

Labour Migration to Hong Kong

Author(s): Ronald Skeldon

Source: *ASEAN Economic Bulletin*, Vol. 12, No. 2, LABOUR MIGRATION IN ASIA  
(NOVEMBER 1995), pp. 201-218

Published by: ISEAS - Yusof Ishak Institute

Stable URL: <https://www.jstor.org/stable/25770596>

Accessed: 15-06-2020 08:32 UTC

---

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



JSTOR

*ISEAS - Yusof Ishak Institute* is collaborating with JSTOR to digitize, preserve and extend access to *ASEAN Economic Bulletin*

# Labour Migration to Hong Kong

Ronald Skeldon

*This article examines two very different types of migration to Hong Kong: the movements from China and the movements of contract labour. These migrations are considered within the context of the structural change in the Hong Kong economy from an entrepôt, through its development into a major industrial centre, to the most recent phases of deindustrialization and Hong Kong's emergence as a service economy. Migration from China was an essential component in this transformation although, since its restriction and control after October 1980, Hong Kong has turned more towards foreign sources of labour. Like global cities in other parts of the world, Hong Kong imports highly skilled expatriates from around the world, as well as low-paid labour from regional sources and from China.*

## Introduction

Emigration from Hong Kong is perhaps more widely publicized than immigration to Hong Kong. Certainly, large numbers of people have left the British colony for Canada, Australia and the United States from the second half of the 1980s.<sup>1</sup> Those who are leaving are not labour migrants, but generally the highly educated, the skilled and business people and their families going overseas to seek residence status. These flows are complex and will not be discussed further here.

Hong Kong has also become a significant importer of labour over the last ten years. There are two major flows of labour migration and a third composite and complex type of inflow. These three flows are (1) the flow of domestic workers, mainly females from the Philippines, but increasingly from other areas; (2) the flow of labourers, mainly male from China; and (3) a complex series of inflows of skilled or professional immigrants.

Labour migration in the sense of the organized movement of men and women entering Hong Kong on contract to carry out specific work is a relatively recent phenomenon. The various labour importation schemes designed to deal with shortages in identified sectors of industry date only from 1989. The movement of domestic servants to Hong Kong dates from around 1975, when the Standard Employment Contract was introduced, but this did not really become significant until the early 1980s.<sup>2</sup> Since its establishment as a British colony in 1841, Hong Kong has always relied on the immigration of expertise, be it associated with administration or with more technical matters, but it has only relatively recently taken on the characteristics of a truly global city with the diversity and importance of international personnel that far outweighed their numbers. Immigration to Hong Kong from overseas must be considered within the context of flows of population from its giant neighbour, China, which have always, and always

will, affect all the other flows in one way or another.

### Immigration from China

Hong Kong has, from its earliest days, been an area of immigration from China. There have been fluctuations in that flow, but there has been a regular supply of both temporary workers and more long-term settlers from China who have always comprised the majority of Hong Kong's population. The data on Hong Kong's population by place of birth from 1911 are presented in Table 1, which clearly shows the importance of this flow from China. In some ways, this migration can be seen as part of the internal migration in China as Hong Kong, from a Chinese point of view, is, and always has been, a city in China. The border between British-administered Hong Kong and China has, however, regulated the flow, particularly after the foundation of the People's Republic of China in 1949, when free entry to Hong Kong was stopped and immigration controls were introduced.

Although there has always been a continuous interchange of population across the border from China since the Second World War, there were three periods of more intense immigration.<sup>3</sup> The first period was immediately after the foundation of the People's Republic when perhaps a quarter

of a million Chinese entered Hong Kong in about two years; many subsequently went back to China.<sup>4</sup> The second period of intense immigration was in 1962, following the chaos consequent upon the Great Leap in China, when up to 120,000 entered within a matter of weeks, and another 60,000 were arrested and deported.<sup>5</sup> The last period was in the late 1970s following the accession of Deng Xiaoping and the implementation of reforms in China, when there was a net gain of some 400,000 people through migration from China between 1976 and 1981.

In October 1980, tight immigration controls were implemented and, subsequently, numbers from China were regulated to 75 a day until early 1994, when the figure was raised to 105 a day. This number was further increased to 150 a day at the beginning of 1995. Even as late as 1991, some 40 per cent of the total population of Hong Kong could be described as "immigrant" — born outside Hong Kong — although the majority of these could certainly not be described as "foreign".

The post-war migration from China up to 1980 supplied an important component of the labour force that was essential in the development of Hong Kong as the "industrial colony".<sup>6</sup> In fact, it was even whispered that the massive migration of the late 1970s was allowed, given the demand for labour in the colony at the time.<sup>7</sup> While the migration in the period immediately after 1949 had

TABLE 1  
Hong Kong: Total Population and Place of Birth, 1911–91

	<i>Total</i>	<i>Hong Kong</i>	<i>China Macau</i>	<i>Other Asia</i>	<i>Europe/America Australasia</i>	<i>Others/Unknown</i>
1911	456,739	143,929	283,874	—	8,126	20,810
1921	625,166	167,124	438,520	—	8,715	10,807
1931	849,751	276,353	546,685	7,794	10,577	8,342
1961	3,129,648	1,492,887	1,579,232	28,513	29,017	—
1971	3,936,630	2,218,910	1,637,840	43,308	32,485	4,087
1981	4,986,560	2,854,482	1,973,976	106,272	39,646	12,184
1991	5,522,281	3,299,597	1,967,508	203,277	49,823	2,076

