

## Chapter 7

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# Employment

*The government promotes employment, maintains harmonious labour relations, safeguards the labour rights of employees and enhances safety and health at work.*

Employment is the key to people's livelihood. The government improves the use of human resources in Hong Kong and supports economic development by upgrading workers' skills so they can be more employable and competitive, improving the business environment, introducing measures to create jobs and enhancing labour market efficiency.

The Labour and Welfare Bureau maps out strategies to develop a well-trained and adaptable workforce to meet the changing manpower demands of the economy and contribute to the overall competitiveness of Hong Kong.

The Labour Department formulates and implements labour policies, enforces labour legislation, provides free employment and recruitment services to job-seekers and employers, promotes harmonious labour relations, safeguards employees' rights and benefits, and promotes occupational safety and health of the workforce.

Labour legislation, supplemented by administrative measures, provides the statutory basis for employers' and employees' obligations and rights, and enables the city to meet internationally accepted labour standards. In 2021, the department secured 4,327 convictions, resulting in fines totalling more than \$22.48 million.

Following the extension of the statutory maternity leave from 10 weeks to 14 weeks in late 2020, the Labour Department rolled out the Reimbursement of Maternity Leave Pay Scheme on 1 April to fully reimburse employers for the additional statutory maternity leave pay, subject to a cap of \$80,000 per employee. In 2021, the scheme received 6,127 applications and disbursed reimbursement of \$118 million.

On 7 July, amendments to the Employment Ordinance were passed by the Legislative Council. Starting from 2022, the number of statutory holidays will be progressively increased from 12 to 17 days by 2030, so that it will be on a par with the number of general holidays other than Sundays.

## **Labour Market**

In 2021, the labour force totalled 3.87 million people, of whom 50 per cent were men and 50 per cent were women. The total represented a drop of 1.2 per cent over 2020.

The majority, or 88.5 per cent, were employed in the service sectors: 29.2 per cent in public administration, and social and personal services; 25.7 per cent in the import/export, wholesale and retail trades, and accommodation (covering hotels, guesthouses, boarding houses and other establishments providing short-term accommodation) and food services; 22.8 per cent in financing and insurance, real estate, and professional and business services; and 10.8 per cent in transportation, storage, postal and courier services, and information and communications. Only 2.2 per cent worked in manufacturing.

The overall unemployment rate decreased from 5.8 per cent in 2020 to 5.2 per cent in 2021, whereas the underemployment rate decreased from 3.3 per cent in 2020 to 2.6 per cent in 2021. Total employment dropped by about 20,700 to 3,670,200.

## **Employment Earnings and Wages**

During the year, 10.9 per cent of employed people earned less than \$5,000 a month and 26.8 per cent earned \$30,000 and above a month. Median monthly employment earnings rose by \$200 to \$18,000 from \$17,800 in 2020. The median monthly employment earnings for higher-skilled workers, such as managers, professionals and associate professionals, were \$31,000 in 2021, while those for lower-skilled workers were \$13,500.

Wage rates as measured by the Nominal Wage Index for workers up to supervisory level increased 1.8 per cent in December 2021 over a year earlier.

## **International Labour Affairs**

Hong Kong applies 31 international labour conventions of the International Labour Organisation (ILO) through comprehensive legislative and administrative measures.

Hong Kong takes part in ILO activities to keep abreast of international labour issues. In 2021, representatives of employers, employees and the government, as part of the People's Republic of China delegation, attended the 109th Session of the International Labour Conference held online.

## **Labour Advisory Board**

The Labour Advisory Board, a representative tripartite consultative body, advises the Commissioner for Labour on labour matters including legislation and ILO conventions and recommendations. Chaired by the commissioner, it has six members representing employers and six representing employees.

## **Employment Services**

The Labour Department's 13 job centres, three recruitment centres for the catering, retail and construction industries, a Telephone Employment Service Centre and a Job Vacancy Processing

Centre provide free employment and recruitment services to job-seekers and employers. Its Interactive Employment Service website and mobile application offer round-the-clock employment services.

The department organises large-scale, district-based and thematic job fairs. It offers targeted help through the Employment Programme for the Elderly and Middle-aged, Work Trial Scheme, Racial Diversity Employment Programme, Work Orientation and Placement Scheme for job-seekers with disabilities, Youth Employment and Training Programme, and Youth Employment Start. For major closure or retrenchment cases, it will set up a telephone hotline and special counters at job centres to provide priority job referral services for affected workers.

In 2021, the department registered 42,985 job-seekers and made over 197,000 job placements. It recorded 1,061,856 private-sector vacancies, 54.7 per cent more than in 2020.

