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Opportunities and challenges facing maternal workforce in Hong Kong

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Females take up nine-tenths of incremental growth of 567 000 local workers during 1997-2018, lifting the proportion of females in total workforce from 37% to 45%, replenishing the manpower gap upon progressive retirement of older male workers and enlarging their contribution to the local economy.

While work participation rate of women aged 25-54 leaped from 59.7% to 72.7% in 21 years, some 458 000 of them are still economically inactive. Incentivizing them to work could mitigate the downward pressure on manpower supply, improve the livelihood of grassroots families and promote social mobility.

Work participation of younger mothers aged 25-39 has receded during 2007-2018, partly because childcare services are highly inadequate on the one hand, and such services cannot meet user requirements on the other. While overseas experience suggests that accessible childcare services are one of the “most effective ways to tackle barriers to female employment”, the Government is facing land constraints to increase provision of such services, despite initiatives in the 2019-2020 Budget.

Rigid workplace arrangements held back mothers from work. At least 50 000 homemakers aged 30-59 indicated their willingness to work if “suitable jobs” with conditions such as flexible working hours come up. There are also complaints about “motherhood penalty” in face of implicit discrimination on the grounds of family status at the workplace.

The subjects of women employment and childcare services fall within the policy areas of the Panel on Manpower and Panel on Welfare Services.

1. Introduction

1.1 Women have been making an enlarging contribution to the economy of Hong Kong. Excluding foreign domestic helpers (“FDHs”), the size of local female workforce has expanded by a total of 515 000 or 45% to 1.66 million during 1997-2018.¹ It contrasted against the anaemic growth of just 3% in male workforce.² Without these additional female workers, local economic development could have been much retarded. Given that labour force participation rate (“LFPR”)³ of local women is only 50.8% at present, far below that of 68.5% for local men and at least 58% for women seen in many advanced economies, it seems that there is further growth potential in female employment in the coming years.⁴

¹ In this brief, all manpower statistics exclude FDHs. Some of the unpublished statistics are compiled by the Census and Statistics Department at the request of the Research Office. Workforce and labour force are used interchangeably, referring to the sum of employed persons and unemployed persons.

² Local male workers increased by only 52 000 or 3% to 2.0 million during 1997-2018.

³ LFPR refers to the proportion of persons who are either working or seeking jobs in the respective sex and age groups of population.

⁴ For instance, LFPR for all women was 59.8% in Australia in 2017, 61.5% in Canada, 65.4% in New Zealand and 70.2% in Sweden. See Organisation for Economic Co-operation and Development (2019).

1.2 However, there are persistent concerns that inadequate policy support to local working mothers is restraining female employment.⁵ This Research Brief reviews the issue, beginning with an account of structural changes in total workforce in Hong Kong, followed by a dedicated analysis of women at prime working age of 25-54. It then highlights the social benefits of additional working mothers in Hong Kong, along with workplace barriers faced by them.

2. Changing landscape of labour force in Hong Kong

2.1 Between 1997 and 2018, while labour force in Hong Kong has gone up by a total of 567 000 or 18% to 3.66 million, its landscape has been increasingly reshaped by three structural shifts in demography. **First**, the gender balance in local population is skewed more towards females, as new arrivals from the Mainland to Hong Kong under the One-way Permit ("OWP") Scheme comprise more females than males over the past two decades.⁶ The sex ratio (i.e. the number of males per 1 000 females) of population has thus fallen by 12% from 1 048 to 921 during 1996-2017. **Secondly**, male workers (who used to be the most dominant labour source in post-war years) are ageing fast, resulting in their successive retirement. **Thirdly**, the size of home-grown youngsters is not large enough to replenish the manpower gap caused by retirement of older workers, given the ultra-low fertility rate in Hong Kong.⁷

2.2 Local labour force has thus displayed the following structural changes over the past 21 years (**Figure 1**):

- (a) **Ageing of the workforce:** Between 1997 and 2018, the share of older workers aged 55 and above has almost tripled from 8% to 23%, whereas the corresponding share of younger workers aged 15-39 plummeted from 60% to 42%.⁸ The median age of local workforce has thus risen noticeably by 19%, from 36 in 1997 to 43 in 2018;

⁵ Hong Kong Council of Social Services (2015) and University of Hong Kong (2018).

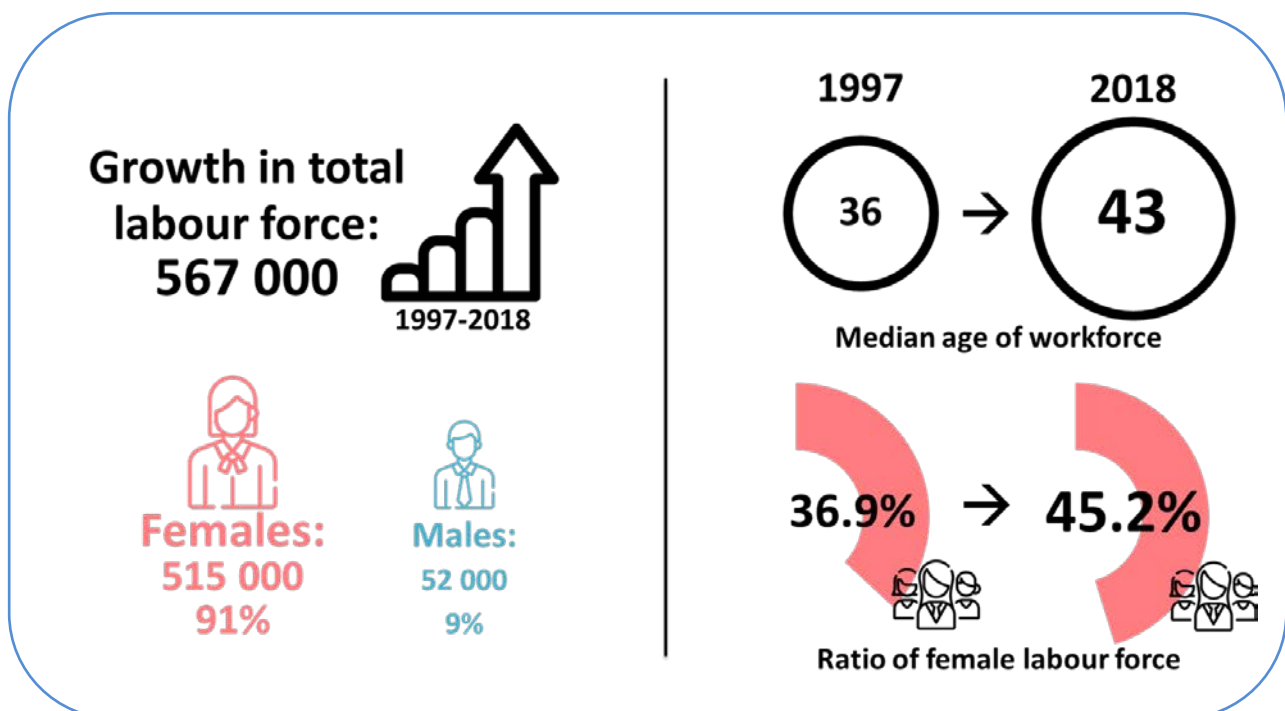
⁶ Between mid-1997 and end-2018, total entry of OWP holders amounted to 1.03 million, about 67% of whom were females. See GovHK (2019a).