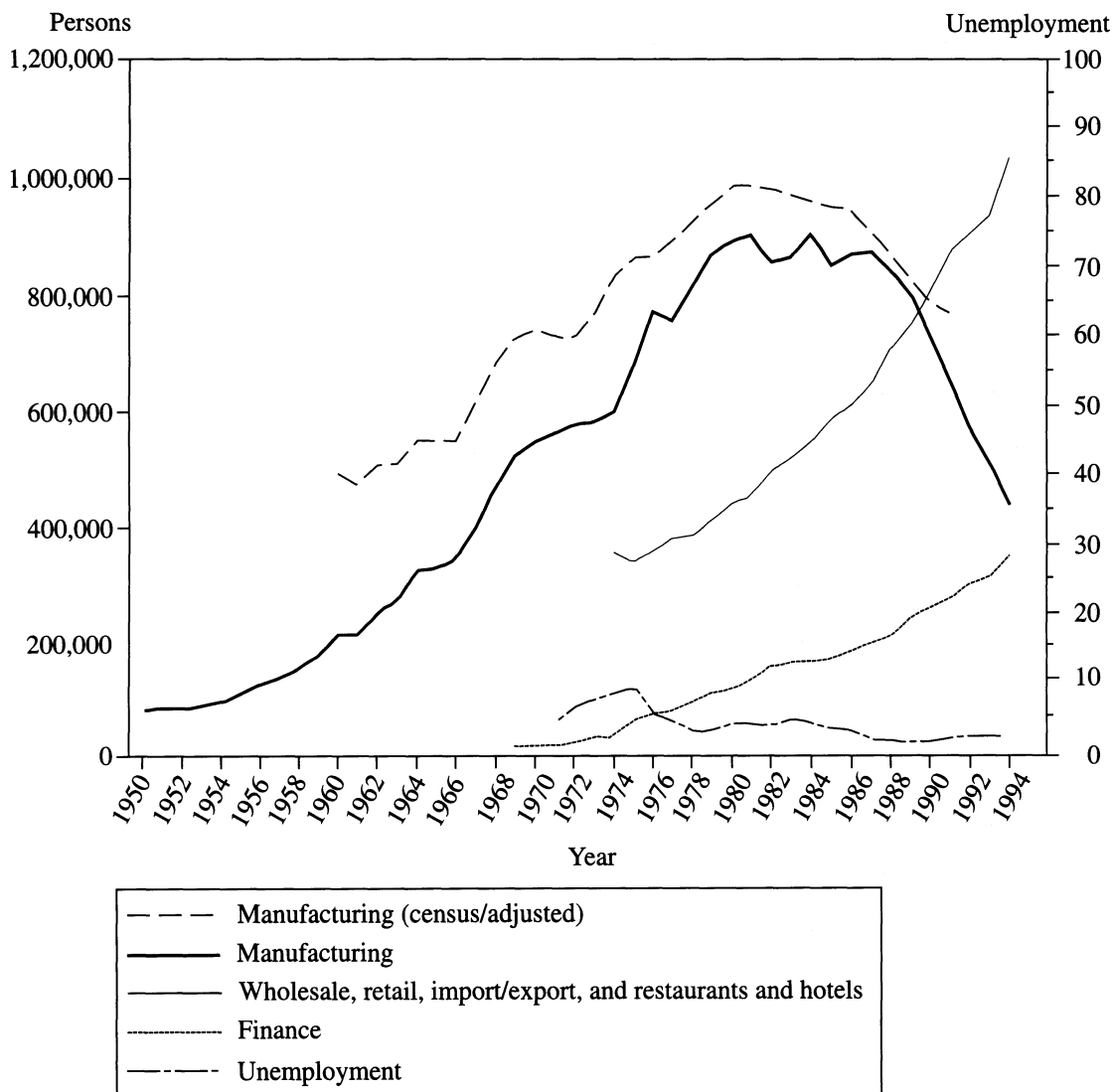
SOURCE: Population censuses, 1911–91.

created a labour-surplus economy, with about 15 per cent of immigrant and 12 per cent of the total working population unemployed in the early 1950s,<sup>8</sup> the development of Hong Kong's economy resulted in very low levels of unemployment as early as 1961, when only 1.7 per cent of the working population were classified as unemployed in the census of that year. All the available

data point to the late 1950s and early 1960s as the period when there was a shift from a labour-surplus to a labour-deficit economy.<sup>9</sup>

The growth of Hong Kong as an industrial economy can be seen in Figure 1, with the numbers employed in manufacturing rising from the mid-1950s to the early 1980s. There are two estimates for the labour force in manufacturing

FIGURE 1  
Employment by Major Grouping and Unemployment, 1950–94



shown on the graph: that calculated from the population census and that from the government quarterly surveys. The census includes outworkers and those unemployed in the manufacturing labour force, for example, but the biggest difference between the two measures arises in the 1960s (unfortunately, no census figures are available between 1931 and 1961). This difference is due to the fact that the survey data only covered registered establishments; it shows the importance of informal-sector manufacturing in Hong Kong's

development at that time. By 1974, coverage and registration of manufacturing had been completed and, by the second half of the 1980s, the "match" between the two estimates is close as unemployment and outprocessing within Hong Kong had by then become unimportant.

Initially, the informal hawker sector could act as a reservoir to supply the rapidly developing informal and formal manufacturing base and, later, the labour shortages in the 1970s were tempered by the immigration at the end of that

TABLE 2  
Hong Kong: Population Labour Force, Employment and Unemployment, 1975–94

	<i>Estimated Mid-Year Population</i>	<i>Labour Force<sup>a</sup></i>	<i>Persons Unemployed</i>	<i>Seasonally Adjusted Unemployment Rate</i>	<i>Labour Force Participation Rate</i>
1975	4,395,800 (1.8)	1,982,000	180,000	9.1	64.2
1976	4,443,800 (1.1)	1,946,000 (–1.8)	109,000	5.6	62.4
1977	4,509,800 (1.5)	1,926,000 (–1.0)	86,000	4.5	60.4
1978	4,597,000 (1.9)	2,000,000 (3.8)	60,000	3.0	60.7
1979	4,878,600 (6.1)	2,096,000 (4.8)	48,000	2.3	59.8
1980	5,038,500 (3.3)	2,276,000 (8.6)	72,600	3.2	62.8
1981	5,183,400 (2.4)	2,456,300 (7.9)	100,700	4.1	66.8
1982	5,264,500 (1.6)	2,483,300 (1.1)	83,400	3.4	64.7
1983	5,345,100 (1.5)	2,497,800 (0.1)	127,300	5.1	63.7
1984	5,397,900 (1.0)	2,539,800 (1.7)	102,000	4.0	64.9
1985	5,456,200 (1.1)	2,598,500 (2.3)	84,500	3.3	64.8
1986	5,524,600 (1.3)	2,656,000 (2.2)	83,200	3.2	64.6
1987	5,580,500 (1.0)	2,664,400 (0.0)	50,700	2.1	64.1
1988	5,627,600 (0.8)	2,753,900 (3.3)	37,100	1.6	64.3
1989	5,686,200 (1.0)	2,796,000 (1.5)	27,400	1.3	64.0
1990	5,704,500 (0.3)	2,775,800 (–0.1)	38,400	1.7	63.1
1991	5,754,800 (0.9)	2,782,500 (0.0)	41,100	1.8	63.5
1992	5,811,500 (1.0)	2,779,800 (–0.1)	58,200	2.4	62.5
1993	5,919,000 (1.8)	2,844,800 (2.3)	61,400	2.3	62.6
1994	6,061,400 (2.4)	2,933,000 (3.1)	56,900	1.9	62.5
1995	n.a.	2,979,100 (1.6)	78,800	2.8	62.2

#### NOTES

a. September quarter 1975, otherwise first quarter of each year.