### ***Employment Programme for the Elderly and Middle-aged***

The Employment Programme for the Elderly and Middle-aged encourages employers to hire the elderly and middle-aged and provide them with on-the-job training by paying employers a training allowance. Employers engaging job-seekers aged 60 or above who are unemployed or left the workforce are offered a monthly training allowance of up to \$5,000 per employee for six to 12 months. Those who engage unemployed job-seekers aged 40 to 59 are offered an allowance of up to \$4,000 per month per employee for three to six months. There were 3,340 placements under the programme in 2021.

### ***Work Trial Scheme***

Work trials are conducted for people with difficulties in finding jobs. Each participant who completes a one-month full-time work trial receives \$8,300 from the department, while the allowance for a part-time work trial is \$49 per hour, of which \$500 is contributed by the organisation in which the participant served. During the year, 336 people took part in trials.

### ***Racial Diversity Employment Programme***

The department has commissioned two non-governmental organisations (NGOs) since November 2020 to implement, on a pilot basis, the Racial Diversity Employment Programme. The programme provides one-stop employment support services to job-seekers from ethnic minorities in a case management approach. In 2021, the programme served 536 ethnic minority job-seekers and recorded 259 placements, including 55 by referral.

### ***People with Disabilities***

The department helps people with disabilities who are fit for open employment seek jobs. It provides free employment counselling and placement services to people who are formerly mentally ill or have hearing or visual impairment, physical handicap, chronic illness, autism spectrum disorder, intellectual disability, specific learning difficulties or attention deficit/hyperactivity disorder. In 2021, the department registered 2,882 job-seekers with disabilities and secured 2,375 placements.

The Work Orientation and Placement Scheme improves employment opportunities for people with disabilities by paying employers an allowance to encourage them to provide jobs and employment support. An employer who hires a person with disabilities having employment difficulties is entitled to an allowance of up to \$60,000 over the nine-month on-the-job training period. In 2021, the scheme made 1,137 job placements.

### ***Continuing Education Fund***

The fund subsidises adults with aspirations to pursue continuing education. About 39,000 reimbursement claims were approved and subsidies totalling about \$350 million were paid out in the year.

### ***Youth Employment and Training Programme***

School leavers aged between 15 and 24 with up to sub-degree education may choose from a full range of pre-employment and on-the-job training. Government departments, employers and NGOs work together under this programme to help young people enhance their employability, improve job search skills and secure employment. Participating employers who engage eligible young people and provide them with on-the-job training may get a training allowance of up to \$5,000 per month per trainee for six to 12 months. In 2020-21, 4,191 school leavers enrolled on the programme.

### ***Youth Employment Support***

People aged between 15 and 29 may make use of one-stop advisory and support services at two youth employment resource centres called Youth Employment Start, which are operated by the department, to improve their chances of employment and help secure their sustainable employment or self-employment. In 2021, services were provided to young people by the two centres 46,602 times.

### ***Greater Bay Area Youth Employment Scheme***

The government launched the Greater Bay Area Youth Employment Scheme in January to encourage enterprises with businesses in both Hong Kong and the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to employ university graduates from Hong Kong. Enterprises offer a monthly salary of not less than \$18,000 and deploy the graduates to work in the GBA Mainland cities. The government pays the enterprises a monthly allowance of \$10,000 for each graduate engaged for up to 18 months. The scheme has recorded 1,091 placements.

### ***Retention Allowance***

Eligible participants in the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme and the Work Orientation and Placement Scheme are encouraged to complete on-the-job training through a retention allowance, up to \$12,000 per employee. At end-2021, 1,807 applications for the allowance had been approved.

### ***Working Holiday Scheme***

Hong Kong has bilateral working holiday arrangements with 14 economies, namely Australia, Austria, Canada, France, Germany, Hungary, Ireland, Italy (commencement date to be

confirmed), Japan, Korea, the Netherlands, New Zealand, Sweden and the United Kingdom. Through the scheme, Hong Kong youths aged 18 to 30 may experience different cultures and broaden their horizons through living and working temporarily while holidaying overseas. The scheme also allows youths from the partner economies to learn about Hong Kong.

A majority of the partner economies allow Hong Kong youths to stay for up to 12 months, and take up short-term employment to support their travel expenses and/or study short-term courses (except for Ireland) while holidaying.

As at December, more than 98,000 Hong Kong youths participated in the scheme, while about 15,000 youths from the partner economies came to Hong Kong under the scheme.

