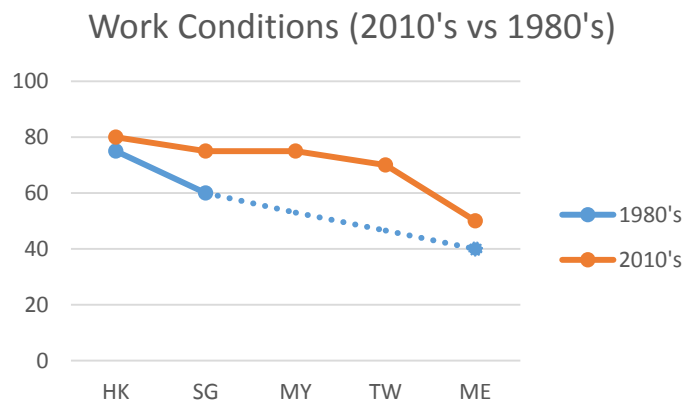


Fundamentals, it is the basis to improve all things; from riding a bicycle to improving one's living quality. Improvement on fundamentals improves the overall mean (average), hence the curve is raised, more will achieve higher grounds, and less suffers from the bottom.

Generally speaking, the working conditions and the fair treatment of the foreign domestic helpers in Hong Kong are among the best in the world. Just ask any helper, Hong Kong is their number one most desire place to work.

On the scale, back in the 1980's, Hong Kong would score an 80 in terms of work conditions for domestic helpers, Singapore would be at the 60 range, and Middle East would be in the below 50s.

Today, Hong Kong would be an 80, Singapore & Malaysia 70-75, Taiwan 70, and with some parts of the Middle East crossing the 50 threshold. Hence Hong Kong is still in the lead, but others have closed-in.



I don't have any supporting statistics, but since birth, I've been made well aware of the industry as my family is one of the pioneer, having seen the growth of the industry from Hong Kong, Singapore, Taiwan and etc. as well as the growth of the origin of helpers of Filipinos, Thai, Indonesian, Nepalese to the more recent attempts in Sri Lankan, Banglashi and now Burmese. My childhood and my previous career abroad has given me a unique perspective of the industry and its relevant market.

Simply put, the government needs to set a proper fundamental to the entire domestic helper industry; For years, the government has been lenient on setting the ground rules, without guidelines, they have achieve admirable goals, but now that people are demanding greatness, strengthening of the basic fundamentals seems to be called upon.

In no particular order, and this is just a sample list of issues to review:

1. General improvement of helper's self-awareness through education.

As there are great demands for domestic helpers throughout the world, it is increasingly difficult to find helpers with adequate education. And as these helpers usually came from lesser-developed countries, these countries are not structured to provide optimal educations to its people.

The current training centers operated by local agencies have incorporated self-preservation courses. However, as there are no remuneration, these helpers seldom pays the required attention.

Possible solution:

A HK government funded course offered to helpers in the initial months of arrival. This should be made mandatory to all helpers during the initial months of their arrival, for all new contracts and renewal of contract.

There are several advantages in endorsing this:

- A. Provide proper education on their welfare
- B. Create a network platform for the helpers with people of their own culture
- C. Provide a safety net for the newly arrived helpers
- D. As the helper's attend this lecture, this also provide a reminder to the employer to respect their rights.

2. Fundamentals of the N.G.O.

While N.G.O. serves a great purpose to the general well-being of humanity, they lack the general ordinance to be governed properly. Take the recent incident as an example, the Indonesian Society claims that everything can be resolved if they were allowed to live "out" and another N.G.O. blames the domestic helper agencies withholding their passports.

First of all, while this may have been true back in the 80's/90's, the primarily intent is to avoid helpers to take on additional loans which may results in unexpected incidences at the employer's resident. It is also said that passports are withheld to avoid helpers from switching agent. But this practice is no longer done for two very simple reason. 1. it's been deemed illegal, and 2. Helpers can get their passport replaced at their embassy Personally, I believe that each employer should have their choice of having their hired

helper to live in or to live out, but there are many additional considerations need to be considered before executing it. Insurance matter, strengthening of work hours, transportation, accommodations, food and more. But this is another issue that should be reviewed for another day.

Possible Solution

Any N.G.O. or Society should have staff that are well knowledgeable of the industry and practices, that are unbiased and without personal hidden agenda. Improving the fundamentals of the N.G.O. will in essence improve their regime and operation, and in effect improve their effort in their participation of the industry.

3. Educations of the employer

It still comes as a shock that to me that any employer can mistreat their helpers, but as there are 320,000+ helpers in Hong Kong, these are isolated incidence are rare and should be justifiable in an economy standard. However, further action should be taken to reduce these type of abuse.

Possible Solution

Certifying employers; by making employers to take mandatory classes, they can even be a 1 hour online pre-recorded lecture where employer have to acknowledge by signing off on it at the end of the course. All employer must take them and should be taken every 6 years.

4. Fundamentals of the Hong Kong Agency

Sadly, due to the lack of restrictions in agency registrations, many sees the industry as a lucrative means without ethics and professionalism. Thus creating the poor morality within the industry, and when incidences like beating of a helper is clearly the responsibility of the employer, the public seems to be pointing the fingers back at the industry.

My initial reaction was not different, I want to know if the employer recruited the 3 reported helpers with injuries from the same agency.

Possible solution

Like Insurance agency or estate agency, licensee should be required to take course/s for

best business practice. But to promote fairness, this license should be administrated to all Recruiting Agencies

5. Sponsored conference/exhibitions

As leader of the domestic helper industry, perhaps its time for Hong Kong to show its leadership in the world, by hosting a government sponsored seminar/exhibitions. These exhibitions should showcase multiple industry related activities and promote the welfare of the helper, employers and the industry

6. Government promoted activities

By creating public outlets for the helpers, the helpers can gain more self-esteem and be more aware of their own well-being.