⁷ In a global ranking for 2017, total fertility rate (i.e. number of live births per 1 000 women) in Hong Kong was 1 125, taking the bottom three position, just slightly above South Korea (1 052) and Puerto Rico (1 101). See World Bank (2019).

⁸ A dedicated analysis on employment of older workers is made in another note published in July 2018. See Legislative Council Secretariat (2018).

- (b) **Work participation rate showing divergent movements by sex:** Over the same period, LFPR for females has increased steadily from 45.1% to 50.8%, offsetting the significant decline for males from 75.1% to 68.5% upon their progressive retirement;
- (c) **Females contributing to nine-tenths of incremental growth in labour force:** Amongst the aforementioned growth of total labour force by 567 000 persons during 1997-2018, females account for a lion share of 91%. By contrast, males take up only 9%; and
- (d) **Surging proportion of women in the labour force:** Local women took up just 36.9% of total labour force in 1997, but this ratio was visibly lifted by 8.4 percentage points to 45.2% in 2018, highlighting the growing importance of women in local manpower supply.

Figure 1 – Changing composition of labour force in Hong Kong, 1997-2018



Data source: Census and Statistics Department.

2.3 These demographic trends have profound manpower implications in the medium to longer term. Based on the "Manpower Projection to 2027" just released by the Government in May 2019, it is expected that (a) the proportion of older workers aged 55 and above will rise further to 24% by 2027; (b) overall workforce will decline by 100 700 or 3% during 2022-2027 amidst further shrinkage in male workforce; and (c) the share of female workforce will rise to 47.2% by 2027.

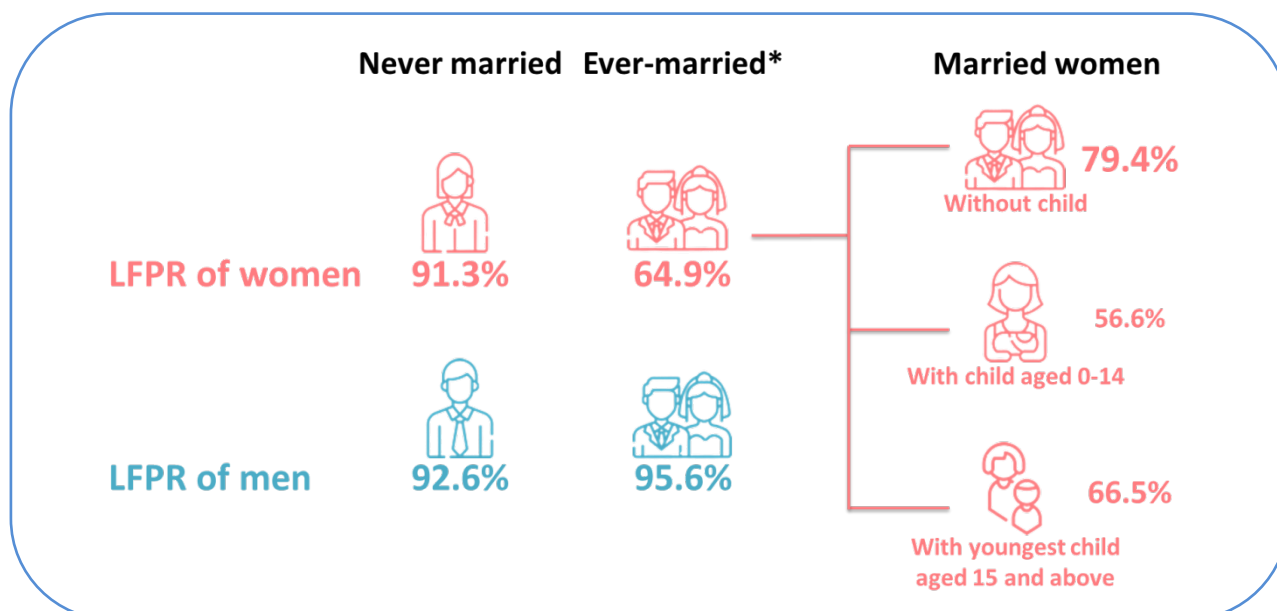
Matching with increased manpower demand upon further economic growth, there will be a manpower shortfall of 170 000 or 5% by 2027.⁹

3. Socioeconomic profile of local female workforce at prime age

3.1 Following the practice of global labour studies, this brief focuses on the work choice of women at prime working age of 25-54, filtering out the effects of youngsters aged 15-24 still under education and older persons aged 55 and above approaching retirement. Based on statistics of the Census and Statistics Department ("C&SD") compiled for 2018, there are 1.67 million women at prime age right now.

