much land hoarded?! When we release such new land, the related infrastructure development (transportation, utilities, housing, etc.) will itself provide an economic stimulus and jobs. Besides it will help reduce fixed costs of business operations, and enable more new businesses to start – thereby increasing the job pool. This is the core of Hong Kong's problems – pandering too much to vested tycoon interests.

3.5 Again, Hong Kong should find ways to promote new pillars of the economy. Look at Singapore – the govt there has invested heavily in R&D facilities in many sectors such as biotechnology, pharmaceuticals, high tech semiconductor fabs, electronic circuit designing, etc. Meanwhile, HK govt only worries about how much cash surplus we are hoarding in the treasury, and what will be the short-term returns on investing in R&D facilities. Very short-sighted, and HK will continue to gradually decline in quality of human capital due to this short-sighted, money-minded approach.

3.6 How will manufacturing industries even think of starting with no land being made available? HK should plan a special manufacturing zone, like the special economic zone of Shanghai or the special export processing zones in Mainland China. Only factories should be allowed in this zone, and no real estate tycoon should be allowed to buy or hoard land in it.

Further, HK govt should negotiate with Beijing to allow preferred allocation of land to HK residents for starting manufacturing businesses in Guangdong. And companies run by Hong Kong people should have preferred investment climate in Mainland China (versus other jurisdictions like BVI, Cayman, US, etc.) in terms of ease of approvals, ease of investment repatriation, ease of getting work permits for HK labour, ease of travel mechanisms for HK people in China, ease of professional accreditation/licensing, etc. This will enable HK to benefit more from the growth of opportunities on the Mainland and provide more job opportunities for our youth. This should also help in furthering integration of HK with the Mainland, and should therefore be acceptable to Beijing. But, HK govt has to at least *try* to get these benefits in the first place – they won't be just showered on us by Beijing.

Q4.1 [Proactive approach] This won't help much. Until the basic environment for nurturing new industries is not developed in Hong Kong, there will be few job opportunities in the new-age businesses, and fewer people interested in coming to Hong Kong.

Q4.3 [Barriers that deter] Yes, the barriers found in surveys mentioned in para 4.8 are bang-on correct. Available, affordable and high quality English medium schools are almost mandatory if you want to attract experienced professionals from overseas. Unfortunately, HK govt is going the other way – look at the example of squeezing out the subvention granted to ESF schools. The barriers are only getting higher – more pollution, higher rents, and expensive school education.

Q5.1 [Measure to help people form families] Out of your suggested list, only 2 would have some positive effect: family benefits/services, and family-friendly workplace practices. Direct subsidy for pregnancy won't help, as pregnancy costs are one-time whereas child rearing expenses are very long term and much higher. ART treatment or raising public awareness about fertility also won't help – most people know already that fertility declines with age.

Q5.2 [Costs] Again the usual focus on costs! Yes, I know someone has to bear the costs, but this repeated question about costs defeats a lot of positive things the govt could otherwise do for the benefit of its own people. Loading these costs on employees defeats the purpose; loading it on employers would increase discrimination against the young married people and further reduce chances of marriage. Such costs have to be borne by the govt (general taxpayer), as these activities are in support of the future growth of Hong Kong.

Q5.3 [What can we do...] Quite a silly question. Just make it affordable !! Enact policies that reduce housing costs. (PS: Yes, I know housing prices are now stable after the last increase in stamp duty; but the prices are still toooo high. And it seems that, at the behest of the real estate tycoon lobby, the govt is itching to relax the property restrictions if prices fall just a bit more.) Increase English medium education places in local schools, DS schools and ESF schools. (PS: Yes, I know that showing loyalty towards the one-China concept is a good idea, but reducing emphasis on English medium education and increasing use of Putonghua is no great way of showing loyalty.) Create child-care facilities in every district, similar to libraries in every district. To avail the childcare facilities, families have to demonstrate that both parents are working full-time.

6.2 Public healthcare services in Hong Kong are already overwhelmed. Usual waiting times for getting appointments for consultations or medical procedures runs into many months, if not years. While there is always lots of discourse about housing projects and everyone is always excited about new land releases or new residential project launches, there are rare discussions among the public about the need for more hospitals. If we don't plan NOW, and increase capacity in our hospitals, the average quality of health of HK residents will surely decline. In addition, community health and sports programs should be encouraged more, and awareness campaigns should be organized about healthy eating and healthy living.

6.4 Govt or sponsored organizations should setup a platform or exchange providing information of volunteer (or even paid) services provided by the elderly. There are many activities that the elderly can do till a very ripe age – e.g. business consulting, tutoring, child minding, playing board games with children, manning small retail businesses, etc. The public should also be encouraged to treat the elderly with respect, not with pity, but with an inclusive and empathetic attitude.

Q6.1 [Key areas to improve] Communication across age groups – this is a major weakness I see in Hong Kong. People don't *want* to communicate with each other – everyone prefers to mind their own business, and avoid speaking with others, especially those of different age groups. This requires a cultural change. Compare with other countries like USA, Australia, UK, etc – people in those countries are enthusiastic about talking to others (even strangers), even if it's only about the weather. If Hong Kong people could develop such a friendly attitude towards fellow residents and in particular towards the elderly, then the elderly would have a much happier life. The elderly would be able to communicate freely about their needs, about their abilities, and can offer their services more freely to people. I don't know why people in Hong Kong are so reserved – maybe the pressures of the daily grind of life are too high, maybe the education system doesn't encourage outgoing personalities, maybe communication skills are not an area of focus in schools, maybe the culture equates respect for others with silent accommodation, or maybe people are just too risk averse. But whatever the cause, a more communicative society would very likely increase the GDH (Gross Domestic Happiness) of Hong Kong.

Q6.2 [Encourage elderly to volunteer] See comment on para 6.4 above. In addition, each district community center could allocate space where the elderly can provide their services such as tutoring, consulting, etc.
