

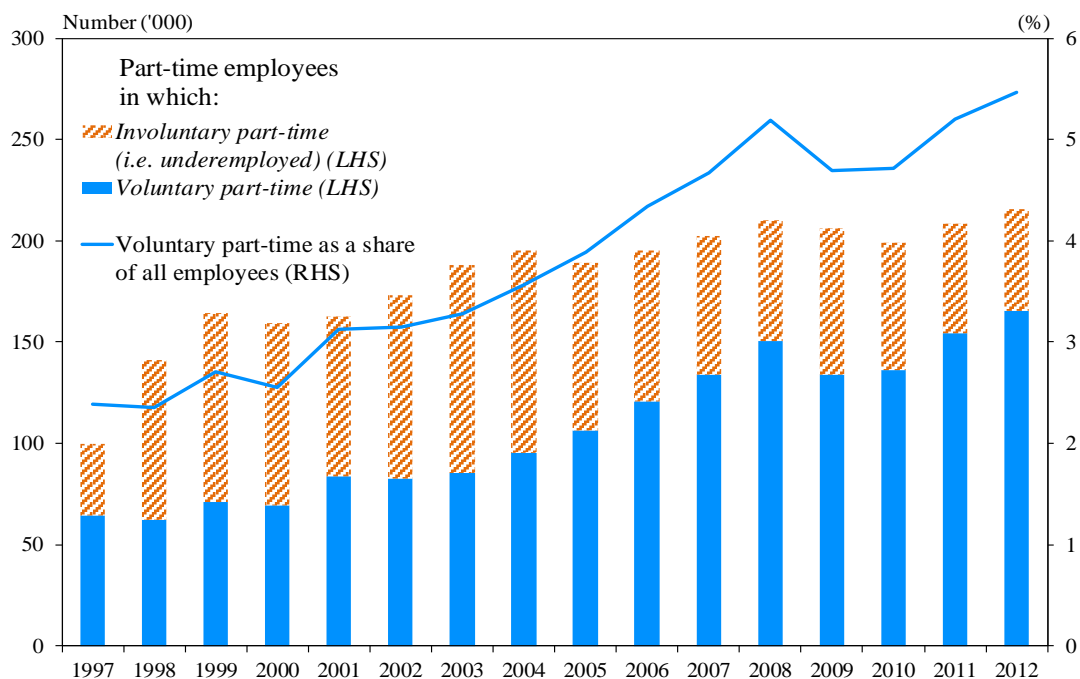
Box 5.1

Part-time employment in Hong Kong

The proportion of part-time employees⁽¹⁾ to total employees in Hong Kong held largely stable in recent years. This notwithstanding, the corresponding proportion in 2012, at 7.1% was actually markedly higher than that of 3.7% in 1997. In absolute terms, the number of part-time employees more than doubled to 215 700 between 1997 and 2012 (up by 116%). This also translated into an average annual growth of 5.3%, as against only 0.8% for all employees.

Some of these part-timers worked fewer hours involuntarily (i.e. underemployed) due to sluggish business conditions or having difficulties in finding full-time jobs, especially when the local economy slackened. **Chart 1** showed that the number of underemployed persons increased after the Hong Kong economy was badly hit by the 1997-1998 Asian Financial Crisis, the subsequent economic downturn in 2002 and 2003, as well as the 2008-2009 Global Financial Tsunami. As the labour market conditions improved, the number of these involuntary part-timers dwindled. It actually hit its post-1997 low of 50 700 in 2012 when the labour market was relatively tight.

Chart 1 : The number and proportion of voluntary part-time employees grew notably over the years