3.2 Compared with men, women display a noticeable circular pattern of work propensity during their prime age, mainly induced by childbirth. At present, LFPR for a never-married woman averages at 91.3%, but this falls to 79.4% upon marriage without childbirth, and significantly further to 56.6% once she has a child aged 0-14.¹⁰ Nonetheless, once her youngest child reaches the age of 15, LFPR will rebound strongly to 66.5% (**Figure 2**).

Figure 2 – Females aged 25-54: LFPR by marital status and age of children in 2018



Note: (*) Comprising now married, widowed, divorced/separated.

Data source: Census and Statistics Department.

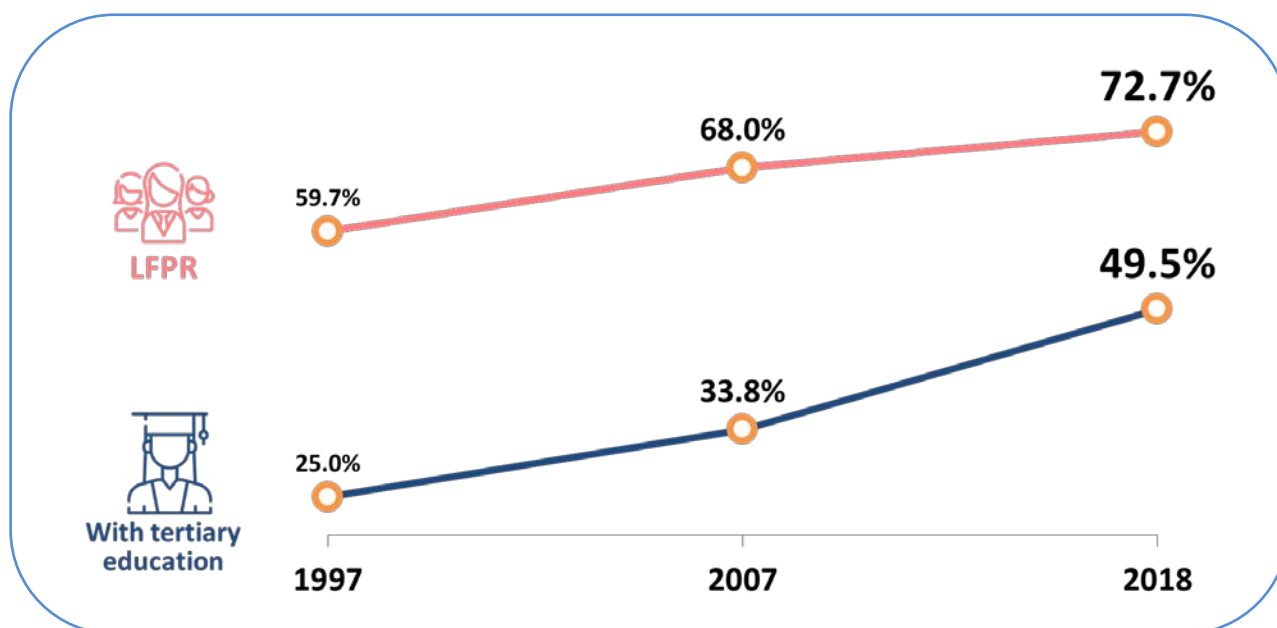
⁹ Labour and Welfare Bureau (2019a).

¹⁰ Statistics in this section are mostly compiled by C&SD for the Research Office. For compilation of manpower statistics on mothers, the females are (a) ever-married; (b) either household heads or their spouses; and (c) living with children.

3.3 During 1997-2018, the size of local female workforce at prime age has expanded significantly by 326 000 or 37% to 1.22 million, along with an upsurge in their LFPR from 59.7% to 72.7% (**Figure 3**).¹¹ Conceivably, increased work propensity of women could be attributable to the following local socioeconomic factors or phenomena:

- (a) **Enhanced educational attainment:** As a result of rapid expansion of local education opportunities, the proportion of local female workers at prime age with tertiary education has doubled from 25% to 49% during 1997-2018. Given that better educated women are generally engaged in higher-skilled jobs with more decent pays, this increases their opportunity cost of exiting the workforce;¹²
- (b) **Increasing presence of FDHs:** The number of FDHs in Hong Kong has more than doubled in 20 years, rising by 116% to 369 700 in 2017. FDHs help free married women from housework responsibilities and enable them to participate in the labour market.¹³ Indicative of these developments, LFPR for those mothers aged 25-54 with FDHs at home stood at a high level of 77.4% in 2018, way above that of 55.5% for those without FDHs;

Figure 3 – Females workforce aged 25-54: LFPR and proportion with tertiary education, 1997-2018



Data source: Census and Statistics Department.

¹¹ By contrast, LFPR of local men aged 25-54 fell from 97.0% to 94.5% over the past 21 years.

¹² Office of the Government Economist (2018a).

¹³ Legislative Council Secretariat (2017).

- (c) **Falling fertility rate:** Local women are getting late in both marriages and childbirths over the past two decades, with the median age of their marriages deferring from 27 to 31, and that for first childbirth from 29 to 32. Coupled with the inclination of having fewer babies, local fertility rate fell to only 1 072 per 1000 women in 2018, amongst the lowest in the world.¹⁴ Paradoxically, all these make it easier for married females without children to work.

