

Executive Summary

According to the Census and Statistics Department,¹ the overall labour force participation rate in Hong Kong will decrease gradually from 59.2% in 2016 to 49.6% in 2066. The figure reflects the fact that the labour force is gradually shrinking due to an aging population, a trend that might hinder Hong Kong's overall economic development. Consequently, in its latest report, the Employment and Economic Development Group of the Youth I.D.E.A.S. has discussed the issue of encouraging young-olds' employment as a means of alleviating the problem of a shrinking labour force.

Enabling more women to go to work is another solution for reversing Hong Kong's shrinking labour force. Due to increasing educational opportunities, the labour force participation rate of women has been rising. However, women's employment is still far behind that of men's. In 2017, the overall labour force participation rate of women aged 15 or above was 50.9% while that of men was 68.3% (excluding foreign domestic helpers).²

It is generally believed that the lower employment rate of women is due to their responsibility of taking care of family members, especially young children. Figures from 2016 showed that the labour force participation rate of never married women was 65.1% while that of ever married women was as low as 44.1%, only a slight increase from 42.8% ten years ago.³ The labour force participation rate of ever married women was 21 percentage points lower than that of never married women (excluding foreign domestic helpers),⁴ which represented 486,000 individuals. Assuming that one-fifth of them are employed, the labour force can then be increased by 100,000, which is helpful to supplement the labour force shortage.

There are around 55,000 to 60,000 newborn babies every year in Hong

¹ Census and Statistics Department. (2017). *Hong Kong labour force projections for 2017 to 2066*. Hong Kong: Census and Statistics Department.

² Census and Statistics Department. (2018). *Women and men in Hong Kong – key statistics 2018 edition*. Hong Kong: Census and Statistics Department.

³ Census and Statistics Department. "2016 population by-census". Retrieved from <https://www.byccensus2016.gov.hk/tc/index.html>

⁴ Census and Statistics Department. (2018). *Women and men in Hong Kong – key statistics 2018 edition*. Hong Kong: Census and Statistics Department.

Kong.⁵ However, the number of subvented childcare services places for children under 3 was only 772 in 2018⁶ throughout the territory. According to the planning standard, whole day kindergarten and nursery accommodation for children under 6 is only 25% of total accommodation.⁷ In addition, the number of After School Care Programme places for children aged between 6 and 12 is only 5,658.⁸ All these figures reflect a great shortage of childcare services in Hong Kong, which is a main barrier for mothers who wish to be employed.

Research⁹ has shown that countries such as Finland and Norway, which provide adequate childcare services and implement family-friendly employment practices, have a higher women's employment rate. These countries are more likely to encourage women to re-enter the workplace after giving birth. However, it is still unpopular in Hong Kong to implement family-friendly employment practices. Such a situation may affect the supply of women's labour significantly.

This study is a discussion of how to unleash women's labour force so that women within the main employment age (25-54) who are willing to work are provided with more opportunities. The problem is examined by looking at current childcare services and family-friendly employment practices. The aim of this study is to increase overall labour force supply, to improve the economic ability of women, and to provide diversified opportunities for personal development. An attempt is made to give concrete recommendations by studying foreign policies and experiences, understanding the employment barriers faced by women with children aged 12 or younger, and the opinions of Hong Kong residents on childcare services and family-friendly employment practices.

Data in this study was collected using three methods during the period from August to September 2018: an on-site survey of 520 Hong Kong

⁵ Census and Statistics Department. (2018). *Women and men in Hong Kong - key statistics 2018 edition*. Hong Kong: Census and Statistics Department.

⁶ Source: Social Welfare Department.

⁷ Source: School Education Statistics Section, Education Bureau.

⁸ Source: Labour and Welfare Bureau. (2018). "LCQ12: Child care services". Retrieved from https://www.lwb.gov.hk/chi/legco/28032018_3.htm

⁹ Fang, G. (2015). "How to encourage women into the workforce". World Economic Forum. Retrieved from <https://www.weforum.org/agenda/2015/03/how-to-encourage-women-into-the-workforce/>

residents aged 18 or above, case interviews with 20 women aged 25-54 with children aged 12 or younger, and interviews with 6 experts and scholars.