### **Employees Retraining Board**

The Employees Retraining Board is a statutory body set up under the Employees Retraining Ordinance. Through about 80 appointed training bodies that operate around 400 training centres, the board provides market-driven training and support to help the unemployed and those seeking job changes re-enter the labour market. People aged 15 or above with up to sub-degree education may enrol on its full-time placement-tied courses, half-day or evening generic skills training courses, and Skills Upgrading courses. The board offers around 140,000 training places annually through its 700 courses across 28 industries. The training and support also cater for the needs of different social groups, including young people, new arrivals, ethnic minorities, people with disabilities and people recovered from work injuries, rehabilitated former drug abusers and former offenders. The board's Love Upgrading Special Scheme, commissioned by the government, offers free training courses and special allowances during the training period.

### **Labour Relations**

The Labour Department provides a voluntary conciliation service to help employers and employees outside the government resolve disputes and claims. It also publicises the Employment Ordinance and promotes good human resource management practices.

The department runs nine industry-based tripartite committees to foster industry-level dialogue and cooperation among employers, employees and the government. These committees, covering catering, cement and concrete, construction, hotel and tourism, logistics, printing, property management, retail and theatre, provide effective forums for members to discuss issues of common concern to their industries.

The department also works with 18 human resources managers' clubs to encourage members to maintain effective employer-employee communication and adopt good human resource management practices in their organisations and sectors.

In 2021, the department handled 48 trade disputes and 11,064 employment claims. In cases where the department provided a conciliation service, more than 70 per cent were settled.

### **Trade Unions**

The Registry of Trade Unions administers the Trade Unions Ordinance and promotes good and responsible trade union management. Once registered, a trade union becomes a body corporate and enjoys immunity from certain civil suits.

During the year, 183 new unions were registered, bringing the number of registered trade unions to 1,542, comprising 1,472 employee unions, 12 employers' associations, 43 mixed organisations of employees and employers, and 15 trade union federations. The yearly average of the declared membership of employee unions over the five years from 2016 to 2020 was about 910,000. During the same period, the trade union participation rate (the proportion of the total declared membership of employee unions to the total number of salaried employees and wage earners) was 25 per cent.

As at December, around 24 per cent of the employee unions were affiliated to three major labour organisations: the Hong Kong Federation of Trade Unions (193 unions), the Federation of Hong Kong and Kowloon Labour Unions (137 unions), and the Hong Kong and Kowloon Trades Union Council (20 unions).

### **Minor Employment Claims Adjudication Board**

This board adjudicates claims arising from disputes of statutory or contractual rights of employment involving not more than 10 claimants in each case. From 17 September, the claim ceiling for each claimant was increased from \$8,000 to \$15,000. In 2021, it dealt with 508 claims and granted awards amounting to \$1.15 million.

### **Labour Tribunal**

The Labour Tribunal is part of the Judiciary. It is a quick, simple and inexpensive channel for adjudicating labour disputes that are not within the exclusive jurisdiction of the Minor Employment Claims Adjudication Board. During the year, 4,278 cases were filed with the tribunal, of which 4,222 were initiated by employees and 56 by employers.

### **Employees' Rights and Benefits**

The Employment Ordinance provides for employment-related benefits and entitlements to employees. Over and above the statutory requirements, employers and employees are free to negotiate the terms and conditions of employment. The government aims to improve employees' benefits and protection at a pace commensurate with Hong Kong's overall socio-economic development, taking into account both employees' interests and employers' ability to afford the benefits.

### **Legal Protection**

In general, children under 15 are prohibited by law from taking up employment. Children aged 13 and 14 may work in non-industrial establishments under strict rules, while young people aged 15 to 17 may work in industrial establishments, subject to restrictions on their working hours.

Labour inspectors ensure employers comply with laws that safeguard workers' rights and benefits. The inspectors also check employees' proof of identity and work with the police and Immigration Department to combat illegal employment. In 2021, the three departments carried out 61 joint operations.

### ***Enforcement against Wage Offences***

The Labour Department takes active steps to prevent wage defaults. It also pursues vigorous enforcement action against employers who fail to pay wages due to their employees, and against employers who wilfully and without reasonable excuse fail to pay sums awarded by the Labour Tribunal or Minor Employment Claims Adjudication Board.

In 2021, the department secured 807 convictions for wage offences and 199 convictions for failure to pay sums awarded by the tribunal or the board. One company director, one company responsible officer and one employer were sentenced to imprisonment for these offences, and another three company directors and one employer were ordered to perform community service.

### ***Protection of Wages on Insolvency Fund***

The fund provides timely relief in the form of ex gratia payments covering outstanding wages, wages in lieu of notice, severance payment, pay for untaken annual leave and pay for untaken statutory holidays to employees affected by their insolvent employers. It is financed mainly by a levy on business registration certificates. In 2021, the fund made ex gratia payments totalling \$113 million to 3,388 applicants and recorded a surplus of \$385 million.