Nonetheless, it is noteworthy that this negative relationship between childbirths and women employment is in part due to a less developed family-friendly workplace policy in Hong Kong. Taking Organisation for Economic Co-operation and Development ("OECD") as an illustration, many governments introduced a host of policies to support mothers to stay in employment after childbirths, such as (i) longer maternity leave averaging at 18 weeks; (ii) flexible childcare leave averaging 37 weeks to enable mothers to take care of very young kids; (iii) statutory right for mothers to request part-time work or flexible working hours from employers; and (iv) provision of more childcare services.¹⁵ As such, both fertility rate and LFPR in these advanced places can stay at an elevated level. Taking the United Kingdom ("UK") as an illustration, its LFPR for females aged 25-54 was 81.0% and fertility rate was 1 790 in 2017. Both were noticeably higher than the latest figures of 72.7% and 1 072 in Hong Kong;

- (d) **Filling up jobs vacated by shrinking male workforce at prime age:** Unlike women, local male workers aged 25-54 has shrunk by a total of 174 000 or 12% during 1997-2018, due to ageing and immigration factors discussed above. Inevitably, some of these jobs had to be filled up by women; and
- (e) **Job creation amidst sustained economic recovery:** On the demand side, the local economy has staged a sustained recovery after the Asian Financial Crisis in 1997 and Global Financial Crisis in 2008. For the past 21 years as a whole, Gross Domestic Product in Hong Kong has risen by a total of 96% in real terms, creating more than 700 000 new jobs and facilitating absorption of females into employment.¹⁶

¹⁴ During 1997-2018, the proportion of local ever-married females aged 25-54 living with children fell from 81% to 75%.

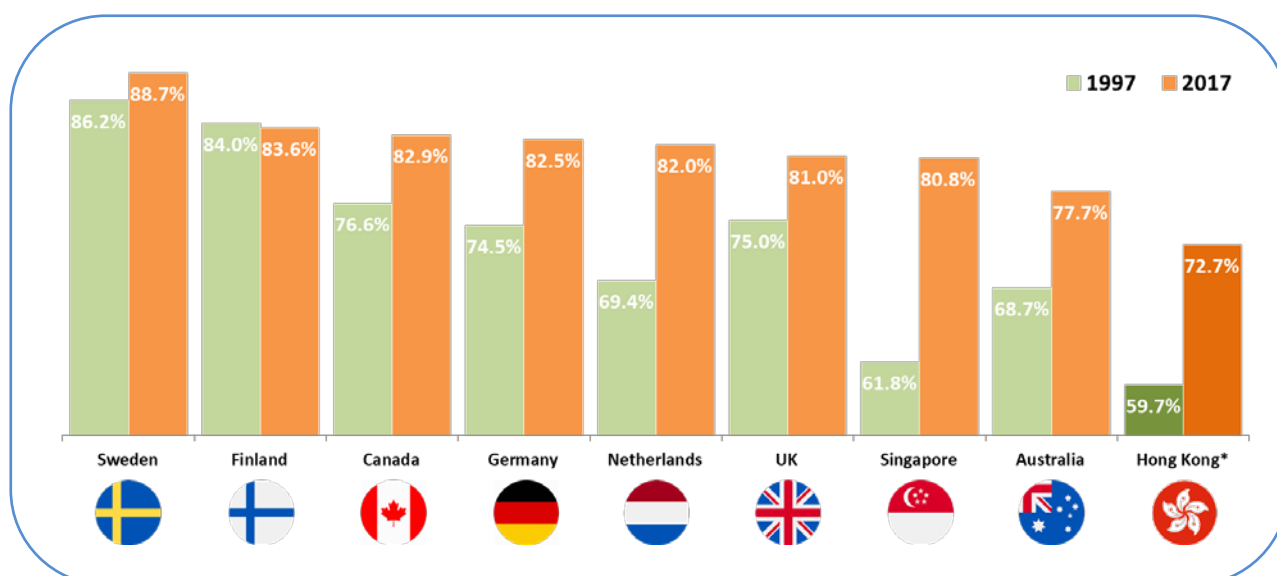
¹⁵ Organisation for Economic Co-operation and Development (2017a and 2017b).

¹⁶ Newly created jobs include positions for FDHs as well.

3.4 Local female workforce aged 25-54 displays the following socioeconomic profile during 1997-2018. Analysed by **occupation**, the proportion of such women taking up managerial and professional jobs has gone up visibly from 29% to 46%, as half of them are now equipped with tertiary education. Analysed by **work duration**, the share of part-timers amongst female workforce at prime age has almost doubled from 5% to 9% in 21 years, higher than that of total workforce in the same age band.¹⁷ Analysed by **employment income**, the median monthly earnings of women aged 25-54 have increased by 80% in 21 years to HK\$18,000 in 2018, on par with the 80% growth in respective income of total workforce. This suggests that the productivity of women is broadly similar to the total workforce, even though many of them may have left the market for a couple of years to rear their children.

3.5 Notwithstanding the leap in the past two decades, LFPR of females aged 25-54 in Hong Kong is still far behind many advanced places in OECD, such as 81.0% in the UK, 82.5% in Germany, 82.9% in Canada, 83.6% in Finland, and 88.7% in Sweden (**Figure 4**). This could in turn be attributable to more pro-family and flexible workplace policies implemented in these places to maintain work-life balance of women.¹⁸

Figure 4 – LFPR of females aged 25-54 in selected advanced places, 1997-2017*



Note: (*) For Hong Kong, data are for the period 1997-2018.

Data sources: Census and Statistics Department and Organisation for Economic Co-operation and Development.

¹⁷ It refers to those who have worked less than 35 hours per week voluntarily. For the overall workforce at prime age, the proportion of part-timers increased from 2.4% to 5.7% during 1997-2018.

¹⁸ In OECD, working parents have more workplace flexibility for childcare and work-life balance, as over 60% of employees there can take one to two hours off during the working day to attend to personal or family matters. Also, 87% of companies provide certain forms of flexible working time arrangements (e.g. part-time work, flexible daily starting and finishing times and working at home) to their employees. See Organisation for Economic Co-operation and Development (2016a and 2017b).

