

grandparents or adoptive grandparents who are of Singaporean nationality and the age of 65 or older.

- Employers or their spouses who are of Singaporean nationality and are living together at an address registered on an NRIC with their parents, adoptive parents, grandparents or adoptive grandparents who are long-term residents and over the age of 65.
- An employer or a member of family who has a disability and who requires the fulltime assistance of a care worker in their daily lives.

Behind this introduction of preferential tax treatment was an increasing demand for elderly care and incentives for family care. This was in response to an increasing number of households with elderly people and a low nursing care level that were having them placed in old people's homes simply because it was the cheapest option, creating concerns over a dependency on facility-based care. As a dependency on facility-based care would place a large financial burden on the government, it needed to take action to reduce the cost of family care (June 10, ST2004)<sup>21</sup>.

In addition, the reason why children

<sup>21</sup> In addition, in 2004 the government raised the minimum age for domestic workers to 23 and set up an English language test for them. Expected rises in wages as a result of labor shortages brought on by these measures meant that the government needed to alleviate the burden placed on employers.

under the age of 12 were included as part of this preferential tax treatment is in part a result of the government's efforts to tackle Singapore's decline birth rates. In addition to the beginning of the system of preferential treatment for employment tax, 2004 saw the adoption of a number of other such measures including the following: an increase in the amount of baby bonus paid to parents to 600 SGD for a second child and 1,000 SGD for a third; extended periods of childcare leave, tax deductions for mothers in cases where grandparents are present to look after their grandchildren; an infant care subsidy for parents who have children between the ages of 2 and 2 and a half years in addition to the traditional infant care subsidy; and child care leave for parents with children the age of 7 or younger<sup>22</sup>. These all formed a system emphasizing married women with children, part of which included preferential tax treatment for employers of foreign domestic workers.

#### **Policies for Foreign Domestic Workers and Care Techniques**

The Singaporean government has placed great effort to improve productivity, and has also emphasized improving the productivity of foreign domestic workers. Productivity is connected with wages. In fact, Singapore's

<sup>22</sup>At present, couples receive 4,000 dollars for first and second children and 6,000 dollars for third and fourth children, which they can receive once annually until the child is 6 years of age. See <https://www.babybonus.gov.sg>. The infant care subsidy for children between the ages of 2 and 2 and a half years is a maximum of 400 SGD a month for working women, and a maximum of 75 SGD a month for non-working women.

immigration control policies are such that the wage levels of workers and visa categories are linked. Among the visa granted to foreign nationals, domestic workers are given permits with the most limited civil rights and the lowest wage levels. As mentioned previously, the government has traditionally emphasized the improvement of productivity with the aim of strengthening international competitiveness, the benchmark of which is skill levels. In order to make the improvement of skills the benchmark, a system of preferential treatment for employment tax is in place for those employers who employ workers who maintain their skill levels, with heavy taxes imposed on those employers whose workers do not maintain skill levels, thus taking on a two-tier system of employment tax (Fig. 4). In other words, we can say that it includes mechanisms for creating incentives to improve training standards and productivity.

While skills are measured through qualifications, in order to cut labor costs, employers needed to either hire a skilled foreign worker or provide workers with chances for education and training to allow them to acquire qualifications. In the majority of cases, training is either carried out prior to the worker's arrival in Singapore or in the form of on-the-job training. Given that it is through qualifications that workers are granted long-term permission to stay in Singapore, skills and civil rights are both very much connected. Considered in conjunction with the functions played by the aforementioned quantitative controls on foreign domestic workers, Singapore's immigration control system has been designed in a way that limits

the employment of unskilled workers and acquires more highly skilled workers, granting them permission to stay on a long-term basis.

The two-tier system of employment tax in accordance with the skills of workers was established in 1991. As shown in Fig. 4, in principle all professions fall under this system.

