

## **Response to Thoughts for Hong Kong – Public Engagement Exercise on Population Policy**

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### **Introduction**

Population policy is a very broadly based topic and interconnects with and impacts on many other policy areas. Thoughts for Hong Kong (TfHK) focuses on certain specific aspects of population policy while ruling out consideration of others that the community might regard to be of equal if not greater significance in formulating a realistic and deliverable policy going forward – in my view this fundamentally undermines any conclusions to be drawn from the engagement exercise.

Government should not simply assume that Hong Kong can continue to grow for ever – the natural constraints cannot be ignored nor is such an approach sustainable as the city will become less and less attractive as a business hub or as a place in which to live and bring up a family. Hong Kong is already densely populated and the quality of life of many of its citizens is unacceptable given the level of economic development achieved in recent decades. Priority should be given to delivering a better standard of living to our existing population and restructuring the economy to enable this rather than trying to “work round” the challenges without tackling their causes.

It is noted that suggestions regarding “capping” the population should be disregarded as they would compound the current issues. This is only true if based on the premise that “business as usual” is the only way forward – instead of looking at the fundamentals of life and living in Hong Kong and asking the community to decide whether this is the Hong Kong they want to see in the future, the Steering Committee appears to have assumed that more of the same is acceptable – nowhere has the question been asked – how big do the current residents of Hong Kong really want their city to be? What is the “right size”? To what standards do we want our population to aspire going forward? What facilities will be required to care for those who require assistance?

While it is appreciated that we need to ensure we have resources to achieve our ambitions, without defining those ambitions it is very difficult to ensure adequacy of the “right” resources. In other words, we need a shared “vision” for Hong Kong based on realistic economic parameters as a failure to build the future on a broad base of support within society will result in satisfaction for no-one.

Whilst the One Way Permit system should continue on family reunion grounds, it is understood that the details of the scheme could be further discussed with the Mainland so as to optimise its impact on Hong Kong and the city’s future manpower and service provision requirements.

None of the above issues, nor those discussed below, can be resolved without LEADERSHIP. We need a pro-active leader who will champion the optimum future for Hong Kong both as an international city and as a premier city in China. We need measureable objectives which are regularly monitored and adjusted as necessary and we need to adopt a dynamic approach. Perhaps a dedicated agency could be created with overarching responsibility for championing Hong Kong’s future manpower/human capital requirements.

## **Unleashing/Optimising the POTENTIAL of the Existing Population**

It is difficult to answer the questions posed without any reference points, with no comprehensive vision of the Hong Kong of the future – just “business as usual”. Our current economy does not provide jobs for all and there is a real mismatch of skills and employment. In order to offer meaningful employment to all, things will need to change but how do we plan the work force of the future when there is no vision of the sectors/types of business/industries that will be targeted and the expertise and training that will be required? We also need to make provision for quality manpower, not just quantity.

There appears to be some acceptance of the need to diversify our economy so that the large number of economically inactive residents, particularly those just coming out of education and those aged between 50-64 can find meaningful and productive jobs. However, we also need to refine our data collection to match today's realities – 15 year olds are in school – and should not be included as part of the workforce aged between 15-64.

In order to attract more homemakers into the labour force there needs to be much greater flexibility re working hours (including “core hours”), recognition that part-time working is not the same as temporary and therefore lacks status, better appreciation and facilitation of job sharing, more accessible, affordable and caring childcare, retaining opportunities in sectors where jobs are available and improved appreciation by many employers, large and small, that a happy employee who is comfortable that their family is in good hands, will make a better and more productive worker.

Hong Kong, similar to many western economies, seems to have lost its respect for those with experience and assume that younger people will make the best employees. While in some sectors the rapid development of certain technologies has disadvantaged some older workers and working conditions favour the young, old fashioned thinking in others has led to an assumption that older people are, by definition, less productive. That may have been true of earlier generations but with much improved medical care, healthier lifestyles, more general access to airconditioning, and other factors many in their 50's and 60's today are more than able to continue working and to make available their knowledge and experience. Whilst many may prefer to stay in full time employment, it has to be recognised that this can have an adverse impact on younger workers on the job ladder but job sharing, corporate training, consultancy positions flexible working arrangements are all ways to mitigate this risk. Older people in the workforce or in society are not necessarily a burden or a challenge these days but rather a new source of manpower and human capital.

Another group which needs further support is the disabled. The community over the last two decades has become much more accepting of making opportunities available to those with handicaps but more needs to be done and mindsets still need to change so that society becomes more inclusive and all human capital can be optimally developed.

## **Enhancing the Quality of our Home-grown TALENT**

As mentioned above, we consider it important to review possible futures for the city and invite residents to participate in deciding on its future direction. Therefore we should conduct manpower projection studies (not just for the “four industry clusters identified” (i.e. “business as usual”) but

also on potential new sectors) to assess the types of skills required in order to drive the economy of the future.