4. Perceived social benefits of increased maternal employment

4.1 In 2018, there was still a large pool of 458 000 non-working local females at prime age, nine-tenths of whom are ever-married and four-fifths are mothers. While some housewives choose to quit the job market voluntarily for full-time caring of their children, others may do so reluctantly due to housework. As a matter of fact, as much as 81% of the economically inactive women aged 25-54 cited "household duties" as the reasons for not working, followed by "sickness" (5%) and "students" (2%).¹⁹ Based on another public engagement study conducted by the University of Hong Kong ("HKU") for the Government to facilitate its formulation of the population policy, "childcare services" are the most significant area of concerns, accounting for 50% of the 1 727 comments received on the subject of female employment. "Family-friendly workplace" came second, with a share of 28%.²⁰

4.2 There is strong advocacy in the community to offer more policy support to these inactive mothers so that they can rejoin the workforce, if they wish to. Conceivably, this can bring the following benefits to society:

- (a) **Mitigating the imminent manpower shortage:** As discussed above, total labour force in Hong Kong will begin to shrink in 2022, by some 200 000 or 5% in the next two decades by 2040.²¹ Coupled with the projected shortage of some 170 000 workers by 2027, incentivizing more inactive females for work participation could relieve the pressure arising from manpower shortfall;
- (b) **Improving the livelihood of grassroots families:** Family income hinges critically on the number of earners. For Hong Kong as a whole, the median monthly household income of a one-earner nuclear family was HK\$25,000 in 2018, but it would more than double to HK\$54,400 for a dual-earner nuclear family.

More specifically on grassroots families, LFPR of mothers are fairly low partly due to a lack of FDHs at home and affordable childcare services nearby. On average, LFPR for mothers at prime age was only 36.9% for households at the bottom quartile and 45.6% in the second quartile in 2018, far less than those of 63.1% in the third quartile and 74.4% in the top quartile (**Figure 5**). As "employment is the best

¹⁹ In this section, most of the statistics are compiled by C&SD for the Research Office.

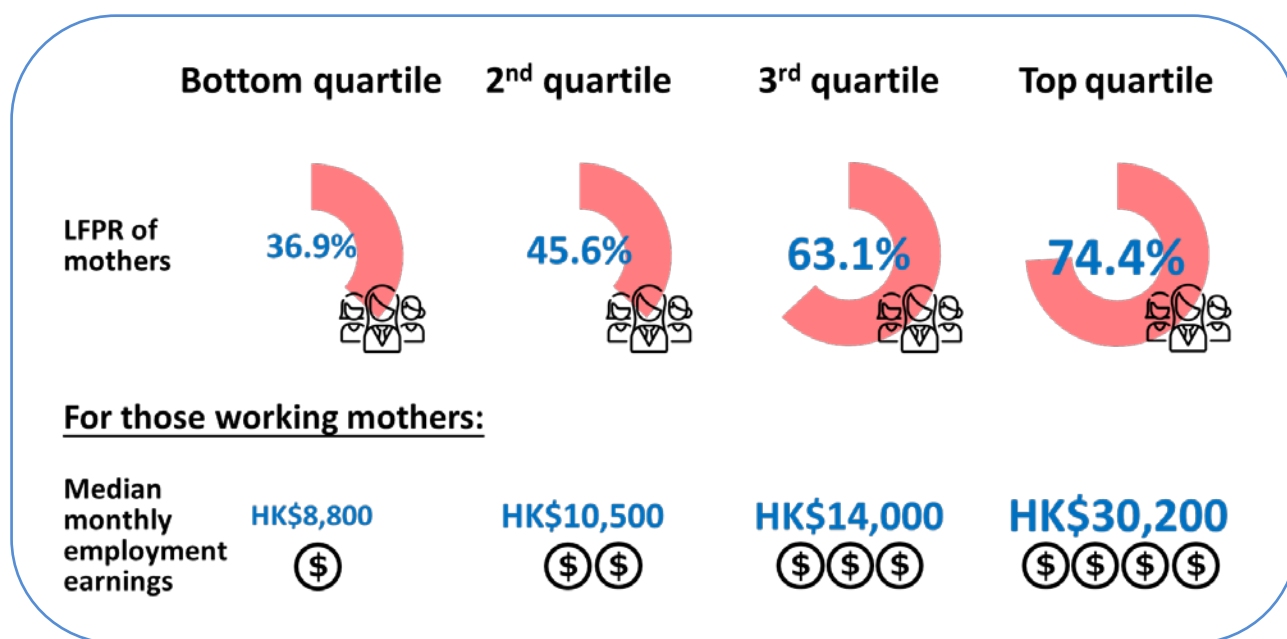
²⁰ University of Hong Kong (2014).

²¹ Census and Statistics Department (2017) and Labour and Welfare Bureau (2019a).

route out of poverty", motivating mothers of low-income families to work can help some of them move up the social ladder;²² and

- (c) **Lowering child poverty rate and promoting social mobility:** Children exposed to poverty for prolonged period are prone to stagnant social mobility across generations. Even with recurrent cash assistance, post-intervention poverty rate of local children aged below 18 stood at 17.5% in 2017, exceeding the 17% level for the ninth year in a row.²³ While the Government points out that "most of the with-children poor households had only one employed member", detailed statistics from C&SD show that more than seven-tenths of these sole earners were males. Also, LFPR for mothers in these with-children poor families was only 26.9%.²⁴ Over the years, local concern groups have pointed out that many grassroots mothers are eager to work for improvement of family welfare, but they are held back by many barriers to be discussed in the next section.²⁵

Figure 5 – LFPR of mothers aged 25-54 by quartile of household income distribution in 2018



Data source: Census and Statistics Department.

²² GovHK (2018).