Figures in parentheses indicate annual growth rate over previous period.

SOURCES: Half-yearly economic reports, 1978–94. Monthly statistics, 1995. Department of Census and Statistics, Hong Kong.

---

decade. However, with the imposition of tight control on the border from 1980, the labour shortages had become acute by the late 1980s, particularly after the global economy began pulling out of recession from about 1986.

The impact of the control of immigration on population growth on Hong Kong has been exacerbated by two other factors. The first is the transition to extremely low levels of fertility: the total fertility rate has been around 1.3 in the 1990s, and below replacement level since the late 1970s. This implies that the natural increase has become low, with decreasing numbers of Hong Kong-born entering the labour force during the 1990s.

The second factor is increasing emigration. The combination of decreasing immigration from China, low fertility and increasing emigration has led to increasing labour shortages. The changing labour force and unemployment situation from 1975 is shown in Table 2. The rapid growth of the labour force in the late 1970s can easily be seen, as can the very slow growth some ten years later from 1988 through 1992, which was due to the high emigration at that time, as well as the low natural increase of the population. The more rapid growth in 1993 and 1994 will be considered in the next section.

### **The Changing Pattern of Development**

Hong Kong has responded to labour shortages in several ways. The most important way has been the migration of labour-intensive activities towards sources of cheap labour offshore, primarily in China. The numbers employed in manufacturing in Hong Kong dropped from 875,250 in September 1987 to 423,015 at the end of December 1994, while those employed in Hong Kong factories in China are now estimated to exceed three million. The numbers employed in financial activities and in wholesale, retail, and restaurants and hotels have soared as Hong Kong has experienced a structural transformation towards a service economy (Figure 1). In reality, this is purely a statistical artifact as the Hong Kong economy now includes large parts of China

in an integrated economic and urban region where the part administered by the British, for which the data are available, is but the service centre.

The second way in which Hong Kong has responded to the labour shortages has been to move towards more capital-intensive activities. In part, this has been both reflected in, and overshadowed by, the move towards a service economy. Many of the service activities are themselves labour-intensive, for example, banking, or airline ticketing, but, given their white-collar nature, are often more amenable to the introduction of automated systems than the manufacturing sector that has taken the path of least resistance and located towards the periphery of the dynamic urban region where labour and other factor prices of rent and utilities are much cheaper.

The third way of combating labour shortages, and the theme of most concern to this article, is the importation of labour. There are two main sources of immigration to Hong Kong (excluding that from China): data on the number of foreign passport-holders in Hong Kong, the stock data; and data on the annual immigration by type of work permit issued, the flow data. A third data source, the population census, is also useful for generating information on the stock of migrants by birthplace and by duration of residence, or the population by nationality, but these cannot be compared directly with either of the other two sources because of different definitions and different coverage rules and methods. A full discussion of the various data sources for the analysis of immigration to Hong Kong will be found elsewhere.<sup>10</sup>

### **Immigrant Labour and Hong Kong<sup>11</sup>**

In Hong Kong, there are no limits or restrictions on the numbers of highly skilled or professional personnel that can come into the territory. Apart from the British who, because of their colonial status, are accorded special treatment, all the highly skilled and professionals are allowed to stay in Hong Kong subject to guarantees of employment from their company or employer. Thus, their numbers are, to a large extent,

---

governed primarily by market forces. The numbers of non-professionals and semi-skilled are, with the exception of domestic servants, tightly controlled through a series of labour-worker quotas.

There is no levy on professionals, the highly skilled or on domestic servants but, in the case of all the labour schemes outlined below, the employers proposing to import the labour are subject to a levy once the proposal has been approved by government. This is calculated on the basis of HK\$400 per worker per month, which, with a quota of 25,000 workers, comes to about HK\$120 million a year (approximately US\$15.4 million), excluding the additional input that will come from the airport workers.

These monies are put into a special fund set up as a statutory authority called the Employees Retraining Board as an independent body under the Employees Retraining Ordinance, 1992. The body was set up with an initial injection of HK\$300 million from the government, with the recurrent expenses to be covered by the levy. The aim of the body is to retrain Hong Kong workers who have been displaced through the structural changes in the domestic labour market.

The (re)training programme has, however, been extended to housewives, victims of industrial accidents and the handicapped. In the first ten months after the scheme became fully operational in April 1993 some 10,000 people were retrained, about 80 per cent of whom were female. Thus, this scheme represents a policy to improve the lot of local workers through the importation of labour. In some ways, it is an attempt to assuage the fear that local workers have for their future in the face of potential substantial importation of outside labour.

The data on the annual flow of foreign labour into Hong Kong by type of permit issued and the number of foreign passport-holders in Hong Kong are shown in Tables 3 and 4 respectively. All relationships between the flow and the stock figures must be inferred, as information on the nationality of those granted permits is not available. The flow data exclude those who come to Hong Kong under the various labour importation

schemes, and they also exclude all British, as they do not require employment visas to enter the colony. Hence, these flow data underestimate the total inflow.

The annual flow figures clearly show a substantial increase from the mid-1980s to some 77,600 by 1993 (excluding legal entrants from China). The stock figures confirm the recent rise in immigration showing that, from 139,500 at the end of 1981, numbers rose to 320,700 by the end of 1993 and to 404,800 by the end of March 1995, with the greatest annual increments occurring in the 1990s.