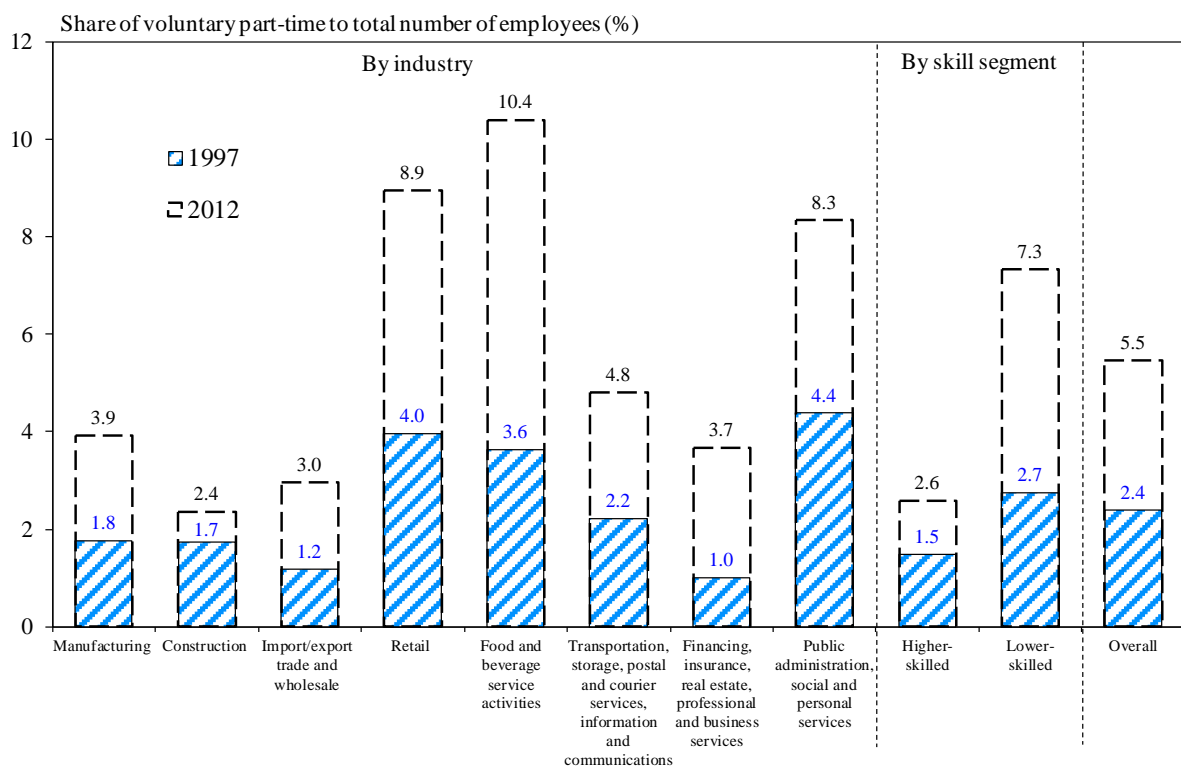
Source : General Household Survey, Census and Statistics Department.

In contrast, the number of voluntary part-timers has been broadly on a visible uptrend. In terms of its percentage share among all employees, the figure jumped from 2.4% in 1997 to 5.5% in 2012. The above observations suggested that, apart from cyclical factors, some underlying structural changes might be at work to make part-time employment more prevalent in Hong Kong between 1997 and 2012.

(1) Part-time employees are defined here to include persons working less than 35 hours during the seven days before enumeration due to reasons other than vacation. All labour statistics in this box article exclude foreign domestic helpers.

Box 5.1 (Cont'd)

From employers' perspective, offering part-time employment represents a more flexible work arrangement in response to the changing economic and market conditions to fit their operational needs. Comparing 2012 with 1997, the percentage share of voluntary part-timers increased across all industries (*Chart 2*), particularly in retail, food and beverage service activities, and public administration, social and personal services. Some industries like financing, insurance, real estate, professional and business services used to hire predominantly full-time workers, with voluntary part-time employees comprising only around 1% of all employees therein in 1997. However, the corresponding ratio went up sharply to around 3.7% in 2012. Mirroring this, the propensity of higher-skilled jobs having voluntarily part-time nature also increased, even though the lower-skilled segment still accounted for over 80% of voluntary part-time jobs in 2012, similar to the situation in 1997.

Chart 2: All industries and skill segments became more prone to hire part-time employees

Note : Statistics in 1997 are based on Hong Kong Standard Industrial Classification (HSIC) version 1.1, while that in 2012 are based on HSIC version 2.0. Industries selected in the above chart are chosen based on the closest classification as far as possible.

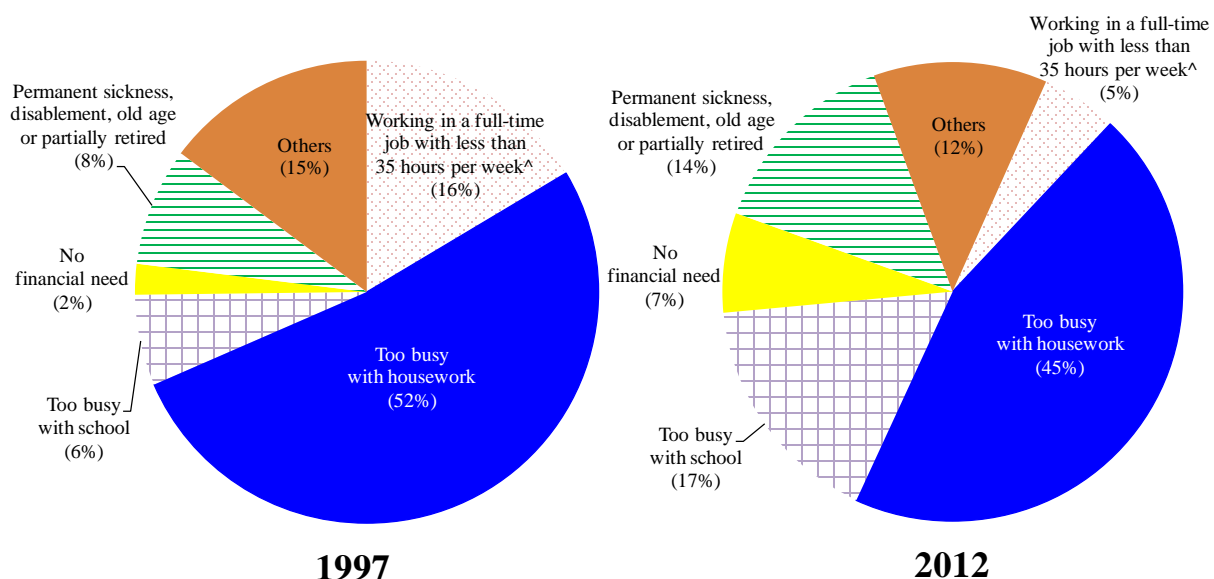
Source : General Household Survey, Census and Statistics Department.