Greater preferential treatment in respect to employment tax is given to care workers in facilities who have completed on-the-job training and classroom learning prescribed in line with Singapore's curriculum. Thus, as facilities want to encourage foreign care workers to obtain qualifications, many have set up their own attached educational facilities and are capable to provide education<sup>23</sup>. For instance, if care workers obtain an at-home care worker qualification, the term of stay of 2 years that is granted to standard work permit holders is extended to 16 years. Furthermore, those with nursing qualifications from their country of origin can also obtain a nursing license through on-the job and off-the-job training; once they have obtained this, they can then apply for long-term residency<sup>24</sup>. Thus, a characteristic of Singapore is this relationship between skills and amount of employment tax, or skills and citizenship.

Regardless of efforts to encourage high productivity and the following kinds of

<sup>23</sup> In cases where no educational facilities are available, workers receive training at another accredited facility.

<sup>24</sup> While nurses are usually not eligible to apply for long-term residency on the wages they receive, they are one of the professions that are prioritized for the bestowal of long-term residency. This is due to a shortage of care workers and nurses, and reflects a shortage of human resources in medical and welfare departments.

initiatives, such things as the two-tier system of employment tax and the setting of skills in relation to civic rights do not apply to foreign domestic workers. In 2003, the government attempted to improve the “quality” of domestic workers by introducing an English language test and increasing the minimum age for foreign domestic workers. In addition, many Voluntary Welfare Organisations (VWO) hold workshops on family care, which foreign care workers are also able to participate in, but these do not have any system of preferential treatment for employment tax.

The focus of care in Singapore is family care. In very few cases does the government provide direct services; rather, welfare services are often provided by VWO through the coordination of the National Council of Social Service, with VWO also providing programs for improving family care skills. At present, there are 16 VWO providing 103 programs, with workshops on caring for specific conditions, such as people with intellectual disabilities or muscular dystrophy, thus providing training for a diverse range of family care needs. Domestic workers are also eligible to take these programs for training providers of family, and can also make use of subsidy systems. However, in contrast to other professions, those who complete these programs are not eligible for a reduction in employment tax. The intent behind this is as follows. First, it encourages households that have specific care needs in the form of elderly people the age of 65 or older, children under 12 and those with disabilities to hire foreign domestic workers through the system of preferential treatment for

employment tax. Second, as opposed to other professions, there are no systematized incentives for obtaining skills through employment tax. This indicates that the “high productivity” or “quality of labor” of unpaid work – in this case care that is undertaken within the intimate sphere – is not recognized. At the same time it also means that this is a system for care workers rather than recipients of care. Therefore, although the employment of domestic workers contains aspects of welfare policy from the perspective of securing care workers, its chief aim is basically amounts to nothing more than a means of alleviating the burdens on working women through externalization. According to an interview with the Ministry of Manpower, the introduction of skill requirements for domestic workers is not something that is under consideration<sup>25</sup>.

A characteristic of Singapore is that it has substantially linked foreign domestic workers not only to employment policies but also in population policies, and that it has provided a means for externalizing domestic work through the bestowal of optional incentives in the form of preferential treatment for specific attributes. Therefore, the domestic work market has by no means been left entirely to market principles but has been formed based on intervention, mainly in households with married working women (highly educated and in the high income bracket) with children and, in recent years, households with elderly or disabled members. The government’s policies on foreign domestic workers have asserted the

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<sup>25</sup> From an interview with the Ministry of Manpower (August 2007). At the time of writing,

strengthening of international competitiveness and high productivity, but since the 2000s have also come to emphasize care in order to meet its increasing demand. This is closely linked to its policy of “familization”, the intention behind which is to both encourage women into the workplace and at the same time secure sufficient numbers of care providers. However, despite being closely linked to care, there are no tax incentives in respect to the skills of workers and the quality of care has not been internalized within at the systematic level.

### 1 – 3. Hong Kong

Hong Kong is smaller than the main island of Okinawa, having an area of 1,100 km<sup>2</sup> and a population of around 7 million people, and is home to 300,000 foreign domestic workers, roughly equal to the population of Naha City. There are also an estimated 25,000 female domestic workers of Hong Kong nationality (Census and Statistics Department 2001), with calculations suggesting that over 10% of households employ a domestic worker. Hong Kong, in the past as a British colony, has relied on the Chinese mainland for labor during the course of its industrialization, which is why there are many immigrants of mainland origin in Hong Kong. While the hiring of domestic workers was prohibited under British colonial rule, people of this kind were also from the Chinese mainland. However, in 1978 the authorities decided to introduce foreign domestic workers from the Philippines and other Asian countries. This was also to encourage skill requirements have yet to be introduced.

women into the workplace. In 1997, Hong Kong’s reinstatement to China enabled a flourish of people to come and go between these two locations, with many people now having gained the right of residence. While the definition of foreign domestic worker does not include immigrants from the Chinese mainland, the ratio of mainlanders working as domestic workers is thought to be around half that of Hong Kong nationals (Asato 2005).