Like the flow figures, the stock data are subject to certain limitations. They are based upon the number of foreign passport-holders who are officially registered as residents in the territory and are derived from an accounting of the balance of arrivals and departures of Hong Kong residents. They do not include migrants from China; nor do they include foreigners who are in the territory on short stays or who have not yet registered. This may apply particularly to British passport-holders, who are entitled to a 12-month stay upon entry and who may be engaged in casual or short-term regular employment during this time without registering for resident status. The discrepancy between the 16,400 British residents at the end of 1990, and the 25,143 British nationals with right of abode in places outside Hong Kong recorded by the census in March 1991, is indicative of the amount of under-registration of the British in these figures. The figures would also exclude foreign residents who just happened to be away from Hong Kong on business or for pleasure.

Yet another shortcoming with the figures is that, as they refer to passport-holders, they may not give an exact impression of "foreign" nationals. It is possible that some Hong Kong people who have gone overseas have returned on their newly acquired foreign passports. This would apply primarily to Canadians, Australians and Americans. However, this is only a possibility, as it is much more likely that the vast majority of returned Hong Kong emigrants re-enter Hong

TABLE 3  
Legal Immigration to Hong Kong, 1983-93

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Legal entrants for residence from China	26,701	27,475	27,285	27,111	27,268	28,137	27,263	27,976	26,782	28,367	32,909
With employment visas											
Technicians	846	986	1,224	1,042	1,276	1,261	1,709	2,348	2,223	2,610	2,547
Construction workers	187	46	10	45	15	94	125	7	43	11	32
Restaurant workers	100	98	136	114	130	190	209	468	463	422	409
Domestic workers	7,456	6,499	8,454	8,845	11,792	14,735	18,870	22,145	26,083	28,091	32,093
Other professionals and middle managers	1,747	2,024	2,612	2,893	3,281	3,895	4,569	4,765	4,679	4,932	6,555
Others <sup>a</sup>	2,235	2,148	2,049	2,322	2,589	3,260	3,242	3,237	3,699	4,358	6,158
Total	12,571	11,801	14,485	15,261	19,083	23,435	28,724	32,970	37,190	40,424	47,794
With residence visas											
To join husband	3,064	3,229	3,654	3,587	4,447	5,376	4,733	5,072	5,920	6,919	7,335
To join wife	146	141	140	126	541	577	472	558	740	651	713
To join parents	2,805	3,076	3,593	3,663	4,698	5,669	5,772	5,146	5,025	5,595	6,292
To join son/daughter	646	593	821	925	777	775	716	781	787	811	832
Former resident	624	494	504	320	302	136	90	96	59	87	36
Right to land/right of abode	2,740	3,351	4,709	5,195	7,057	7,795	8,197	8,657	10,088	12,505	14,529
To join relatives, widows or widowers	11	17	20	29	18	22	14	7	15	8	6
To join relatives	97	65	97	61	29	21	41	32	30	25	31
Miscellaneous	78	130	188	172	136	91	29	40	33	17	6
Others	9	2	6	7	2	10	12	0	8	16	17
Total	10,220	11,098	13,732	14,085	18,007	20,472	20,076	20,389	22,705	26,634	29,797
Total	49,492	50,374	55,502	56,457	64,358	72,044	76,063	81,335	86,677	95,425	110,500

NOTES

a. Includes representatives of overseas companies and salesmen, trainees, sportsmen and entertainers.

The above statistics do not include: (a) British citizens/United Kingdom belongers; (b) dependants from Vietnam, Laos and Cambodia; (c) persons from China; (d) persons from China via Macau unless the application was settled in Macau by 14 January 1979.

SOURCE: Unpublished tabulations, Immigration Department, Hong Kong Government.



TABLE 4  
Number of Foreign Nationals in Hong Kong at Year End, 1986-94

	1986	1987	1988	1989	1990	1991	1992	1993	1994	End March 1995
Total number	168,400	172,200	186,300	206,900	227,600	251,200	283,300	320,700	368,500	404,800
Top ten countries:										
Philippines	36,800	39,100	43,800	51,400	61,200	72,000	83,800	99,200	115,500	130,000
United Kingdom	16,000	14,100	14,400	16,100	16,400	16,000	18,400	20,300	23,700	26,500
India	15,300	15,800	16,200	16,600	17,000	18,000	18,000	18,700	19,500	20,700
USA	14,000	14,700	16,300	17,700	19,300	21,000	23,500	26,100	29,900	34,000
Malaysia	10,100	10,200	10,800	11,400	11,700	12,000	12,600	13,000	13,800	14,200
Thailand	9,900	10,100	11,100	12,600	14,300	17,000	19,500	21,500	23,800	24,700
Australia	8,400	8,800	9,800	10,700	12,000	13,000	14,800	16,700	18,700	20,300
Portugal	7,800	—	8,100	8,700	—	—	—	—	—	—
Pakistan	—	7,700	—	—	8,500	9,000	—	—	—	—
Japan	7,500	8,500	8,800	10,000	10,600	11,000	12,300	14,000	17,600	19,600
Canada	8,100	9,100	10,000	11,500	13,000	15,000	17,500	20,400	24,700	26,500
Indonesia	—	—	—	—	—	—	11,000	14,700	19,700	21,000

SOURCE: Unpublished tabulation, Hong Kong Immigration Department.

---

Kong on their Hong Kong documents rather than on their "foreign" passports.

## **The Components of Immigrant Labour**

### *Skilled Labour*

One component of the immigration flows of importance to the economy far in excess of their numbers is the highly skilled. The numbers of professionals, technicians, and "others" made up mainly of representatives of overseas companies have increased from around 6,000 a year in the mid-1980s to over 15,000 in 1993 (Table 3). Many of the other immigrants to Hong Kong are accompanying family members of these experts. They include expatriates not only from the main Western countries of the United States, the United Kingdom, Canada and Australia but also from Asian countries, particularly Japan (Table 4). Countries that do not figure prominently among the major regions of origin of the immigration to Hong Kong but are nevertheless important sources of skilled transients are those from two of the other growth economies, Korea and Singapore. Like the major sources of expatriates, nationals of these countries have set up their own schools in Hong Kong. There are even some Korean-language programmes shown on television, limited to be sure, but this is indicative of the trend towards the internationalization of Hong Kong's population and economy.

### *Domestic Workers*

From around 7,000 to 8,000 entrants a year in the mid-1980s, the number of those entering as domestic workers had risen to over 30,000 a year in 1993. The domestic workers are primarily from the Philippines, although Thais and some Sri Lankans and Indians also enter under this category. The numbers from the Philippines have more than doubled since the end of 1990 to 130,000 at 31 March 1995.