Education and the mindset of Hong Kong parents and students are important factors in any discussion on manpower and population mix. Education is not simply to enable a student to find a job – it is mainly to prepare them to make the best of their lives, not just their working lives. Not everyone can become a top professional and many are not suited to business or academic life. Both schools and parents have to be more realistic about the potential of their children/students and help them find a career path that will not only optimise their potential but also enable them to enjoy a fulfilling lifestyle – broader, innovative and less exam orientated education and more understanding families both need to be promoted, together with a much greater respect for vocational education and skills. Proper training, accredited qualifications and respect for technical knowhow and craftsmanship need to be embedded into future education programmes.

Continuing education opportunities are important but the priority at present should be to secure an education framework which suits the realities of modern life and the likely lifestyle and technological changes which we can see on the horizon.

### **Complementing our Existing Population and WORKFORCE with New Sources**

It is important to maintain the diversity of Hong Kong in terms of society, economics and culture and the balance between these various characteristics that have made Hong Kong what it is. The TfHK makes no attempt to come up with a future “business plan” for the city and therefore it is hard to say what type of talent we should be trying to attract. If we get our education and training systems sorted out, we might not actually need many additions to the workforce on a permanent basis.

Rather we may need temporary cover in some industries although with innovation, technological developments, and greater number of older people remaining in the workforce shortages may be short lived and only in particular sectors e.g. skilled and general construction, care workers (nurses, elderly and child care) and retail and tourism.

Construction work is no longer attractive to many youngsters in Hong Kong and, as education standards continue to rise, this attitude is likely to remain. Government should set up a special scheme to recruit contract workers from overseas for large scale Government construction projects (including public rental housing) while making more flexible and streamlined arrangements to assist the private sector if shortages of labour occur. Other contract schemes could also be devised for other specific sectors facing shortages.

Clearly it would be of benefit if qualified, trained and experienced Hong Kong people living overseas could be attracted back to Hong Kong. However, whether Hong Kong is still attractive to them as a place to live depends partly on the career opportunities available and partly on the education and living standards here as compared with their current location. We need more affordable international curriculum schools (mostly English medium), improved residential accommodation opportunities and improved environmental standards, particularly air quality. Salaries would have to be comparable but the current educational and lifestyle challenges could be fixed, they may not be the deciding factor.

It would appear that the general arrangements for importation of Foreign Domestic Helpers could form the basis of satisfactory schemes for the importation of care workers and sales or service providers in the retail and hotel industries which seem to face persistent manpower shortages. Accommodation arrangements would be of particular sensitivity as many local low skilled workers currently struggle to afford decent homes. However, as the supply of units increases in the market over the next few years, maybe a version of the hostel scheme for younger, low paid workers utilising redundant industrial buildings or similar could be created so as to minimise competition for scarce, affordable residential space.

### **Forming and Raising Families**

Incentives should not be paid to have babies! Hong Kong is not the only jurisdiction facing a lower birth rate although it is one of the most extreme. Further research and analysis of the reasons for such low birth rates and exploration of possible remedies is more constructive – simply trying to “work around” the situation is not the way to build develop a caring society.

Increased child allowance, additional parental leave, assistance with childcare expenses, provision of after school services and family friendly workplace practices would all be beneficial and remove some of the stress experienced by parents with young families. Increased and improved standards of residential accommodation should also be of assistance. In addition, public awareness of the risks of late pregnancies should also be increased.

It is advantageous to a healthy community to have a balanced mix of young and old, workers and carers, and so the cost of the above measures should be met by taxpayers and contributions (perhaps subsidised in certain circumstances) from users of the services and facilities provided.

### **Active Ageing**

As mentioned above, we need to change the attitude of the city from regarding seniors as a problem to be dealt with to respecting the contribution they have made to Hong Kong’s past development and ensuring that they enjoy a dignified and comfortable old age. Ageing within the community has to be the preferred solution for those that are healthy and able to care for themselves while appropriate, good quality provision needs to be made those who need it. The CE’s recent proposal regarding securing places in care homes on the Mainland should be investigated further but only if the standard of residential and medical care provided can be guaranteed to be equal to or above that available in Hong Kong.

The consumer market can be relied on to provide products and services tailored to an ageing population – the only concern is affordability as many currently entering old age were working when Hong Kong was not so prosperous and therefore have little savings and access to few financial resources. It is for this reason that coming couple of generations of elderly residents should receive specific financial support. However, demographics indicate that the surge in support requirements will decline as future elderly will have access to their MPF funds, will be healthier, more active and more able to care for themselves, particularly in the light of the progress in preventative care and increasing knowledge about avoidance of currently common age related diseases.

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