As with the examples of Taiwan and Singapore, in Hong Kong the employment of domestic workers is deeply connected with care. A look at the attributes of employers of foreign domestic workers shows that approximately one quarter of households with five or more members and around one third of households with a monthly income of over 50,000 Hong Kong dollars (HKD) employ a foreign domestic worker, thus showing a relationship between the number of household members and level of income with the employment of foreign domestic workers. As will be discussed later on, those households with children or elderly members are more likely to employ foreign domestic workers; further, when examining certain sectors of society, we see an increase in the employment rate for domestic workers.

The characteristic of policies on foreign domestic workers in Hong Kong are as follows. First, while Taiwan is characterized by granted priority for work permits to households with members who are dependent on care and in Singapore to households with married women, with elderly members or with children under 12 years of age through a system of tax incentives, Hong Kong does not target certain sections of

society in this manner. While it shares the goal of supplementing domestic work in order to support the continuation of work among women, it does not have any significance other than this, having adopted policies that are relatively “neutral”. Having said this, Hong Kong, too, has the structures that are profoundly related to care in response to its increasingly aging population.

Second, the logic of human rights has been relatively successful in Hong Kong. In contrast to Singapore, which has not applied labor laws, and Taiwan, which has been unable to introduce domestic service laws to replace basic labor laws, Hong Kong has been able to focus efforts on utilizing standardized contracts and preventing the exploitation and abuse of domestic workers, in addition to applying labor laws (Constable 1997, Asato 2001, HKSAR 2009). The working conditions of domestic workers in Hong Kong are better than those in Taiwan and Singapore. It is significant to see the case of Hong Kong when we explore how domestic work in Asia can establish itself as decent. Third, Hong Kong has experience of competition in the labor market between domestic workers of Hong Kong nationality and foreign domestic workers becoming a social issue. In Hong Kong, which has high levels of immigration, 50,000 immigrants from the Chinese mainland arrive in Hong Kong each year to receive the right of abode. The majority of these people are not the highly-skilled personnel accepted on a selective basis of the kind seen in Singapore, but include many from economically-disadvantaged backgrounds. The securing of employment for these immigrants is a major challenge for the Hong Kong

government, and the idea has been discussed of a “switchover” with the approximately 300,000 foreign domestic workers in Hong Kong by training domestic workers of Hong Kong nationality. The domestic work market in Hong Kong is separated into two major groups. The first group consists of foreign nationals who do not have the right of abode obtaining a short-term working visa of two years and working on a live-in basis, while the second group is comprised of Hong Kong nationals, whom we can then subdivide into those who were born in Hong Kong and those who were born on the Chinese mainland and came to Hong Kong as immigrants. Many mainlanders who come to Hong Kong obtain long-term residency; in most cases, these people form families, are free to choose their occupations and find Hong Kong similar to their attributes both linguistically and culturally. Thus, the domestic work market is broadly separated into two groups from the perspectives of right of abode, ethnicity, and linguistic and cultural proximity. However, what kinds of relationships exist between these two groups?

#### **Segmentation of the Domestic Work Market – The Formalization of Domestic Workers of Hong Kong Nationality and the Switchover with Foreign Workers**

In Hong Kong, since the 1997 economic crisis in Asia, unemployment has become a major social issue. The unemployment rate, which was between 1% and 2% at the beginning of the 1990s, rose sharply from 1998, reaching a recorded 6% in 1999. However, at the

same time there was an increase in immigrants from China with the right of abode in Hong Kong, raising concerns that they would have a negative impact on the economy. The Hong Kong government aimed to create employability among the unemployed by supporting skills development. To this end, they introduced a wide ranged vocational training system. Based on the Employees Retraining Ordinance, from 1992 the government started running the Employees Retraining Scheme. In respect to domestic workers, the government and the China-oriented Federation of Trade Unions (FTU) proposed placing immigration restrictions on 200,000 foreign domestic workers and training human resources within Hong Kong so as to create jobs for unemployed Hong Kong nationals.

