

Commission on Strategic Development : Focussed Discussion on Population Policy

I have the following preliminary comments

1. Looking through the PowerPoint copy, while fully respecting the Steering Committee report and the need to deepen public understanding of the challenges ahead, the focus seems rather lacking in background and holistic thinking, and therefore comes across as somewhat trite.

I would therefore commend, as essential reading, the Business and Professional Federation's report 'Hong Kong 2020 – The Big Picture : Human Capital'. This examines Hong Kong's strengths and challenges and makes recommendations that all equate with the overall Population issue – i.e. Human capital leadership; People Development Strategies; and Maintaining an Open Society. I would add to this the continuing improvement of quality of life. Of these the maintenance of an Open Society is paramount in terms of Hong Kong maintaining (or becoming) the most preferred city to live and maintaining (or improving) its strengths with regard to:

- Its institutional infrastructure;
- Its rule of law;
- Its culture and mindset;
- An equitable allocation of resources;
- Its current talent and education capacities; and
- Forward looking immigration policies

2. The fact is that Hong Kong should not be simply looking at Population Policy in isolation of many other factors such as the promotion of economic and social progress. This is clearly self-evident and Hong Kong faces some serious challenges. Without trying to detract from the main theme, these are:

- The slowing of growth and loss of edge in local industries/businesses in comparison to neighbouring and major Mainland cities;
- A somewhat inward looking and protectionist mindset that has produced a sense of complacency;
- A significant wealth gap which translates into what is, in practice, a massive quality of life gap. As decent housing is the most obvious marker of this, we have a situation where a high proportion of the past generation of professional and business people, and the majority of high-end/retired civil servants, have achieved a quality of life that sets them apart from the great majority of the population, and the current generation of young working residents. It is in fact as if they lived in different worlds.
- In the case of young people, we have the perceived problems of meeting aspirations, as the valuable commodity of human capital fails to match expectations for upward mobility and leads to questions over Hong Kong's traditional laissez-faire philosophy and the ultimate question – who benefits?

Many now look outside the SAR not merely for opportunity but for better life quality; and

- A perceived lack of workability within the political structure, that involves frustration and questions over leadership, decision making and a lack of joined-up government.

These and other challenges need to be addressed as a totality, and cannot be separated from the problems and issues with regard to population.

On P.3 of the Document under Population Policy, a Policy Objective is set out:

“To develop and nurture a population that will continuously support and drive Hong Kong’s socio-economic development as Asia’s world city, and to engender a socially inclusive and cohesive society that allows individuals to realise their potential, with a view to attaining quality of life for all residents and families”.

This is all well and good, but it clearly indicates the need to fight the battle on several fronts. In fact this is not merely a population policy objective, it is a societal one, and raises the ultimate question of what we want Hong Kong to be, how we want it to function, and how we want to achieve this within a definable time-frame.

We know there are demographic issues and other related challenges – an ageing population and potential problems associated with this; a declining fertility rate; immigration policies since 1997 where new immigrants have essentially been family dependents of Hong Kong men; the very slow impact of other immigration schemes and low numbers; the contribution of expatriate residents but with fragile long-term commitment in most cases; problems associated with the attraction of competitive talent and labour; a significant decrease in entrepreneurship (indeed this is becoming increasingly rare for many of the reasons stated earlier); an emphasis on quantitative, rather than qualitative educational goals which nurture individual creativity; a widely held belief among private firms and organisations that silos within Government have become both intensely bureaucratic and obstructive, with little accountability; and a lack of public consensus on many of the above issues.

Suggestions

While the five policy strategies to manage ‘challenges’ set out on P7 are fine in so far as they go towards addressing the supply gap in the workforce, a more holistic approach is needed to both achieve human capital development, and at the same time to achieve a ‘quality’ vision for Hong Kong – say in 2047. In other words not merely what might work, but how we are going to do it, what it takes, and how we achieve the vision.

Some ideas (again with due regard to the BPF Paper) are, inter alia:

- Establish leadership within Government to coordinate and align the various issues and interests involved and to ensure synergy in the deployment of resources, with a comprehensive long-term strategy in order to build consensus and make decisions;

- Define long-term human capital including all contributors and resources necessary to meet society objectives and to achieve the 'quality' vision;
- Determine long-term population policies that facilitate consensus building, promote inclusive mindsets and facilitate proper and appropriate planning. An underlying aspect of this is that good jobs must be created and equate with a local talent pool;
- Ensure as far as possible, that rewards for the talent pool equate with quality of life and quality of environment factors – Hong Kong must set itself the objective of becoming the most preferred city to live, meeting a wide range of criteria;
- Seek to make the attainment of quality of life factors such as decent and more spacious housing, culture, arts and leisure, perceptible and achievable in relation to a range of income levels, and seek to benchmark the performance towards achieving this;
- Coordinate all efforts in human resources development through close collaboration between Government, the private sectors, trade and professional bodies;
- Combine efforts at vocational training with understanding of market needs, and take steps to better assist with development and the requirements of fledgling creative industries;
- Develop Hong Kong into an education hub, and better facilitate elite higher education students from the Mainland and other countries to find employment in various sectors within Hong Kong. This could also be assisted through setting up joint venture educational programmes in these countries;
- Re-calibrate current immigration policies to attract both talent and necessary skilled workers, and ensure the assimilation of all migrants through adequate support services; and
- Take steps to maximise economic activity for the current 1.6 million economically inactive persons aged between 15 to 64 (excluding approximately 536,000 students and 75,000 sick or disabled), through energetic initiatives and incentives (at present over 600,000 female homemakers and over 100,000 retirees are economically inactive, while around 150,000 persons are economically inactive for other reasons).

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