Besides, the manpower requirements of industries like retail, and public administration, social and personal services which tended to hire more part-timers expanded substantially over the years. Between 1997 and 2012, the number of employees in these two specific industries saw robust growth of 40% and 19% respectively, thereby rendering further impetus to the significant increase in part-time employment.

Box 5.1 (Cont'd)

Not only were there more part-time job openings, an increasing number of job seekers likewise preferred to engage in part-time employment. Analysed by the reasons of voluntarily taking up part-time jobs (*Chart 3*), a significant share of employees expressed that they were too busy with housework in both 1997 and 2012. In 1997, around 89% of employees within this category were currently married, working-aged (aged 25-54) women who might wish to find a paid job to supplement their household incomes or to keep up with the society, on top of fulfilling family responsibilities. In 2012, only 68% of respondents citing the same reason belonged to the same age-sex and marital status group, while another 18% were females aged 55 and above. This suggested that the voluntary part-time workforce, which is typically female-dominated, turned more mature over the years.

**Chart 3: Reasons of employees voluntarily taking up part-time jobs
(i.e. employees not available to work for longer hours) in 1997 and 2012**



Notes: (^) Probably due to the specific nature of certain jobs, such as pilots and flight attendants, these employees indicated that they worked in full-time jobs even though they worked less than 35 hours during the 7 days before enumeration. Figures may not add up to 100 due to rounding.

Source : General Household Survey, Census and Statistics Department.

Echoing the above observation, the number of the older (aged 55 and above) voluntary part-timers leaped by almost four folds from 1997 to 2012, far exceeding the population⁽²⁾ growth of this age group (around 60%) over the same period. The proportion of the older group in all voluntary part-timers also doubled from only 12% in 1997 to 24% in 2012. Around half of these older employees cited “permanent sickness, disablement, old age or partially retired” for not working longer hours in 2012.

Conceivably, better income prospects and ample job opportunities could potentially entice older people to join the labour market by taking up part-time jobs. This is observed in recent years when the labour market was tight, as well as after the implementation of Statutory Minimum Wage in May 2011. For example, there were only around 1.5% of the older population taking up voluntary part-time jobs during 2008-2010. The proportion went up to 1.8% in 2011 and increased further to 2.1% in 2012. Nevertheless, it is worth noting that a visibly higher share of older voluntary part-timers (10% in 2012 vis-à-vis 3% in 1997) did not want to work for longer hours as they had no financial need. Apparently, part-time employment has been regarded by these older workers concerned as one of the ways to stay active in the society.

(2) Population refers to land-based non-institutional population which does not cover inmates of institutions and persons living on board vessels.

Box 5.1 (Cont'd)

Meanwhile, although the labour force participation rate of young people (aged 15-24) fell from 47.5% in 1997 to 35.9% in 2012 as a result of enhanced educational pathways, there were more opportunities for young people to combine work with education for paving the way to develop their longer-term career. In 2012, 12% of employees aged 15-24 were voluntary part-timers, up markedly from 2% in 1997. The increased prevalence of such a two-pronged development was also borne out by a notable increase in the proportion of young voluntary part-time employees saying that they were too busy with schoolwork, from 46% in 1997 to 78% in 2012.

All in all, the notable growth in part-time employment over the years was the combined results of market responses to economic and social changes, as well as people's changing attitude towards work. More flexible working arrangements allow workers to have a better balance between work and other activities, and more importantly, work in accord with their preferences. With the labour force expected to start a secular decline amid an ageing population in about 5 years' time, the availability of part-time employment opportunities shall continue to provide more options for people from different social and demographic strata to participate in the local labour market and to contribute to Hong Kong's economic growth.