Main Discussion

- 1. The potential of women's labour force in Hong Kong is yet to be fully utilized. Due to an aging population, the labour force is gradually shrinking and this might hinder the overall economic development of Hong Kong. The potential of women's labour force should not be ignored when working towards alleviating the problem. Figures show that there was a difference of 17 percentage points between the labour force participation rates of men and women. Besides, the figure of ever married women was 21 percentage points lower than that of never married women.**

In its paper *Population policy – Strategies and initiatives*,¹⁰ the HKSAR Government has put forward the idea of encouraging more mature persons and women to join the labour force in order to alleviate the problem of shrinking labour force. Though the overall labour force participation rate of women in Hong Kong has increased from 47.4% in 2001 to 50.9% in 2017, the figures for the 25-39 age bracket has been quite stable over the last 12 years. Meanwhile, there was still a difference of 17 percentage points between the rates of men and women. The figure of ever married women was 21 percentage points lower than that of never married women (excluding foreign domestic helpers).¹¹ This figure involved over 480,000 individuals, which could be a significant work force. It also shows that there is still room for Hong Kong women to enter the labour force.

- 2. Some women are still interested in employment after giving birth. Survey respondents support women's employment in general. They agree that women's employment is beneficial to the economic development of Hong Kong. However, their attitudes become contradictory when considering the need for childcare. The in-depth**

¹⁰ Chief Secretary for Administration's Office. (2015). *Population policy – Strategies and initiatives*.

¹¹ Census and Statistics Department. (2018). *Women and men in Hong Kong – key statistics 2018 edition*. Hong Kong: Census and Statistics Department.

interviews show that the women interviewees are quite willing to be employed. Even though some women choose to take care of their children on a full-time basis, they still hope to work in their spare time or to rejoin the labour force after their children have grown up.

Survey respondents in this study were found to support women's employment. The on-site survey findings show that the average rating of the statements "Women with children of 12 or younger should take care of their children on a full-time basis if they don't have economic pressure", "Women should be employed so as to maintain economic independence" and "More women joining the workforce is beneficial to the economy of Hong Kong" were 5.77 points, 6.67 points and 6.70 points respectively (on a scale of zero to 10). The findings indicate that respondents agree with women's employment and recognize their economic contribution to the family and society at large. However, when considering the need for childcare, respondents have reservations about women's employment.

Findings from the in-depth interviews show that the women interviewees are quite willing to be employed. Some of them have reservations about employment because they are worried that no one can take care of their children. Even though some of them choose to take care of their children on a full-time basis, they still hope to work in their spare time or to rejoin the labour force after their children have grown up.

- 3. There are dilemmas and barriers to maintaining employment and taking care of the family at the same time. Many women experience tension as a result of concurrent employment and childcare. This is one of the main barriers for them to join the work force.**

The survey findings show that 55.4% of respondents agree that women with children aged 12 or younger are less likely to be employed than others, from which 56.9% think that the biggest problem is "job arrangements not flexible enough to maintain employment and take care of the family at the same time" while 22.6% blame "insufficient childcare services". The figures show that these are the two areas, with regards to issues surrounding women's employment, that respondents are most

concerned about. The concrete barriers encountered by the interviewees include:

- a. **Support and measures for childcare are in severe shortage. The quantity and service hours of childcare services can hardly meet the needs of employed women.**

There are only 772 subvented childcare services places for children under 3 years of age¹² throughout Hong Kong, which is equivalent to 0.8%¹³ of the population aged zero to 3. When it comes to children aged between 3 and 6, they ought to be in whole-day kindergartens if their parents need to go to work. But the half-day to whole-day ratio of kindergarten and nursery accommodation is only 3:1.¹⁴ In addition, the number of places of the After School Care Programme for children aged between 6 and 12 is only 5,658,¹⁵ which is equivalent to 1.3% of the relevant population.¹⁶ As for the Neighbourhood Support Child Care Project, which aims at providing day care services for children aged under nine, there are only 954 places¹⁷ in total, which can hardly satisfy the need.

A woman interviewee had to quit her full-time job in order to take care of her daughter because she was unable to get a place in the childcare centre or to find a nanny from the neighbourhood project. Subsequently, she was unable to find a full-time kindergarten place for her daughter so she has as yet not re-entered the workplace. Another interviewee who works as part-time warehouse clerk said that she could only work part-time because the places for the After School Care Programme are limited. In addition, she has no alternative but to resign whenever there are lengthy breaks between school terms and look for a new job when school resumes.

¹² Source: Social Welfare Department.

¹³ Source: Census and Statistics Department.

¹⁴ Source: School Education Statistics Section, Education Bureau.