The majority come on two-year contracts which are renewable, and a network of agencies supplies domestics from the Philippines to interested

parties in Hong Kong and elsewhere.<sup>12</sup> The importation of domestic workers from China is currently prohibited, although in the lead-up to 1997 there may be moves to outlaw this discriminatory policy. One of the perceived dangers is that, if the entry of domestics from China is permitted, such worker immigration will be difficult to police, since maids could change jobs and disappear into the local community.

The importance of foreign domestic servants, apart from being a labour market in their own right, is that they allow educated Hong Kong women to continue in employment after marriage or after having children. There has been a gradual feminization of the labour force and, although male labour force participation rates are higher than those for women, there have been significant increases in the latter in the last decade (Table 5).

The existence of numbers of domestic workers from Southeast Asia well in excess of 150,000 may indeed be a source for future concern during the transition to Chinese sovereignty in that the workers are distributed throughout the community. Thus, they are a vulnerable group, and the majority of domestics have little knowledge of the Cantonese language or of local laws that can be used to protect them. There are many recorded cases of abuse, and there is little public or official sympathy when this occurs. On termination of contract, no matter the reason, the domestic worker must leave Hong Kong within two weeks. Many will put up with abuse rather than risk not finding more suitable employment within the 14-day period, after which they have to leave Hong Kong.

It would be naive, however, to assume that the recent dramatic and accelerating rise in the number of domestic workers from the Philippines is entirely due simply to the increasing numbers of affluent Hong Kong families who wish home help. An unknown number, while being brought in as domestic workers, are being used in other activities which is the result of the low remuneration offered to foreign domestic workers relative to the wages of certain activities in Hong Kong. For example, a government survey of domestic servants in late 1993 showed that the median

TABLE 5  
Labour Force and Labour Force Participation Rate by Age Group by Sex, 1980-92 (Alternate Years Only)

Age Group/ Sex	1980 <sup>a</sup>		1982		1984		1986		1988		1990		1992	
	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)	Number ( <sup>'000</sup> )	Rate (%)
15-19 years	226.6	39.3	203.1	38.4	169.7	35.6	143.8	33.1	131.4	30.2	118.4	28.0	102.7	25.4
Males	118.9	39.6	107.1	39.4	90.0	37.0	77.5	34.5	73.0	32.6	65.8	29.8	60.0	28.4
Females	107.7	39.0	95.9	37.3	79.8	34.1	66.3	31.7	58.4	27.6	52.6	26.1	42.7	22.1
20-24 years	475.5	84.5	486.0	86.0	489.1	86.4	470.5	86.1	423.7	86.2	375.5	84.7	350.2	82.5
Males	258.1	89.0	256.0	90.5	253.9	89.2	240.9	88.0	214.9	87.3	191.5	86.0	173.9	82.4
Females	217.4	79.7	230.0	81.6	235.3	83.5	229.6	84.3	208.8	85.1	184.0	83.4	176.3	82.5
25-29 years	361.9	80.3	411.5	81.6	455.7	83.5	500.0	85.4	506.4	87.0	494.8	88.0	470.3	88.1
Males	234.7	97.9	260.5	98.7	274.4	98.8	297.5	98.5	289.2	98.6	273.7	98.4	250.0	97.8
Females	127.3	60.3	151.0	62.8	181.4	67.8	202.5	71.5	217.2	75.2	221.1	77.9	220.4	79.1
30-34 years	272.6	74.8	322.9	75.7	354.4	77.3	387.1	78.2	424.7	78.5	448.5	77.4	477.1	78.6
Males	200.0	99.1	225.7	99.1	237.8	99.0	256.8	98.8	281.2	99.2	290.8	98.9	300.5	98.6
Females	72.7	44.7	97.2	48.9	116.6	53.4	130.3	55.4	143.5	55.7	157.8	55.3	176.6	58.4
35-39 years	169.0	74.8	207.4	76.6	268.2	77.5	320.2	77.3	348.4	76.9	361.6	76.1	397.1	75.4
Males	122.4	98.9	143.7	99.1	183.7	99.2	218.4	98.7	235.5	98.8	240.5	98.8	263.5	98.7
Females	46.6	45.6	63.8	50.6	84.4	52.5	101.8	52.8	112.9	52.6	121.1	52.3	133.6	51.4
40-44 years	195.3	75.2	194.5	78.3	189.0	80.5	208.5	80.0	258.1	79.6	303.6	78.0	341.3	77.3
Males	130.5	98.6	137.1	98.8	128.4	98.7	145.0	98.1	173.7	98.5	207.9	98.9	234.2	98.1
Females	54.9	48.0	57.4	52.3	60.6	57.8	63.5	56.3	84.3	57.1	95.7	53.5	107.1	52.8
45-49 years	188.5	72.3	194.9	74.8	191.7	76.9	188.3	77.2	182.5	77.6	185.7	77.9	204.9	76.7
Males	134.1	97.4	136.4	97.7	133.3	98.0	132.2	97.1	130.3	97.3	131.3	97.8	141.4	97.2
Females	54.4	44.2	58.5	48.4	58.4	51.5	56.1	52.1	52.1	51.6	54.4	52.3	63.5	52.2