²³ There were 177 000 poor children in 2017. See Office of the Government Economist (2018b).

²⁴ Statistics compiled by C&SD for the Research Office.

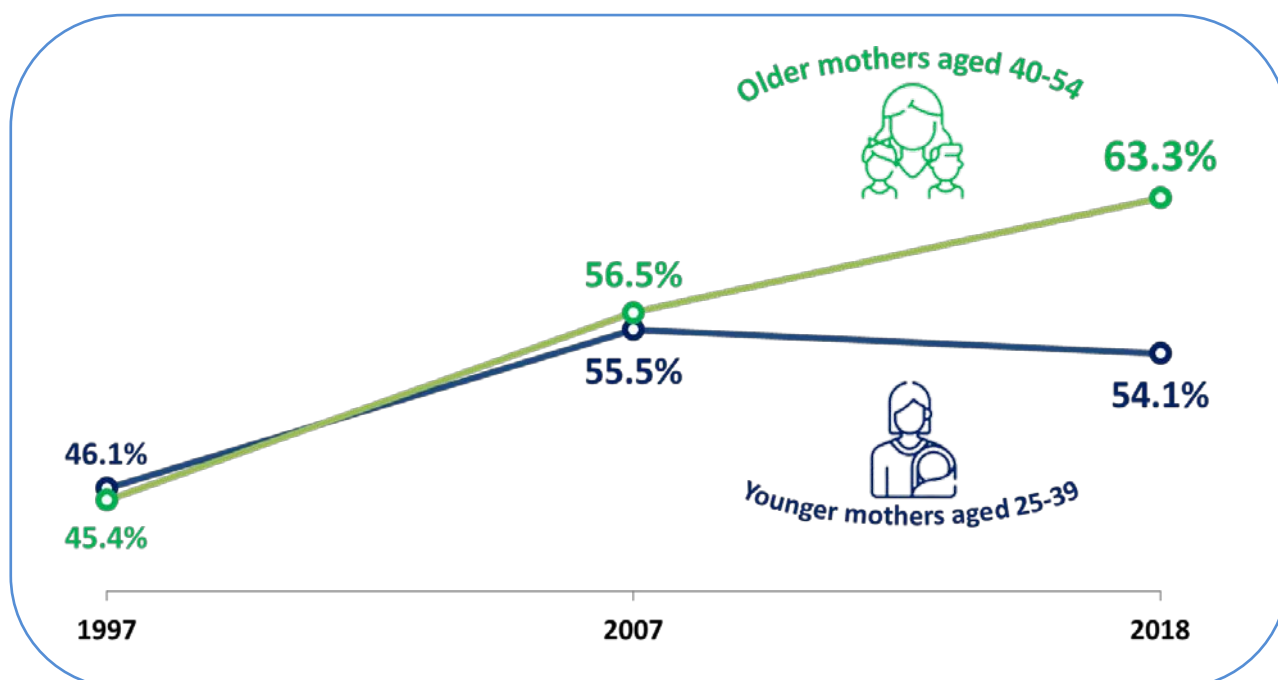
²⁵ 香港社區組織協會(2019) and 香港青年協會(2018).

Overseas experience also points out that maternal employment can reduce child poverty. Based on an empirical study just completed by OECD in 2018, a 10% rise in the proportion of families with a working mother could lead to a 4% decrease in child poverty rate.²⁶

5. Barriers to maternal employment in Hong Kong

5.1 Despite the above benefits, many local mothers are held back from work, especially so for younger mothers being tied up by caring duties of very young kids. Indicative of this, LFPR of younger mothers aged 25-39 declined by 1.3 percentage point to 54.1% during 2007-2018, having surged by 9.4 percentage points in the preceding decade (**Figure 6**). By contrast, LFPR for older mothers aged 40-54 rose significantly and continuously over the past 21 years, from 45.4% in 1997 to 56.5% in 2007 and further to 63.3% in 2018.²⁷ This suggests that work propensity of younger mothers may have plateaued and hit the bottlenecks over the past decade, requiring additional policy initiatives.

Figure 6 – LFPR of younger mothers and older mothers, 1997-2018



Data source: Census and Statistics Department.

²⁶ Organisation for Economic Co-operation and Development (2018).

²⁷ For the expansion of female workforce at prime age by a total of 326 000 during 1997-2018, it is almost entirely (97%) attributable to older women aged 40-54. The contribution of younger women aged 25-39 was just 3%.

5.2 In short, local mothers are facing the following barriers in employment:

- (a) **Severe shortfall in centre-based childcare services for children aged three and below:** In 2018, there were only about 1 730 places in childcare services for *infants aged below two* provided by aided institutions in Hong Kong.²⁸ Matching with the respective population of 99 800, less than 2% of such infants could enrol into aided childcare services, in stark contrast to the corresponding enrolment rate of 34% seen in OECD.²⁹ Based on a dedicated study conducted by HKU for the Government in 2018, annual demand for childcare services for infants aged below two is about 32 700, 19 times the existing provision (**Figure 7**).³⁰ For *slightly older toddlers aged 2-3*, the situation is slightly better, with 30 900 places available against the respective population of 118 100. While the chance of securing a centre-based place is slightly higher at 26%, the existing provision is still 16% short of market demand of 36 600 identified in the HKU study.



In face of this severe under-provision of childcare services, many mothers may have to quit the jobs for caring responsibilities, unless they have FDHs or family relatives to share the childcare duties;

²⁸ Centre-based childcare services refer to those provided by standalone Child Care Centres ("CCC") and CCCs attached to kindergartens. See Hong Kong Council of Social Services (2015) and University of Hong Kong (2018).

²⁹ In OECD, 34% of infants aged 0-2 received formal childcare services in 2014. Also, two-thirds of the member states of OECD opined that "making childcare more accessible" is one of the "most effective ways to tackle barriers to female employment". See Organisation for Economic Co-operation and Development (2016a and 2017b).