In 1999, the Employment Retraining Bureau standardized curriculum modules relating to domestic work based on a survey on trends in consumer demands, and put in place the Course for Standardized Domestic Worker Training<sup>26</sup>. In addition to creating a formalized domestic work market, these kinds of initiatives also served to formalize and make visible those domestic workers of Hong Kong nationality who lived poor existences within informal domain. This included the development of modules in response to demand, the standardization of qualifications and vocational training, work placements, and the development of a system for providing a range of allowances. In addition, it also brought in aspects that helped create a

safety net for immigrants from the mainland, a certain number of whom had a low level of education and fell within the low income bracket – in particular, providing job seekers' support and income compensation for middle aged female immigrants – and thus gave rise to high expectations that this would have a ripple effect in developing a labor market<sup>27</sup>.

However, while a vocational training system such as this would require vast amounts of funding to bring it up to a satisfactory standard, at the same time poor economic conditions brought about a worsening of the government's financial situation. According to the 2003 budget proposal, there was expected to be a budget deficit of 70 billion HKD and a need to implement wide-ranging fiscal reforms; thus, the raising of funds for vocational training became something of an issue. As part of its fiscal reforms and so as to raise funds for vocational training, in 2003 the government decided to go down the same road as Taiwan and Singapore and impose an employment tax on employers of foreign domestic workers. So as to avoid placing a burden on employers, in return for levying a monthly tax of 400 HKD on employers, the minimum wage for domestic workers was lowered to 400 HKD. As with increases to employment tax, pay cuts for public sector workers and reductions to welfare budget, this was all part of the government's fiscal reforms; however, there was a strong backlash among employers of domestic workers, as reforms appeared to be imposing the burden for

<sup>26</sup> LegCo "LegCo Panel on Manpower", LC Paper No. CB (2) 227/00-01, 13 October, 2000. Replies to written questions, LegCo questions No.6, 10 April 2002.

<sup>27</sup>The training of domestic workers of Hong Kong nationality has created expectations for providing better domestic services in terms of linguistic and cultural proximity.

fiscal reconstruction on the middle classes. Not only this, but there was also a strong backlash among domestic workers, with around 10,000 people taking part in a demonstration. The reforms imply the following premises: the portion cut from the wages of foreign workers would form a source of revenue for the government's vocational training program, and the revenue for the training of Hong Kong nationals as domestic workers – who it was predicted would become competitors in the labor market – was secured by reducing the minimum wage for foreign domestic workers. Thus, the reforms were meant to work by subsuming domestic workers while excluding foreign workers.

#### **A Segmented Domestic Work Market**

While the statistics are not clear on how many domestic workers of Hong Kong nationality there are, as of the end of 2000 there were an estimated 25,000 workers. As opposed to live-in foreign domestic workers, the majority of Hong Kong nationals commute to work, with 70% working on a part time basis and 30% on a full time basis (Census and Statistics Department 2001). Furthermore, most have a primary or secondary education, with around 40% having undergone education on the Chinese mainland (Asato 2005).

What kind of reception have domestic workers of Hong Kong nationality met with? According to an Employment Retraining Bureau survey, while there was a high degree of satisfaction with domestic workers of Hong Kong nationality, around 30% of employers had issues with workers' cooking skills. Also,

despite extensive job offers for domestic workers of Hong Kong nationality, another issue was the lack of success in matching employers with workers. This was due to a lack of compatibility between both parties in respect to working hours (government press releases, February 27/April 20, 2002 etc.). While many employers want domestic workers of Hong Kong nationality to prepare meals for them and look after their children, these workers live elsewhere and commute to their workplaces, and thus also need to attend to their own family affairs. Therefore, given that the much in-demand tasks of preparing evening meals and looking after children later on in the afternoon happen to coincide with the times that they have to take care of their own household chores, domestic workers of Hong Kong nationality tend to have unfavorable working times. In other words, it was found that domestic work as unpaid work is given priority over domestic work as paid work and poses a challenge to the development of a domestic work market. Another challenge in developing this market is that as the low-income residential areas where many domestic workers live are different from the residential areas of employers, the transportation fees are not worth it compared to wage levels.