50-54 years	174.1	65.5	180.4	68.1	190.4	68.9	183.8	68.5	182.5	68.9	171.1	68.3	160.5	68.7
Males	127.7	93.6	128.9	93.5	137.0	94.0	133.0	93.5	134.3	93.5	128.3	92.8	119.0	92.7
Females	46.4	36.0	51.5	40.5	53.4	40.8	50.8	40.3	48.3	39.8	42.7	38.1	41.6	39.5
55-59 years	121.1	58.5	131.1	59.2	134.3	58.4	141.2	57.5	144.8	56.7	135.4	55.2	134.6	53.9
Males	89.4	84.0	94.2	82.9	97.6	82.1	104.8	81.6	108.1	80.9	103.4	81.2	103.6	80.4
Females	31.7	31.5	36.8	34.2	36.7	33.0	36.4	31.1	36.7	30.1	32.0	27.1	31.0	25.7
60-64 years	84.6	45.7	88.4	45.0	88.1	42.5	87.3	39.1	90.5	39.0	91.1	37.0	99.2	36.6
Males	60.1	64.1	61.2	62.1	62.0	61.0	63.0	56.5	66.5	55.8	69.0	54.7	78.5	54.6
Females	24.5	26.8	27.1	27.8	26.1	24.7	24.3	21.7	24.0	21.2	22.2	18.4	20.7	16.3
65 years and over	64.5	19.8	77.9	20.8	75.5	19.5	70.8	16.3	69.9	15.2	62.4	12.7	55.0	10.5
Males	41.1	32.1	49.4	33.0	48.4	29.8	45.8	25.0	47.4	24.0	45.8	21.4	42.0	18.3
Females	23.4	11.9	28.5	12.7	27.0	12.0	25.0	10.0	22.5	8.6	16.5	5.9	13.0	4.4
Total	2,323.4	63.3	2,498.1	64.7	2,606.2	65.5	2,701.5	65.1	2,762.8	64.7	2,748.1	63.2	2,793.0	62.3
Males	1,516.8	80.2	1,600.3	81.3	1,646.5	81.3	1,714.9	80.5	1,754.1	80.1	1,747.9	79.1	1,766.5	78.0
Females	806.6	45.3	897.8	47.5	959.7	49.1	986.6	48.9	1,008.7	48.4	1,000.2	46.8	1,026.5	46.2

#### NOTES

a. Average of March and September labour force surveys of the year.

Figures are averages of the estimates obtained from the quarterly General Household Surveys of the year. Figures for the years 1988 to 1991 have been revised using the 1991 census-based revised population estimates.

SOURCE: General Household Survey Section, Census and Statistics Department.

TABLE 6  
Allocation of Workers under the Labour Import Scheme to Industries/Services, 1994 Quota

<i>Industries/Services</i>	<i>Foreign Workers Applied for under 1994 General Scheme</i>	<i>Number of Qualified Applications (Foreign Workers Applied for)</i>	<i>Quota Allocation</i>	<i>Share of Industry Quota in Overall Quota</i>	<i>Allocations Rate against Qualified Applications</i>
(1)	(2)	(3)	(4)	(5)	(6) = (4)/(3) × 100% (%)
Automobile repairing	1,222	414	30	0.27	7.25
Banking and finance <sup>a</sup>	757	700	700	6.36	100.00
Catering	20,852	10,307	1,624	14.76	15.76
Clothing	7,896	3,461	435	3.95	12.57
Communication	1,289	867	307	2.79	35.41
Construction work sites	12,767	4,449	295	2.68	6.63
Electrical	1,874	597	19	0.17	3.18
Electronics	3,073	885	107	0.97	12.09
Footwear	65	35	0	0.00	0.00
Furniture	864	298	2	0.02	0.67
Handbag	416	153	0	0.00	0.00
Hotel	2,356	1,906	154	1.40	8.08
Import/export trades <sup>a</sup>	2,157	1,473	1,473	13.39	100.00
Insurance <sup>b</sup>	31	11	11	0.10	100.00
Jewellery	591	203	6	0.05	2.96
Machine shop	3,598	1,270	486	4.42	38.27
Plastics	1,346	383	17	0.15	4.44
Printing	1,285	536	96	0.87	17.91
Retail	15,367	4,603	1,733	15.75	37.65

Sanitary, laundry and cleaning services	555	290	17	0.15	5.86
Shipbuilding and repairing	1,267	884	9	0.08	1.02
Social and community services <sup>c</sup>	1,062	711	711	6.46	100.00
Textile	2,342	909	-40	0.36	4.40
Tourism	128	83	49	0.45	59.04
Transport (e.g. water transport, air transport, cold storage, godowns)	2,068	868	267	2.43	30.76
Wholesale	2,090	1,361	189	1.72	13.89
Subtotal	87,318	37,657	8,777	79.79	23.31
Others (manufacturing)	2,458	947	112	1.02	11.83
Others (non-manufacturing) <sup>d</sup>	10,714	2,111	2,111	19.19	100.00
Total	100,490	40,715	11,000	100.00	27.02

#### NOTES

a. The banking and finance industry and import/export trades both secure a high allocation rate because the vacancy, the wage, the labour utilization and the value-added criteria all support a relatively larger allocation to the industry/service.

b. The insurance industry secures a high allocation rate because the wage and labour utilization criteria support a relatively larger allocation to the industry.

c. The social and community services secures a high allocation rate because the vacancy, the labour utilization and the value-added criteria support a relatively larger allocation to the service.

d. This is a residual category to cater for certain industries/services in the non-manufacturing sectors but not included in the classification above. Taken as a group, the vacancy, the wage, the labour utilization and the value-added criteria all support a relatively larger allocation.

SOURCE: Education and Manpower Branch, Government Secretariat, Hong Kong.

---

monthly earnings of a domestic servant were HK\$3,200. At that time, the base monthly wage for a sales clerk in the retail sector was HK\$5,373 and for a waitress in a non-Chinese restaurant HK\$5,211. Accommodation and certain meals are supposed to be supplied to the domestic worker free, but fringe benefits brought the average monthly sales clerk's wage up to HK\$7,051 and that of the waitress to HK\$7,033.<sup>13</sup>

Clearly, if you are a shop or restaurant owner, it is cheaper to import a foreign domestic worker to work in the shop or serve in the restaurant than to recruit a local worker. In addition, there is the advantage of having someone to do domestic chores at home on top of these "extra" duties. The market for such illegal employment is probably limited, as foreign domestic workers could only be employed effectively in non-Cantonese-speaking environments. As the majority of Filipina workers can speak English, they will be an advantage in shops and restaurants frequented by tourists. Certainly, some of the Filipinas will be wives of Hong Kong residents but, almost certainly, abuses of the domestic worker system, and of the domestic workers themselves, are occurring because of the acute labour shortages in certain sectors. Arranged marriages to bring Filipinas into Hong Kong do occur, but these are unlikely to be of importance in sectors outside those controlled by triad groups — prostitution and "exotic" dancers, for example.

Although the countries of origin of domestic workers undoubtedly gain in terms of remittances, they lose the skills of the migrant labour force. This particularly applies to the Philippines. For example, it was found that 26.7 per cent of Filipino respondents to a large baseline survey in Hong Kong were degree-holders, a further 31.7 per cent had attended some tertiary institution, and another 32.6 per cent had been to secondary school. Levels of education of Thai, Sri Lankan and Indian domestic workers were not nearly so high.

