

Box 5.1**Recent employment situation of new immigrants⁽¹⁾
from the Mainland of China**

The Mainland of China is the largest source of immigrants for Hong Kong. Since the One-way Permit (OWP) Scheme was launched in 1982, a total of nearly 1 million Mainland immigrants have been admitted through this route. In terms of new arrivals from the Mainland, the 2006 Population By-census revealed a figure of 217 100 for those who had arrived and settled in Hong Kong for less than seven years. Among these Mainland arrivals (MA)⁽²⁾, about a half, comprising predominantly middle-aged women, were economically active within the local workforce.

Education attainment of recent Mainland arrivals

In 2006, the 217 100 MA accounted for 3.2% of the total population in Hong Kong. Within this particular group of people, 69% were females, while 68% were aged between 15-64, with the remainder comprising younger ones aged 15 or below.

The data on population of working age⁽³⁾ showed that MA generally were less educated than their non-MA counterpart. The vast majority of MA attained secondary education or below. Only about 8% had post-secondary education, much smaller than the 23% for the entire population.

This notwithstanding, the education profile of MA had witnessed some improvement over the past decade. Reflecting this, the proportion of MA with secondary education or above increased from 70% in 1996 to 77% in 2006.

Table 1: Percentage share of working-age MA by education level

	1996	2001	2006
Primary or below	30.1 (32.1)	32.0 (28.9)	22.9 (25.4)
Secondary	59.2 (52.7)	62.3 (54.7)	69.2 (51.6)
Post-secondary	10.7 (15.2)	5.7 (16.4)	7.9 (23.0)

Note: Figures in brackets denote the respective percentage shares in the whole working-age population.

Participation in the labour force

Of all MA in the working-age population, over half (54%) were economically inactive, comprising mostly home-makers and students. The remainder (46%) participated in the labour market. They accounted for just about 2.0% of the total labour force.

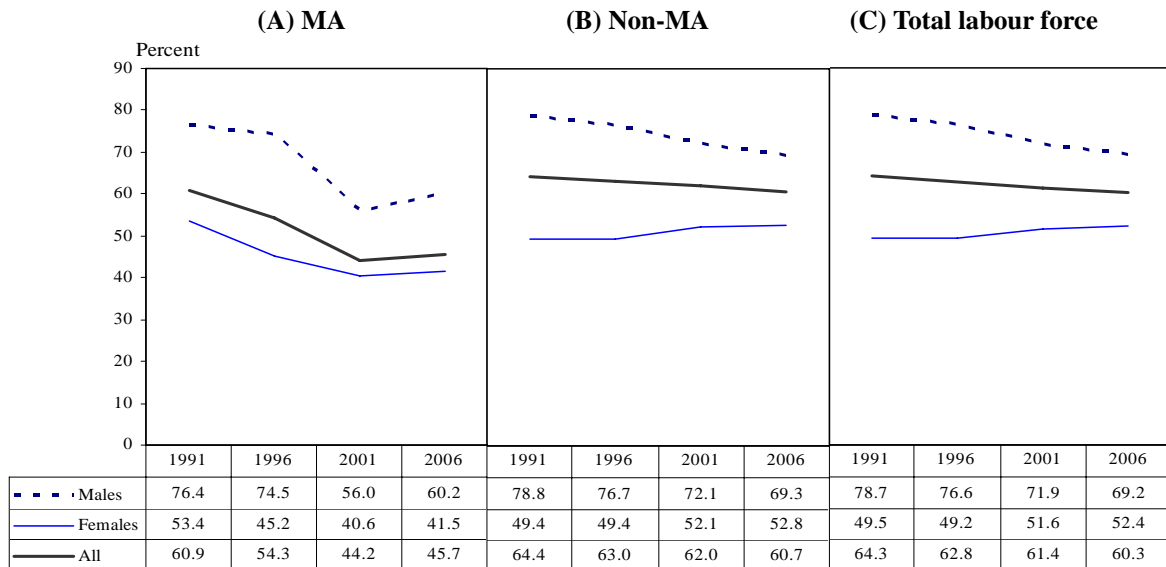
(1) Refer to those Mainlanders who have arrived and resided in Hong Kong for less than seven years and are of Chinese nationality with place of domicile in Hong Kong.

(2) According to the "resident population" approach, Hong Kong Non-permanent Residents are covered only if they are present in Hong Kong at the reference moment of the enumeration. Hence, OWP holders who are not yet Hong Kong Permanent Residents are not covered if they are not in Hong Kong (e.g. temporarily away from Hong Kong) at the reference moment. Unless stated otherwise, all the figures presented hereafter are compiled from the Population Census or By-census.

(3) The figures quoted in the subsequent analysis relate to the population of working age for MA (i.e. persons aged 15 or above).

Box 5.1 (cont'd)

With most of the MA being home-makers and students, it was not surprising that the labour force participation rate (LFPR) for these newcomers was consistently below that for the whole population by a wide margin. In 2006, LFPR for MA was 45.7%, distinctly lower than 60.7% for non-MA and 60.3% for the total labour force. Also worth noting was that the trend of male LFPR for MA largely resembled that for their non-MA counterpart viz. the two LFPRs both declined over the period 1991-2006. Yet for females, whereas LFPR for non-MA went up from 49.4% to 52.8%, that for MA moved down from 53.4% to 41.5% as a greater proportion of the new arrivals comprised housewives and home-makers.

Labour force participation rates by gender**Occupation categories and employment earnings**

Among those MA who were economically active in 2006, 63 900 were in employment. They accounted for 1.9% of the total numbers employed. Most of these people (82%) were engaged in lower-skilled jobs, mainly as service workers and shop sales workers and workers in elementary occupations. The ratios of these two lower-end occupations for MA, at 38% and 32% respectively, were distinctly higher than those for non-MA, at 16% and 19%.

On labour income, the median employment earnings of MA stayed at around \$6,000 both in 2001 and 2006. These were markedly lower than the median figures recorded for non-MA and the total workforce, both at \$10,000 in the two years. Even for some lower-skilled job categories, the employment earnings between MA and non-MA might differ considerably. For instance, the median employment earnings for MA as service workers and shop sales workers, at \$6,400, were 25% below those for non-MA, at \$8,500. Meanwhile, the median employment earnings for MA as workers in elementary occupations were broadly on a par with those for non-MA, at around \$5,000, though.

Impact on overall employment

Generally speaking, MA have been constrained in the local labour market by their lower education and skill levels and limited social network. Nevertheless, the situation can be expected to improve over time, as these newcomers acquire more knowledge and experience and become more integrated into the community.

Given that MA constitute only a minor share of the labour force aggregates in Hong Kong, it seems unlikely that their movements will have too much impact on the overall labour market situation. The occasional allegations in some quarters that the entry of MA has led to a serious worsening in Hong Kong's employment situation are deemed as grossly over-exaggerated.