In an attempt to solve these issues, in 2003 the government contributed 60 million HKD and introduced the Special Incentive Allowance Scheme for Local Domestic Helpers. This is separated into two categories: a long distance work travel allowance and a nighttime/early morning work allowance. The long distance work travel allowance is a travel

allowance arising from the fact that employers and workers do not live in the same area, while the nighttime/early morning work allowance is an allowance for work carried out at time when domestic workers of Hong Kong nationality do not want to work, irrespective of the high demand for work. The designated time period for this allowance is 5:00 pm to 9:00 am, which is defined as “unsocial hours”, with workers provided with 50 HKD a day to work during these times.

These two allowances represent well the characteristics of a domestic work market formed through workers of Hong Kong nationality. The long distance work travel allowance signifies geographic spatial constraints in the form of different residential areas depending on socio-economic status, while the latter signifies temporal constraints. In particular, it is important for women with children to have a workplace that is in close proximity to where they live (Wong 1980: 44).

According to the Employment Retraining Bureau survey, the content of the work of domestic workers of Hong Kong nationality consisted of the following temporally constrained duties: cleaning (88.6%), preparing evening meals (26.9%), ironing (25.7%), and shopping (17.1%) (Employees' Retraining Board 2002). The survey indicated very little in the way of care work, with 7.8% childcare, 6.8% infant care and 2.1% elderly care.

In this respect, foreign workers are free from these constraints. This is because they are away from their home countries and the center of their lives, and are thus free from reproductive labor other than their own. Rather,

it would not be going too far to assert that the essence of migrant labor is that it forms a system that makes it possible for laborers to dedicate themselves to the reproductive labor of others through freedom from their own reproductive labor, and that it is the immigration process in the form of recruiting methods and employment contract that give rise to these kinds of workforce characteristics.

Full-time live-in foreign domestic workers that are not limited temporally are able to take on all aspects of domestic work, including housework, and care (including child care). From another survey, we can get a sense of just how big a role foreign domestic workers play in regard to care in the following ways. Among households that employ foreign domestic workers, 61.2% had children the age of 12 or under, 30.4% had elderly members the age of 60 or older, and 16.2% had members with special care needs, such as disabled people. In contrast, among those households employing domestic workers of Hong Kong nationality, the rate of households with children the age of 12 or under, elderly members or members with special care needs was far lower compared with households that employ foreign domestic workers, at 34.5%, 26.3% and 14.0%, respectively (Census and Statistics Department 2001). In other words, we can state that households employing foreign domestic workers are those that have members who require care. As will be discussed later on, local domestic workers of Hong Kong nationality are largely expected to carry out other domestic work rather than care.

Let us now examine care needs and



the employment of domestic workers from a different angle. In an extremely high number of cases, foreign domestic workers were employed in households containing members who require special care, such as disabled people. Out of all the households in Hong Kong with disabled members, 23.4% - around one quarter - employed a foreign domestic worker. Likewise, out of all the households in Hong Kong with children the age of 12 or under, 16.4% employed a foreign domestic worker, as opposed to only 1.3% for domestic workers of Hong Kong nationality. In regard to households with elderly members the age of 60 or older, out of all the households in Hong Kong, 7.8% employed a foreign domestic worker and 0.9% a domestic worker of Hong Kong nationality. From the above, we see that the percentage of households containing members who require special care, such as disabled people, and households with children the age of 12 or under hiring foreign domestic workers is extremely high. In other words, foreign domestic workers are employed in locations with high care needs, while domestic workers of Hong Kong nationality are engaged in work with few temporal constraints.