¹⁵ Source: Labour and Welfare Bureau. (2018). "LCQ12: Child care services". Retrieved from https://www.lwb.gov.hk/chi/legco/28032018_3.htm

¹⁶ Source: Census and Statistics Department.

¹⁷ Source: Social Welfare Department. (2018). "Day Child Care Services". Legislative Council paper no. CB(4)379/17-18(01). Legislative Council House Committee Subcommittee on Children's Rights.

These cases show that both the quantity and service hours of childcare services can barely meet the needs of currently employed women. These inadequacies are particularly acute after school, during holiday periods and during the long periods between school terms.

- b. Family-friendly employment practices are unpopular in the Hong Kong workplace. Moreover, since jobs are not flexible enough, women who need to take care of their children are unable to enter the labour market.**

Basic level jobs usually need shift duties, night duties, holiday duties or duties during school holidays. Professional or white-collar jobs seldom have part-time posts and it is unusual for workers to leave their workplace on time. It is usually difficult for long-term workers to take time off. An interviewee who held a basic level job said that she hoped to work part-time in the catering industry, but it may require night duties and that meant she probably couldn't pick up her son from school. That is why she has given up looking for a job. Another highly educated interviewee was an engineering consultant. Her working hours were so long that she sometimes needed to work after midnight so it was difficult for her to take care of her daughter after work. At a particular stage, when she needed to concentrate on correcting her daughter's behavioural problems, she had no option but to resign.

In fact, family-friendly employment practices are seldom found in the Hong Kong workplace. Employment positions are usually inflexible to such an extent that women employees find it difficult to make arrangements to take care of their children. Some expert interviewees pointed out that since women have to bear the responsibility of being carers, they would not be able to go to work unless family-friendly employment practices were implemented in the workplace.

- c. The attitudes of employers are quite negative. Women cannot keep up with the pace of society if they suspend their employment. Employers are also worried that women cannot concentrate on work, reflecting their lack of confidence in women who return to work.**

A few women interviewees hoped to suspend their employment to take

care of their children and then return to work afterwards. But some of them faced the problem of lack of confidence from their employers, especially in professional jobs or jobs that require highly educated workers. For instance, after suspending employment for one and a half years, an interviewee said that she tried to look for a job similar to the one she had before—but no reply was received once employers knew that she quit her previous job to take care of her child.

An expert interviewee from a training organization said that women should be prepared for the fact that they may not keep up with the pace of society if they return to work after suspending employment for a few years. Furthermore, they may not be able to return to a similar post, or their remuneration will be lowered. A scholar interviewee thought that there is a lack of incentives for women to rejoin the workplace after caring for their children. Some employers assume that women with family responsibilities cannot concentrate on work, or worry that women need to accommodate their family needs at work, and this reduces their chances of getting the job.

4. **Full support and assistance are important incentives to encourage women's employment. If women fail to get childcare services or if their employers do not implement family-friendly employment practices, they must rely on adequate economic and interpersonal resources, otherwise it is difficult to encourage them to look for employment.**

Though many women interviewees experience tension as a result of both employment and childcare, some are still able to work full-time or part-time. This is because they have employed foreign domestic helpers, are able to get childcare services places, their employers have implemented family-friendly employment practices, they can coordinate and share childcare responsibilities with their partners, or are offered help from their parents or relatives.

In fact, many better-off families choose to employ foreign domestic helpers as carers so that the mothers are able to go to work. An interviewee employed a helper in addition to her parents' help so that she can work full-time even though she has three children. Another

interviewee benefited from the family-friendly employment practices of her organization by getting unpaid leave for a few months before her son was offered a place in a childcare centre. She is also able to leave work in time to pick up her son from the childcare centre. The husband of another interviewee changed from full-time employment to freelance work in order to have more time and flexibility to take care of their children and accommodate the requirements of her full-time job.

- 5. Hong Kong residents generally supported women's employment, but employers have reservations. More than 80% of respondents supported improvements in women's employment. Nevertheless, they only rate 4.11 points on HKSARG's work in this area. Employers' attitudes are also significant.**

The survey shows that 83.1% of respondents support improvements in women's employment. Most respondents believe that family-friendly employment measures such as "home office" (57.1%) and "flexible working hours" (50.4%) are "very helpful" if the number of women in the workforce is to grow. The percentage of respondents who think that it should be the government that offered support for women at work is 75.1% while 59.8% think it should be employers. But in fact, 78.1% think that it is family members who offered help, while 61.3% think it is foreign domestic helpers. Only 13.7% and 7.3% think it is employers or the government who offered support, respectively. They rate the HKSARG's efforts in this respect at only 4.11 points on average on a scale of zero to 10.