### ***Employees' Compensation***

The employees' compensation regime follows the 'no-fault' compensation principle, whereby compensation is payable regardless of whether the injury, prescribed occupational disease or death is due to the employee's fault. The Employees' Compensation Ordinance covers injury or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. An employer must have a valid employees' compensation insurance policy to cover liabilities under the laws, including common law. Labour inspectors conduct workplace inspections to ensure employers have taken out such insurance.

From 2 July, the ordinance's coverage was extended to employees who sustain injury or die in accidents when commuting to or from work under 'extreme conditions' arising from a super typhoon or other natural disaster of a substantial scale.

The department helps injured employees and the families of deceased employees get compensation from their employers under the ordinance. It helps employees and employers better understand their rights and obligations under the ordinance through talks and wide publicity.

The Employees Compensation Assistance Fund provides assistance payment to injured employees or family members of deceased employees who fail to receive the entitled compensation after exhausting all legally and financially viable means of recovery. The Occupational Deafness Compensation Fund provides compensation for persons employed in

specified noisy occupations who suffer hearing loss as a result of prolonged exposure to excessive noise at work, and financial assistance for hearing assistive devices. Both funds are financed mainly by a levy imposed on all employees' compensation insurance policies taken out by employers.

Pneumoconiosis and/or mesothelioma sufferers are eligible for compensation administered by the Pneumoconiosis Compensation Fund Board under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance. The fund is financed by a levy imposed on the construction and quarrying industries. Those diagnosed to have contracted pneumoconiosis before the ordinance became effective in 1981 may apply for ex gratia payments from the government under the Pneumoconiosis Ex Gratia Scheme.

The Employees' Compensation Ordinance, the Pneumoconiosis and Mesothelioma (Compensation) Ordinance and the Occupational Deafness (Compensation) Ordinance were amended with effect from 15 April, increasing the amounts of 18 compensation items payable in cases involving work accidents or prescribed occupational diseases.

### ***Statutory Minimum Wage***

From May 2019, the statutory minimum wage rate is \$37.50 per hour. The department publicises the Minimum Wage Ordinance widely and labour inspectors visit businesses to ensure employers' compliance with the law.

The Minimum Wage Commission is an independent statutory body established under the ordinance. Its recommendation on maintaining the current rate at \$37.50 per hour was accepted by the Chief Executive in Council in February.

### ***Regulation of Employment Agencies***

The department enforces Part XII of the Employment Ordinance, the Employment Agency Regulations and the Code of Practice for Employment Agencies through issuing licences, conducting inspections, investigating complaints and prosecuting offenders. In 2021, the department conducted 2,048 inspections of employment agencies, prosecuted five non-compliant agencies successfully, issued or renewed 3,466 licences, and revoked or refused to issue seven licences.

### ***Working Hours Policy***

The department engages its 11 industry-based tripartite committees, including two set up specifically to discuss working-hour arrangements of the cleaning services and elderly homes industries, to formulate sector-specific guidelines that will suggest arrangements for working hours, overtime compensation and good working hours management measures for employers and their employees to adopt and apply.

### ***Retirement Protection***

All employees, except those who are not required by law to join a local retirement scheme, receive retirement protection under the Mandatory Provident Fund (MPF) Schemes Ordinance, Occupational Retirement Schemes Ordinance or other statutory pension plans.

In 2021, the government continued drafting legislation and formulating operational arrangements to abolish the practice of employers using their mandatory MPF contributions and other retirement fund contributions to offset their employees' severance and long service payments, and refined the government subsidy scheme to provide more targeted assistance to employers, especially micro, small and medium enterprises, to adapt to the policy change.

## **Entry of Non-locals for Employment**

### ***Professionals***

People who possess special skills, knowledge or experience of value to Hong Kong may apply to take up employment if they have secured a job that cannot be taken up readily by the local workforce and offers a remuneration package broadly commensurate with the prevailing market level. Entrepreneurs, including start-ups, are also welcome to bring capital and expertise to Hong Kong if they can make a substantial contribution to the economy. In 2021, 22,886 applications from people from more than 100 countries and territories were approved.

### ***Students***

Fresh graduates of full-time, locally accredited programmes at degree or higher level may apply to stay and work in Hong Kong after graduation.

Non-local graduates who have left Hong Kong may also apply to return to work in Hong Kong if the job they have secured is at a level commonly taken up by degree-holders and the remuneration package is at market level.

