主旨: Submission to the population strategy

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Dear Sir/ Madam,

I refer to the Population Policy, which is currently inviting public comments. Population Policy has direct implications on the city's resources available and in turn the living quality of the general population. Please find the attachment for your consideration.

Yours Sincerely, Cynthia Chan

Submission to the Population Policy (the Policy)

Part A: General Responses

The Policy has the fundamental basis that population challenges tie with economic development, so that a stagnant population growth will have direct negative impact on the economic growth of the city. While this is true, considerations should also be given to social/ environmental and political sustainability, and the emphasis may have to be re-priorised.

Economic sustainability

The Policy advocates that workforce growth is necessary for economic growth. It points to the issue with stagnant workforce growth, low birth rate and aging population, and labour shortage, which are countered below:

The correlation between economic growth and the workforce growth may be overrated. According to Paragraph 1.6 of the Policy, an average 1% annual economic growth is attributed to labour force growth. However, it is considered that a reduced economic growth is still growth. Economic growth is important for asset and wealth accumulation that is only one aspect of the quality of life.

In economic terms, seniors generally defined as dependent population warrant population growth to cope with the shrinking workforce to maintain the city's competitiveness. In this regard, the dependent population group has always been present, only shifted from juniors to seniors that should be considered as a shift in resources instead of a reduction in resources. Further, the seniors of the present day are generally better off, better educated and healthier than their counterparts in the earlier days, lengthening their contribution to the workforce and represent an alternative economic sector to be developed. On balance, the aging population is not considered an overwhelming issue and the Policy is considered an overreaction.

It should be clarified that labour shortage only lies in certain industries and it is essentially the quality of the workers governing the city's economic productivity. This is rather a human capital resource issue not a population size issue, where individuals are not ready or willing to participate in certain employments sectors. For instance, the one way permit scheme which effectively increases population size but without selection criteria of age or skills set does not solve the problem. Skilled immigrants are predominantly temporary solution marginally contribute to the local economy. Accordingly, there is the discrepancy between the real and perceived demand and supply of employment, and immigration may not be the effective solution.

Social, environmental and political sustainability

City has a carrying capacity governed by the geographical area, although land supply is being investigated, development intensity may be increased, and the natural resources may be supplemented by imports. However, population growth should not

exceed the carrying capacity increase, affecting the intrinsic value of the natural environment, and the quality of living in such terms as habitable space, sunlight access, air ventilation, infrastructure and facilities per capital. An immigration policy putting indefinite pressure on the local resources is not acceptable. This is particularly the case when the resources are further pressured by the temporary population in form of tourists.

Chapter 4 of the Policy compares Hong Kong's competitiveness in attracting talents with other cities. However, it does not recognise the city's comparable weakness in the living standard and quality of living.

There is an increasing recognition to social and environmental sustainability, where to an extent economic growth may be forgone to respect the finite resource available. There are increasing trend of dissent on the governance, such as number of tourists in the city, waste management and economic activities exploiting natural resources, which may be more manageable with a more steady population growth. In this regard, the government should investigate and gauge the public's value of economic value against the quality of living and a more manageable society.

The Policy assumes that should the city be vibrant as a competitive economy, there would be the fullest opportunity of employment and the financial ability to deal with social challenges. It hints that the pressure on the local resources and social cost pertinent to population increase is to be offset by the economic growth generated. This raises the question whether the economic growth generated is justified and deemed worthwhile to forego the quality of living and a more manageable society.

The Policy explores nurturing birth rate. Question is raised on whether the city genuinely needs such large population. Birth rate is more than factoring in supportive environment to raise children, it is also a lifestyle choice. Improvements on the quality of living would help promote a natural population increase rate and attract immigrant population spontaneously. This is considered more logical than explicitly intervening in the population size. It will allow the market to make the best use of the existing human capital resources in the local market. In this regard, the government's actions on improving the carrying capacity should refer to per capita taking into account the population increase, instead of the absolute improvement.

Part B: Responses to Questions

What are effective measures to encourage female homemakers to work or rejoin the labour force? More accessible and affordable childcare services for those with young children? Retraining opportunities for those with grown-up children job matching services? Any others?

Promote flexible working hours and work from home culture in corporate social responsibility. Flexible working hours are potentially increased productivity, and work from home removes travel time. Overall, there may not be necessarily any productivity loss. Additionally, there are real monetary benefits in retaining existing staff capitalising on their experience than recruiting and retraining new staff.

How can we encourage the business sector to more widely adopt family friendly workplace practices such as part time or job sharing arrangement?

It is part of corporate social responsibility, together with the abovementioned benefits.

How can we help mature workers stay in the labour force longer? Job matching services? Training programmes? Any others?

An extended retirement age, and incentives in superannuation retrieval and welfare benefits.

Are there any other sub groups of the population which we should encourage to join, re-join or stay longer in the labour force?

Individuals who are capable of participating in the workforce but are not in it, to avoid reaching the maximum income threshold for welfare benefits entitlement.