### *Labour Importation Schemes*

Labour importation schemes date from 1989,

when the first scheme to import 3,000 skilled workers initially at the "technician and craftsman levels", was introduced. This scheme was extended in July 1990, when schemes to import up to 2,700 workers at the "technician, craftsman and supervisor levels" and 10,000 workers at the "experienced operator level" were introduced. The latter had to provide evidence of one year of working experience in the relevant field. The schemes were extended again at the beginning of 1992 to accommodate up to 25,000 workers at any one time. Companies must make provision to the government justifying their need for labour before permits are granted to allow them to bring in the workers, initially for two years, but this may be extended to a maximum of seven years. There is considerable turnover of labour, however, and for 1994 it is estimated that there will be about 11,000 places available for "recycling". Bowing to political pressure, the government reduced the quota from 25,000 workers at any one time to 5,000 from early 1996.

Quite separate from these labour importation schemes are those associated with the construction of the airport and related projects. From July 1990, a scheme was implemented to import up to 2,000 workers but the allocation was increased to 17,000 in November 1994 and will further rise to 27,000 imported workers by 1996 as the projects move into the full construction phases.

No detailed information is available on the origin of those coming to Hong Kong under the various labour importation schemes, although government sources indicate that over 90 per cent come from China. The balance comes from other Asian destinations. The types of activities into which those migrants enter are also various. Consolidated data on all workers are not available, but the allocation of the 11,000 places available for recycling in the 1994 round is available (Table 6). The demand for places in the scheme is much greater than the supply: there were some 100,490 applications for the 11,000 places available. Even reducing the applications to "qualified" ones on the basis of government-set criteria identified 40,715 valid applications for the available places. One of the criteria used to separate qualified from

---

unqualified applications is the wage that the employer proposes to offer the worker. Where this is clearly seen to be likely to suppress local wages, the application will be deemed "unqualified". The allocation of places to industry is based upon the vacancy rate and unemployment rate in each branch. The highest quotas are allocated to the retail, catering and import/export traders, as well as to a series of activities classified as "non-manufacturing - others".

The final labour importation scheme discussed here is the plan to import, in the initial phase, 1,000 skilled or professional personnel from China. The idea is that these people, with their experience of both China and Hong Kong, will play a key role in the transition through 1997. If successful, this policy will be reviewed in 1996 and possibly extended.

There is also the issue of the migration of Hong Kong contract labour workers recruited for work overseas. This has never been a significant flow, rarely numbering more than 1,500 to 2,100 workers during the 1950s and 1960s going for two- or three-year contracts, mainly to the then British North Borneo, Brunei and Sarawak. This flow has persisted into the 1990s but declined from 2,513 in 1969-70 through 2,300 in the mid-1980s, to just 46 in 1993. Germany has recently been the main destination, although Royal Navy ships have offered a regular, if small, number of positions. These workers must be registered with the Department of Labour in order to ensure that the terms and conditions of overseas employment conform to internationally accepted standards. The fact that this outflow has all but ceased to exist is ample testament to the tightening labour market conditions in Hong Kong.

### *Illegal Migration*

Hong Kong's booming economy also attracts a large number of illegal migrants. These come primarily from China, entering both by land and, more commonly now, by sea. There are also increasing numbers of overstayers from other parts of Asia. Numbers of illegal immigrants caught and repatriated increased from 10,000-12,000 per

annum between 1981 and 1984 to 43,000-44,000 in 1992 and 1993, although the number declined to 35,500 in 1994. About one-third are currently arrested upon entry, while the balance is only apprehended later, which shows that substantial numbers do manage to enter the labour force, primarily in the construction industry.

Increasing numbers of the illegal immigrants arrested are multiple offenders. For example, Royal Hong Kong Police figures show that over half of those arrested during 1993 were being apprehended for the third time or more, compared with less than 10 per cent in 1988, and in 1993, over 10 per cent had a criminal record compared with less than 3 per cent in 1989. While there are, unquestionably, numbers of illegal migrants in the labour force, continuous vigilance almost certainly means that this phenomenon is under control. Although reliable data are obviously lacking, it seems likely that illegal immigrants do not constitute a significant component of the overall labour force, possibly accounting for around 10,000 workers.

There are increasing numbers of overstayers and, as seen above, of domestic workers who are either brought in as domestics but to do other jobs, or who switch to other jobs after arrival. Illegal migrants who are found in employment are liable on conviction to a fine of HK\$5,000 and two years' imprisonment. The employer is also liable to similar punishment upon conviction as are domestic workers who are convicted of entering into other employment. The number of illegal migrants serving prison sentences in 1992 was small, however, at only 337, down from 718 in 1990.

### **The Future**

It is always difficult to make accurate forecasts about the direction of anything as potentially volatile as migration. It is even more difficult to make accurate forecasts in the case of Hong Kong because of the return to Chinese sovereignty on 1 July 1997. Almost all of those who presently come to Hong Kong on the various labour importation schemes will, in the future, be internal



---

migrants within China. The future of Hong Kong in China is guided by the "one country, two systems" concept through which the autonomous nature of the Hong Kong system is guaranteed to co-exist within a single China in the Special Administrative Region of Hong Kong. The border, with its fences and constant patrols, should thus be maintained to control potential migration from other parts of China.

Assuming that the reforms in China continue on a steady course, little should in fact change. Hong Kong will continue to be the gateway into the dynamic growth region of southern China, and perhaps of the whole growth triangle encompassing Hong Kong, coastal Guangdong province and Taiwan.<sup>14</sup> Hong Kong's position as a global city should thus be maintained with a growing, culturally heterogeneous, skilled expatriate transient population. There will also be a demand for labour for the lowly skilled, poorly paid, occupations that the increasingly educated Hong Kong population will be unwilling to fill. This labour will almost certainly come from other parts of China, particularly for the dangerous and demanding jobs in the construction industry.

An interesting question hangs over the position of the foreign domestic workers in Hong Kong. It would appear doubtful that the recent rapid increase in their numbers can be sustained. Pressure from local labour leaders may ensure that the numbers engaging in non-domestic work will be extremely limited. On the other hand, it would seem doubtful that China would move to expel large numbers of the domestics after July 1997. First, there is a demand for English-speaking domestics who can reinforce English-language education among the children of Hong Kong's middle income groups. Second, the catchment

areas for potential female domestic workers in China are likely to extend far beyond the Cantonese region as there are now many intervening opportunities for Guangdong women in Shenzhen and around the Pearl River delta. A highly educated Filipina is likely to be more desirable than a peasant girl from inland China.