³⁰ In 2018, "Consultancy Study on the Long-term Development of Child Care Services" commissioned by the Social Welfare Department was completed by HKU. The study has quantified the annual market demand for childcare services at 32 736 for infants aged below 2 and 36 568 for toddlers aged 2-3 for the reference year of 2016. It recommends a planning ratio of 103 places per general population of 20 000 for adoption in the Hong Kong Planning Standards and Guidelines. The Government accepts the study findings in principle. See University of Hong Kong (2018) and Labour and Welfare Bureau (2018).

Figure 7 – Centre-based childcare services in 2018[^]

	Children population	Market service demand*	Actual availability of childcare places [#]	Shortfall
 Aged below 2	99 800	32 700	1 700	95%
 Aged 2-3	118 100	36 600	30 900	16%

Notes: (^) Figures are rounded to nearest hundreds.

(*) Annual market demand is estimated by the consultants for the reference year of 2016.

(#) Childcare services provided by standalone CCCs and CCCs attached to kindergartens.

Data sources: Labour and Welfare Bureau and Census and Statistics Department.

- (b) **Childcare services unable to meet user requirements:** In spite of severe undersupply of services, actual utilization of overall childcare services stayed low, at just 64% in 2018. This conundrum in turn can be attributable to a number of limitations of childcare services, which cannot meet the user requirements of mothers.

First of all, *the childcare services appear to be too expensive for grassroots families*, as the Government subsidizes only about 20% of the operating cost of centre-based services.³¹ In 2018-2019, the median monthly fees for such services were HK\$5,537 for children aged below two and HK\$4,150 for those aged 2-3. As the median monthly employment earnings for working mothers in the bottom half of income distribution were only HK\$8,800-HK\$10,500 in 2018, the service fees took up as much as half (40%-63%) of the work income of the mothers. Netting out childcare fees and transportation expense, net take-home income of mothers of grassroots families can be quite small, weakening their incentives to work and to use childcare services;³²









³¹ Labour and Welfare Bureau (2019c) and University of Hong Kong (2018).

³² Needy families may apply for remission of service fees ranging from 50%-100% under the "Kindergarten and Child Care Centre Fee Remission Scheme". Yet they need to pass a means-test which is deemed to be quite stringent. See Hong Kong Council of Social Services (2015) and 蔡蘇淑賢 (2018).

Secondly, the ***service hours are too short for mothers to work***. Taking account of transportation time to and from the workplace, caring hours of such childcare services need to be about 9-10 hours for mothers to take up full-time jobs. Yet three quarters of existing centre-based services are provided on half-day basis (about three hours each day). This is deemed to be too short for working mothers.

Thirdly, there is ***uneven distribution of childcare services by district***. In 2018, about 8 000 or 25% of childcare services were located in the top four District Councils ("DCs") ranked by median monthly household income, but the utilization ratio of these services was just 45% (**Figure 8**).³³ By contrast, for the bottom four DCs, only 4 500 or 14% of aided childcare services were located there, though with a higher utilization ratio of 74%.³⁴ This suggests that the magnitude of service shortfalls in lower-income districts is much higher than high-income districts. In parallel with this service mismatch, the average LFPR of mothers aged 25-54 in the bottom four DCs (58%) is noticeably lower than the top four DCs (63%);

Figure 8 – Distribution of childcare services by selected District Council in 2018*

District Councils	Median household income	Children population aged three and below	Number of available childcare spaces	Service utilization ratio	Average LFPR of mothers at prime age	Average child poverty rate [#]	
Top four DCs with highest monthly income							
 Wan Chai	 Central and Western	HK\$37,900	33 200	8 000	45%	63%	10.1%
 Sai Kung	 Southern						
Bottom four DCs with lowest monthly income							
 North	 Wong Tai Sin	HK\$23,400	50 400	4 500	74%	58%	22.5%
 Sham Shui Po	 Kwun Tong						

Notes: (*) All of the 18 District Councils are ranked by median monthly household income in descending order. Figures are rounded to nearest hundreds.

(#) Poverty figure was for 2017.

Data sources: Census and Statistics Department and Social Welfare Department.

³³ The top four DCs were Wan Chai, Central/Western, Sai Kung and Southern.

³⁴ The bottom four DCs were Kwun Tong, Sham Sui Po, Wong Tai Sin and North.

- (c) **Relatively short schooling hours for kindergarten students aged 4-6:** While some 174 400 children aged 3-5 are attending kindergarten in 2018/19, it does not help much to free their mothers for work. This is because as many as three quarters of these kindergarten places are for half-day attendance, with just about 3-3.5 hours each day. This is deemed to be too short to free their mothers for work;³⁵
- (d) **Relatively rigid workplace arrangements:** By and large, parents of young kids need more flexibility in working hours and take more leave for ad hoc childcare responsibilities, but local employers are generally reluctant to offer such flexibility. Although the Government has been promoting family-friendly employment practices ("FFEP"), it is largely a voluntary campaign. Reportedly, feedback from employers is rather lukewarm.³⁶ On the other hand and as discussed above, employees in many advanced places of OECD have more flexibility in their work schedule, while working mothers even have statutory rights to ask for part-time work or flexible working hours;³⁷ and
- (e) **Discrimination on the basis of family status:** After enactment of the Family Status Discrimination Ordinance ("FSDO") in June 1997, it has become illegal for employers to discriminate against employees on the basis of family status (i.e. caring responsibility of an immediate family member). However, according to a recent survey published in 2018, 7.8% of employees with family caring responsibilities indicated that they had faced discrimination at the workplace, mainly in hiring, firing and daily work. "Mothers of young children" are the usual victims, leading to the allegation of "motherhood penalty".³⁸

During 2007-2018, the Equal Opportunities Commission ("EOC") on average received 156 enquires related to workplace under FSDO and handled 21 such complaints each year. Yet these figures may not fully reflect the reality, as the consultants appointed by EOC pointed out in 2018 that family status discrimination is a kind of

³⁵ Some 73% of kindergarten places were for half-day classes (3-3.5 hours daily) in 2018/19, while 15% were for whole-day class (7-7.5 hours, including lunch hours and afternoon nap). The rest were for long whole day class (10 hours). See Committee on Free Kindergarten Education (2015), Education Bureau (2019) and 香港青年協會 (2018).

