

# The State of Labour in Hong Kong 2023

## Summary

This report takes stock of recent developments in the labour market, labour laws and policies, labour standards violation, as well as trade union activities and worker's collective actions in Hong Kong.

**Section 2** presents an overview of the city's labour market situations. Suffered from the three-year draconian "zero-COVID" measures and weaker than expected recovery, Hong Kong's economy has yet to return to its pre-pandemic level. Despite the disappointing post-pandemic recovery, the territory's unemployment and underemployment rates eased steadily in 2023. Amid the tightening of the labour market, real wages have started picking up since mid-2022 and surpassed the pre-pandemic level since June 2023. On the other hand, the city's labour force has mildly recovered since the sharpest annual decline recorded in the second quarter of 2022, however in the final quarter of 2023, it was still 5.3% lower than the historic peak. The modest increase in the labour force is in no small part attributable to the influx of some 85,000 migrant managerial and professional workers, around two-thirds of whom came from mainland China, a reverse prior to the COVID outbreak.

**Section 3** reports recent developments in labour laws and policies. Though 2023 saw some improvements for labour market, the progress of workers protection was far from satisfactory. Statutory Minimum Wage was raised to HK\$40 an hour on 1 May 2023, a rate which is still not enough to lift vulnerable workers and their families out of poverty. The Labour Advisory Board agreed to revise the statutory definition of "continuous employment", but the proposed amendment still excludes some part-time employees from full coverage of statutory benefits. The Government finally promised to study the ways to offer some statutory protection to digital platform workers, but preliminary results of the review are not expected until 2026 at the earliest. On the other hand, amid the shrinking of labour force because of ageing, the Government decided to expand labour importation scheme, that will inevitably adversely affect the wages of grassroots workers. The Government also intended to revise the Code of Practice for Employment Agencies with a view to further combatting "job-hopping" among migrant domestic workers, denying them the rights to work of their own choosing.

**Section 4** documents the Government's infringements of the rights to organise and freedom of association. Since the implementation of the draconian National Security Law (NSL) on 30 June 2020, at least 13 trade union activists had been arrested, among them seven had been sentenced to jail and three have been remanded in custody. Former director of the now defunct Asia Monitor Resource Centre **Elizabeth Tang** was arrested in March 2023 for suspected collusion with external elements to endanger national security. Her younger sister, **Marilyn Tang**, who is former Executive Director of the now dissolved Hong Kong Confederation of

Trade Unions (HKCTU) Training Centre, was sentenced to six months imprisonment in December for perverting the course of justice. **Five former executive committee members of the HKCTU and members of several labour groups** were taken away by national security police in a two-day operation less than two weeks after the arrest of Elizabeth Tang. The police also announced on 3 July arrest warrant had been issued against **Mung Siu-tat**, former Chief Executive of the HKCTU and current Executive Director of the UK-based Hong Kong Labour Rights Monitor, accused of violating the NSL and offered HK\$1 million in reward money for information leading to his arrest. The authorities also de-registered the **Hong Kong White Collar (Administration and Clerical) Connect Union** for allegedly violating the Trade Union Ordinance. In addition, **four members of the Construction Site Workers General Union** were fined HK\$6,000 each in August after found guilty of breaching COVID social distancing rules.

**Section 5** discusses trade union activities and worker's collective actions. Amid the fast-worsening political environments, hundreds of trade unions or labour organisations have been dissolved, stopped operations or withdrawn from Hong Kong. A total of 218 trade unions cancelled their registration between 2021 and 2023, and union membership fell by 7.6% in 2022 from three years earlier. With the police's tightening control on civil society activities, worker's collective actions have almost disappeared in the public sphere. A planned Labour Day rally was axed after one of the organisers was taken away by national security police in the early morning on 26 April. Trade union activities in public areas were closely monitored by police, and their high-profile presence had seriously hindered the unions from communicating with workers. Under the authorities' close surveillance, independent trade union's activities were largely confined to those relating to narrow occupational interests.

Looking forward, with local working population shrinking, the role as a "super-connector" between the mainland and the rest of the world fading and the Chinese economy hitting a wall, Hong Kong's medium term economic prospect is rather gloomy, which could adversely impact on the labour market. On the other hand, since the promulgation of the NSL, the Government's crackdown on the city's trade unions has never relaxed. The legislation for Article 23 was hastily passed on 19 March 2024. The provisions of the homegrown national security law will undoubtedly further limit the space for trade union's operation and functioning. Despite all these difficulties, Hong Kong's trade union organisers and labour rights activists have never stopped exploring Fways to break through the current predicament and workers have started organising themselves to defend their own rights. Worker's resistance will never disappear because of worsening socio-political environments.