Third, and perhaps most importantly, foreigners, rather than nationals, are always politically weak and it is to employers' advantage to maintain a cheap workforce in a vulnerable position: a group that can be threatened with expulsion at any time. Voting rights for foreign domestics who have already fulfilled residence requirements are already under question. These are unlikely to be granted, which will help to keep them in a powerless position. One of the issues in the lead-up to 1997 and beyond will be to establish procedures that can be put in place adequately to protect this foreign workforce.

The above scenario assumes steady growth and continued stability in China. If significant deviation from this path should ensue in a post-Deng Xiaoping China, then clearly the course of migration will be very different. Substantial numbers among Hong Kong's population already have citizenship or residence rights in other countries. Should instability occur, then they, together with other foreign nationals, will almost certainly leave, for the short term at least. There is little point in making such doomsday predictions, however, as no one knows the direction that China will take. It would be equally unwise, though, to make blithe forecasts about continued immigration of labour to Hong Kong without some awareness of future risk. The future, as always, will surprise.

## NOTES

1. I have dealt with the issue of emigration from Hong Kong at length elsewhere. See Skeldon (1990–91), Skeldon, ed. (1994; 1995).
2. A comprehensive survey of foreign domestic workers in Hong Kong can be found in AMWC (1991).
3. See Skeldon (1986).

4. The most detailed assessment of the refugee situation in Hong Kong in the early 1950s is contained in Hambro (1955).
5. See Podmore (1971) for a discussion of population change at this time.
6. This is the title of the edited book compiled by Hopkins (1971).
7. The role of Hong Kong entrepreneurs in influencing policy at this stage is not proven and no more than rumour. See Turner (1980), p. 50.
8. The statistics come from one of the best early analyses of Hong Kong's economy, Szczepanik (1958).
9. The idea of a "migration transition" in Hong Kong, or a switch from emigration to immigration related to a shift from labour surplus to labour deficit is examined in Skeldon (1994).
10. These are assessed in Skeldon et al. (1995).
11. The ideas in this section, though considerably revised and augmented here, were originally presented in the paper "Labour market changes and foreign worker policy in Hong Kong" at the Technical Seminar on Migration and the Labour Market in Asia in the Year 2000, organized by the OECD, the Japanese Government and the Japan Institute of Labour, with the co-operation of the ILO, held in Tokyo on 19–20 January 1995. Sections are reproduced here with the kind permission of the OECD. The original version of the papers presented at the seminar will be published by the OECD in autumn 1995.
12. For a detailed discussion see AMWC (1991).
13. Data on the median income for live-in domestic workers come from the quarterly government household surveys (Hong Kong 1995, p. 35), and data on wages come from the government half-yearly survey of wages, salaries and benefits (Hong Kong 1994, Table 2).
14. The southern China growth triangle is explored in several chapters of Thant, Tang and Kakazu (1994); see also the special issue of *The China Quarterly* on "Greater China", edited by Shambaugh (1993). See also Skeldon (1995).

## REFERENCES

- Asian Migrant Workers Centre (AMWC). *Foreign Domestic Workers in Hong Kong: A Baseline Study*. Hong Kong: AMWC, 1991.
- Hambro, E. *The Problem of Chinese Refugees in Hong Kong: Report Submitted to the United Nations High Commissioner for Refugees*. Leyden: 1955.
- Hong Kong. *Report on Half-yearly Survey of Wages, Salaries and Employee Benefits. Volume II (Detailed Tables), September 1993*. Wages and Labour Costs Statistics Section, Census and Statistics Department, 1994.
- . *Social Data Collected by the General Household Survey. Special Topics Report No. 11*. Census and Statistics Department, 1995.
- Hopkins, K., ed. *Hong Kong: The Industrial Colony. A Political, Social and Economic Survey*. Hong Kong: Oxford University Press, 1971.
- Podmore, D. "The Population of Hong Kong". In *Hong Kong: The Industrial Colony. A Political, Social and Economic Survey*, edited by K. Hopkins. Hong Kong: Oxford University Press, 1971, pp. 21–54.
- Shambaugh, D., ed. "Greater China". *The China Quarterly*, no. 136 (1993), special issue.
- Skeldon, R. "Hong Kong and its Hinterland: A Case of International Rural-to-Urban Migration?" *Asian Geographer* 5, no. 1 (1986): 1–24.
- . "Emigration and the Future of Hong Kong". *Pacific Affairs* 63, no. 4 (1990–91): 500–523.
- . "Turning Points in Labor Migration: The Case of Hong Kong". *Asian and Pacific Migration Journal* 3, no. 1 (1994): 93–118.
- . "Hong Kong and South China Growth Linkages". Paper presented at the meeting on Regionalization and Labour Market Interdependence in East and Southeast Asia, organized by the International Institute for Labour Studies, Bangkok, 23–26 January 1995.
- ed. *Reluctant Exiles? Migration From Hong Kong and the New Overseas Chinese*. New York: M.E. Sharpe and Hong Kong: Hong Kong University Press, 1994.
- ed. *Emigration from Hong Kong: Tendencies and Impacts*. Hong Kong: Chinese University Press, 1995.
- Skeldon, R., J. Jowett, A. Findlay and L. Li. "An Assessment of Available Data Sources for the Analysis of the

- 
- Trends in Migration". In *Emigration from Hong Kong: Tendencies and Impacts*, edited by Ronald Skeldon. Hong Kong: Chinese University Press, 1995, pp. 79–109.
- Szczepanik, E. *The Economic Growth of Hong Kong*. London: Oxford University Press, 1958.
- Thant, M., M. Tang and H. Kakazu, eds. *Growth Triangles in Asia: A New Approach to Regional Economic Cooperation*. Hong Kong: Oxford University Press, 1994.
- Turner, H.A. *The Last Colony: But Whose? A Study of Labour Market and Labour Relations in Hong Kong*. Cambridge: Cambridge University Press, 1980.

**Ronald Skeldon** is a Reader with the Department of Geography and Geology, University of Hong Kong.