³⁶ Hong Kong Council of Social Services (2015) and 香港青年協會 (2018).

³⁷ Organisation for Economic Co-operation and Development (2011 and 2017a).

³⁸ However, for the surveyed employers in the same study, they "reported no incidents of family status discrimination in the workplace". For details, see Chinese University of Hong Kong (2018).

"hidden discrimination" because very few victims come forward to report them.³⁹

5.3 According to a survey conducted by C&SD in 2018, at least 50 000 or 10% of female homemakers aged 30-59 indicated their willingness to work if "suitable jobs" with conditions meeting their needs come up, including flexible working hours, workplace near home and reasonable salary.⁴⁰ This re-affirms the prima facie case that women employment should have further growth potential, provided that such workplace barriers can be addressed.

5.4 The Government was aware of the importance of "unleashing the potential of the women workforce" in formulation of its population policy in 2015.⁴¹ In the 2018 Policy Address and the 2019-2020 Budget, the Government makes a few policy pledges to enhance childcare services, including (a) planning to provide 400 additional long full-day places by phases; (b) incorporating a specific planning ratio on aided childcare services in the Hong Kong Planning Standards and Guidelines ("HKPSG") in 2019-2020; (c) enhancing the manning ratios of qualified workers in such centres; (d) increasing the amount of subsidy for such services; and (e) exploring more diversification of such services (i.e. home-based and after-school services). Meanwhile, the Women's Commission is planning to conduct another study on female employment in 2019, looking into "difficulties of different groups of women" in work decision.⁴²

5.5 Whilst these initiatives represent a significant step forward, some of them take a long implementation time. Taking the proposed planning ratio in HKPSG as an illustration, the Government needs to spare land in each of the 18 districts for construction of childcare facilities, or else it needs to acquire existing premises for conversion into such facilities.⁴³ Both are challenging amidst acute land shortage right now. Indeed, the Government admitted that it "was unable to provide a timetable" to meet the proposed planning ratio, which might take "10 years or more".⁴⁴ The pressure faced by working mothers tends to persist in the medium to longer term.

³⁹ Chinese University of Hong Kong (2018).

⁴⁰ Labour and Welfare Bureau (2019a) and Census and Statistics Department (2019).

⁴¹ Labour and Welfare Bureau (2016).

⁴² Labour and Welfare Bureau (2018 and 2019c).

⁴³ In the 2019-2020 Budget, HK\$20 billion is allocated for purchase of 158 existing properties in three years for accommodating 130 social welfare facilities, within which 28 are childcare centres.

⁴⁴ Legislative Council Secretariat (2019).

6. Observations

6.1 The following observations can be made from the above analysis:

- (a) **Imminent shrinkage of local workforce:** Local workforce has become older, with the proportion of workers aged 55 and above tripling from 8% to 23% during 1997-2018. Coupled with ultra-low fertility rate, the workforce is projected to fall by 100 700 or 3% during 2022-2027, resulting in a manpower shortfall of 170 000 or 5% by 2027;
- (b) **Work participation rate of local females at prime age rising to 72.7%:** As LFPR of local women aged 25-54 has surged from 59.7% to 72.7% in 21 years, the proportion of females in local workforce bounced up visibly from 37% to 45%. As a matter of fact, women account for as much as nine-tenths of the growth of total labour force of 567 000 during 1997-2018. Economic development in Hong Kong could have been much retarded without these additional female workers;
- (c) **Social benefits of further women employment:** Amongst 458 000 non-working females at prime age in 2018, about four-fifths were held back by housework and childcare responsibilities. Incentivizing them to work could generate multiple social benefits, including (i) mitigating the downward pressure in workforce; (ii) improving the livelihood of grassroots families, as LFPR of mothers at the bottom quartile of household income distribution was just half of those in the top quartile; and (iii) alleviating child poverty as a majority of these poor children live in families with only one earner who are pre-dominantly males;
- (d) **LFPR of younger mothers aged 25-39 hitting bottlenecks:** Over the past 11 years, work propensity of younger mothers aged 25-39 has edged down to 54.1%, partly due to caring responsibilities of young kids, contrasted against the significant rise in LFPR of older mothers aged 40-54 by seven percentage points to 63.3%. It seems that LFPR of younger mothers should have plateaued, requiring additional policy initiatives;
- (e) **Inadequate childcare services holding back maternal employment:** Only some 15% of children aged three and below are provided with childcare services in Hong Kong. Worse still, such services display a

host of caveats (e.g. short caring hours, low affordability and location mismatch), resulting in low utilization ratio of just 64%. Without adequate policy support, many mothers of younger kids cannot come forward to work;

- (f) **Uneven distribution of childcare services by District Council:** The top four DCs ranked by monthly household income accounted for as much as 25% of childcare services in 2018, but their utilization ratio was only 45%. By contrast, the bottom four DCs were provided with only 14% of such services, yet with higher utilization ratio of 74%. This suggests that service shortfalls in these low-income districts are more serious, discouraging maternal employment there; and
- (g) **Rigid workplace policy also withholding maternal employment:** At least 50 000 female homemakers indicated that they are willing to work if "suitable jobs" with conditions like flexible working hours come up. While 7.8% of employees with family caring responsibilities claimed that they faced discrimination at the workplace especially in the form of "motherhood penalty", employers covered in the same survey reported no such discrimination in the workplace.

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