- A. Free performances by their nations stars,
- B. Government sponsored movie nights,
- C. Make it a statutory holiday on their individual nation's day

7. Government Taking up responsibilities

Instead of making the Hong Kong Agency to provide counseling, the government should have their support infrastructure to provide assistant to the helpers. Covering 5% of Hong Kong population, the Domestic Helpers are a minority in Hong Kong and should be provided with more support

8. Furthering the educations of the helper

Like Continuing Education, helpers in Hong Kong should receive the right to further their education while working abroad. This could become an important opportunity for Hong Kong's employment industry. As it has been well covered that Hong Kong will face shortage of labor in multiple sectors soon. Perhaps if the government could begin to offer specific skills training to create further opportunities.

9. Government regularly Check Up of helpers

Instead of passing down the responsibility to conduct routine checkup of the helpers to their respective agencies, the government could setup a department to monitor their well-being.

10. Putting the Levy in use.

Whether or not none or all of the points taken above have been considered seriously, the government should take this opportunity to put the previously collected Levy in use. Not only will it be placed in use for something acquired from its root and source, the government will receive praise by local people and foreign governments for the efforts it has used to improve the matter.

Finally, I would like to raise the following as the most important issue among all. And it is that with this matter, I sincerely ask the government to seriously review and discuss:

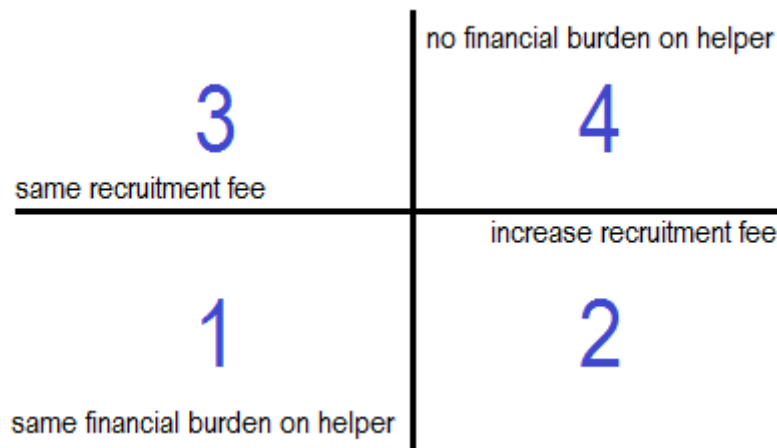
The government has set the employer's financial requirement to a mere \$15,000/mn, has the government consider what type of housing the employer would likely be in at this range of income? Even if this is an individual income and a household will now be inflated to \$30k, it is still not likely that the employer's household will have adequate area for the helper to live in. If a helper is made to live in a substandard living quarters while working, subsequently people living with the helper will view them as a substandard being.

Hong Kong, while having the highest helper's salary cap among the industry, also has the lowest service fee. Which subsequently impact the Hong Kong agencies the heaviest as Hong Kong has the highest property leasing price in the world or at least within the industry. The financial loan scheme is actually a standard practice in the entire industry, as the Hong Kong government has made it a requirement that the helpers must be trained prior to the work commencement, but none of them have the financial resources to be trained, the Hong Kong agencies and their respective local agencies will have to prepaid for their training, food and dormitory, which does not guarantee recruitment and may incur additional wait time.

Some agencies in the Middle East charges their employer nearly five figures (in USD), gives the helper one month salary in advance, and split the remainder revenue in half with their counter-partner agency, and they would still put the helpers through financial loans afterwards.

In Hong Kong, a foreign recruitment firms receives referral fees easily in the mid five figures range and sometimes six (usually 15-20% of the recruited annual salary or higher). While only very few Hong Kong Agencies can reach the fifth figures (and this must include the airfare to commence work).

As an experience Project/Risk Analysis Manager, I like to look into the possible approaches playing by scenario;



Scenario One

Same Recruitment Fee, Same Financial Burden on Helper (no change)

Obviously, this has been the method used in the past 30 years and in most extent, it works.

But there exist social problems that we see today

Scenario Two

Increased Recruitment Fee, Same Financial Burden on Helper.

This won't be accepted by either party, no need to discuss

Scenario Three

Same Recruitment Fee, No Financial Burden on helper

The margin of profit will be so low that any agencies remain in existence can only survive through volume sales, this will drive out the quality centric agencies and worst of all, lowering the quality of the helpers. Helpers with no financial burden will simply switch jobs at the first sign of trouble and the employer will continue to switch helpers due to their lack of dedication (it's like a catch 22), no good outcome can come out from here

Scenario Four

Increased Recruitment Fee, No Financial Burden on Helper

There will actually be less employer to recruit helpers (a part-time industry will likely bloom), and with less demand there will be less agencies (only the quality centric agencies will survive). As helpers are no longer taking on the financial burden, there will be an overflow of supply in the training center (which agencies can maintain overflow by restricting headcount) However, free of financial responsibility will make the helper less dedicated to work, but then again the helper may be easily replaced as there are now more choices. In other words, the sensible helpers will be more dedicated to work as she realizes opportunity is rare. So this comes down to the final issue, would employer be willing to pay a substantially higher rate.

Well, these are my quick analysis, I wish I have more time to discuss/review this, but my limited timeframe has only allowed me this much input. I hope this has been reviewed and has provided valuable insight

Cheers and please feel free to contact me should you need further elaboration

Yee Choi