In-depth interviews also show that though it is not easy for employers to find suitable employees, and they welcome women returning to the workplace, employers have doubts about family-friendly employment practices. Employers' representatives said Hong Kong workplace culture is rather traditional and it may be unable to make flexible arrangements. Representatives from a training organization said that some enterprises are willing to make flexible arrangements with regards to working hours for non-service or logistic positions. But only around 10% of the enterprises they contacted are willing to provide such family-friendly arrangements.

- 6. Current family-friendly policies are inadequate. Hong Kong is very**

much lagging behind in the adoption of family-friendly employment measures. The government should make more effort in this respect.

Reference to foreign experience shows that women's labour force participation rates of countries that adopt family-friendly employment policies and measures—such as Singapore, the UK, Sweden and Canada—are higher than that of Hong Kong. All these countries offer either paid or unpaid statutory parental leave or childcare-related leave ranging from 6 days per annum to 480 days. Some countries also offer the statutory right to flexible work arrangements.¹⁸ In Hong Kong there are no statutory family-friendly employment measures except maternity leave and paternity leave. It is rare to find employers who implement other relevant measures. It is therefore clear that Hong Kong is very much lagging behind in adopting family-friendly employment measures. If more effort can be made in this respect, the women's labour force would be expected to grow.

Recommendations

Based on the above findings, the following recommendations are offered through this study in order to improve incentives and remove obstacles for women's employment.

- 1. Introduce an After School Care Programme for all primary schools based on a tripartite cooperation model whereby the schools provide the venue, NGOs offer the services and the government offers a subsidy.**

In view of the problem of inadequate after school care services, the HKSAR Government should introduce an After School Care Programme for all primary schools. It should be a tripartite cooperation model whereby the schools provide the venue, NGOs offer the services and the government offers a subsidy. This service can be self-financed with the government being responsible for setting the standard of service and charge, and offering an additional

¹⁸ Source: Legislative Council Secretariat. (2017). "Fact sheet: Parental leave and family-friendly employment policies in selected places".

subsidy for underprivileged families. Parents of children attending a specific school should be given priority to be employed as service tutors in that same school. This service would solve the problems of venue, administration, human resources and road safety all at once, meaning that parents do not need to worry about their children when they go to work.

2. Offer a Family-Friendly Practices Grant that provides incentives for enterprises that implement flexible work arrangements.

In order to attract more enterprises to implement family-friendly employment practices, the government should offer a Family-Friendly Practices Grant that provides incentives for enterprises that implement flexible work arrangements in order to reduce their additional cost. The flexible work arrangements that meet the allowance criteria should include flexi-time, flexi-workplace, flexi workload, shorter working hours and job sharing, etc. The size of the grant should be directly proportional to the number of beneficiary employees.

3. The government should take the lead to split selected positions so as to provide more part-time posts. This arrangement can promote the culture of flexible work.

The HKSAR Government should take the lead to select some of its positions and conduct the pilot test of splitting these positions, such as splitting one full-time post into two half-time posts or a number of part-time posts. This is to set an example for the business sector in promoting the culture of flexible work. The positions selected can be of a logistic or supporting nature, such as translators, technicians and office assistants, etc. The splitting of positions can bring about more choice for women who can only work part-time.

4. Public bodies such as universities and non-governmental organizations could provide home office arrangements for selected jobs and then use the experience gained to motivate the commercial sector.

Public bodies such as universities and non-governmental organizations could provide home office arrangements, say, two days per week, for staff in selected jobs, and assess staff performance by means of work progress. This could be done with independent work such as information technology, programming, research, design and drafting, etc. The experience gained could then be used to motivate the commercial sector. With the help of the latest internet technology, it is believed that more choices can be offered to women who want to work but need to take care of children at the same time.

5. Gradually increase the ratio of half day to whole day kindergarten and nursery accommodation from 3:1 to 1:1.

In response to the present urgent social need, the Education Bureau should gradually increase the ratio of half day to whole day kindergarten and nursery accommodation from 3:1 to 1:1. Meanwhile, the Labour and Welfare Bureau should increase the 700 childcare services places substantially so that women can have the opportunity to work part-time or full-time.