In 2021, 7,259 non-local graduates were approved to stay in or return to Hong Kong for employment.

### ***Supplementary Labour Scheme***

Employers may apply to the Labour Department to import workers to fill vacancies at the technician level or below. All applications are considered on a case-by-case basis. To ensure employment priority for local workers, employers must undertake a four-week open recruitment for each application. The department will then pass the application and its recommendation to members of the Labour Advisory Board for views, followed by the Commissioner for Labour for a decision.

As at December, 5,188 imported workers were working in Hong Kong under the scheme.

### ***Foreign Domestic Helpers***

Foreign domestic helpers may be admitted to work in Hong Kong if they and their employers satisfy the eligibility criteria, subject to immigration control. Employers must offer their helpers the terms of employment stipulated in the government-prescribed standard employment contract, including free and suitable accommodation with reasonable privacy at the employer's residence, free food or food allowance in lieu, wages not lower than the minimum allowable wage set by the government, free passage from and to the helper's place of origin, and free medical treatment.

As at December, Hong Kong had 339,451 foreign domestic helpers. Filipino and Indonesian helpers respectively accounted for 56 per cent and 41 per cent of all the foreign domestic helpers.

### **Occupational Safety and Health**

The Labour Department strives to improve occupational safety and health standards in workplaces through inspection and enforcement, publicity and promotion, and education and training. The overall standards have improved through the years with the concerted efforts of employers, employees, contractors, safety practitioners and the government.

In 2021, there were 30,448 occupational injuries, a drop of 23.7 per cent from the 39,907 cases a decade ago. Over the same period, the number of industrial accidents fell 29.3 per cent from 12,547 to 8,865. There were 534 cases of occupational diseases confirmed in the year.

#### ***Inspection and Enforcement***

The department monitors the occupational safety and health risk levels of various industries, and adopts a risk-based approach to inspect workplaces to ensure compliance with occupational safety and health laws, targeting high-risk activities, such as working at height, and organisations with poor safety records. The department launches special enforcement operations on workplaces and trades that are more risk-prone, such as new construction sites; repair, maintenance and alteration works sites; waste management premises; and logistics, cargo and container handling areas. Enforcement is strengthened in the summer to protect outdoor workers from heatstroke. Inspections on infection control measures have also increased to reduce the risk of COVID-19 transmission at work.

In 2021, the department served 4,080 improvement notices on companies and other organisations, urging them to improve safety conditions promptly, and 986 suspension notices to stop work activities or the use of plant or substances that posed imminent risks of death or serious bodily injury to employees. The department secured 1,887 convictions, resulting in penalties totalling \$15.3 million.

#### ***Promotion and Education***

The Labour Department works with the Occupational Safety and Health Council, other government departments, major trade associations and labour unions to raise awareness of occupational safety and health and the relevant laws among employers and employees in different industries. It produces work safety alerts in the form of animated videos to help the industry understand how some accidents happened and the measures that can be taken to prevent recurrence. In 2021, the department held 1,881 courses, lectures and talks for 91,002 employees.

#### ***Occupational Health Clinics***

The department provides occupational health services to workers at its occupational health clinics in Kwun Tong and Fanling. It held 10,040 clinical consultations with workers in 2021.

### **Occupational Safety and Health Council**

The council fosters awareness on safety and health at work through training, promotion, consultancy, research and information services. In 2021, the council organised over 1,800 courses and seminars for more than 100,000 participants via online or physical classes. The council collaborated with government departments to launch the 'Joyful@Healthy Workplace' campaign and the Mental Health Workplace Charter to promote a healthy workplace and raise awareness on mental health. Over 640,000 workers have benefited from these programmes. The council researches and suggests solutions for the occupational safety and health challenges faced by various sectors.

#### **Websites**

Census and Statistics Department: [www.censtatd.gov.hk](http://www.censtatd.gov.hk)

Continuing Education Fund: [www.wfsfaa.gov.hk/cef](http://www.wfsfaa.gov.hk/cef)

Employees Retraining Board: [www.erb.org](http://www.erb.org)

Immigration Department: [www.immd.gov.hk](http://www.immd.gov.hk)

Interactive Employment Service: [www.jobs.gov.hk](http://www.jobs.gov.hk)

Labour and Welfare Bureau: [www.lwb.gov.hk](http://www.lwb.gov.hk)

Labour Department: [www.labour.gov.hk](http://www.labour.gov.hk)

Occupational Safety and Health Council: [www.oshc.org.hk](http://www.oshc.org.hk)

Security Bureau: [www.sb.gov.hk](http://www.sb.gov.hk)