Let us now examine the reasons for hiring domestic workers. Respondents to the survey employing domestic workers of Hong Kong nationality stated their reasons as follows: easy to communicate with (34.7%), more reliable (18.9%), and low wages (18.4%)<sup>28</sup>. Meanwhile, those employing foreign domestic

workers stated their reasons as follows: low wages (53.8%), good working times (28.0%), more diligent (20.2%), and more obedient (18.0%). The reasons why both set of workers are believed to be cheap to hire differ in the following sense. While domestic workers of Hong Kong nationality have a higher hourly rate than foreign domestic workers, the overall wages paid are low because workers are able to work part time and can be employed for short hours. In contrast, however, foreign domestic workers are able to work longer hours but at a lower rate. In other words, foreign nationals are the preferred choice for providing care in that their hours are flexible and they are cheap to hire. It would seem that this kind of difference is reflected in the awareness of employers as well, and 47.1% of employers of foreign domestic workers stated they felt that domestic workers of Hong Kong nationality were unable to perform the jobs that they required (Census and Statistics Department 2001). While the government initially expected that its aim of training domestic workers as a way to create jobs for unemployed women would lead to a switchover with foreign workers, they concluded that the labor market was clearly segmented between domestic workers of Hong Kong nationality and foreign domestic workers. Once they had recognized this, they were then in a position to commence training for domestic workers. The funds for vocational training that they raised by lowering the minimum wage for foreign domestic workers were subsequently withdrawn, and the relationship between both groups was revised from one of competition to one of complementarity.

<sup>28</sup>However, we need to bear in mind the fact that, according to these figures, the number of domestic workers of Hong Kong nationality accounts for only one tenth of foreign domestic workers.

### Regarding Expertise

In Hong Kong, of the 39 billion HKD annual expenditure of the Social Welfare Department aimed at those in need of support, including the elderly, the disabled, women, children, young people, refugees, and reformed criminals, cash benefits account for 71%, subsidies for the provision of other services 21%, and the remainder for other uses. While cash benefits currently account for the overwhelming majority of expenditure, efforts are gradually being made to provide community services. Despite the presence of many old people's homes in town, the government is striving to make inroads with promoting the uptake of family care in society. There are 1.13 million people the age of 60 or older in Hong Kong, corresponding to 16% of the total population (Census and Statistics Department 2009). Among these, there are 58,000 people who live in care facilities, including government-subsidized housing for the elderly. In addition, we also see a considerable number of people who have been "socially admitted" to hospital, with the Integrated Discharge Support Trial Programme for Elderly Patients having been set up to help patients of this kind. Here, too, we see efforts aimed at highlighting the importance of family and community care. A high ratio of cash benefits in Hong Kong means a high procurement of services on its market, which also means just how important the role of domestic workers really is, irrespective of nationality.

While we do not see any initiatives

aimed at introducing qualification requirements or training for foreign domestic workers, the Employment Retraining Bureau has made efforts to meet the needs of Hong Kong's unemployed by helping them establish expertise in care through vocational training. According to this department's Smart Living Plan, they provide standardized curricula and possess evaluation standards not only for domestic care but also in such fields as massages, postnatal care, baby/childcare, and elderly care<sup>29</sup>. These kinds of initiatives form part of the government's work fair policies<sup>30</sup> for improving the skills and incomes of the many low-income domestic workers in Hong Kong; at the same time, it is also recognized as being part of a move to differentiate from foreign domestic workers.

In Taiwan and Singapore, incentives for hiring foreign domestic workers are institutionalized in the form of reduced employment tax or tax deductions. In Hong Kong, too, an employment tax was introduced in 2003, the uses of which were allocated solely to domestic labor policy. Later, in 2008, the imposition of employment tax was suspended until 2013 with the aim of moderating inflationary pressures and consolidating the

<sup>29</sup> See the Employment Retraining Bureau website.

[http://www.erb.org/smartliving/en/service\\_certificate.php](http://www.erb.org/smartliving/en/service_certificate.php)

<sup>30</sup>Legislative Council of the Hong Kong Special Administrative Region document (July 11, 2006).

[http://www.legco.gov.hk/yr04-05/english/hc/sub\\_com/hs51/papers/hs510718cb2-2727-01-e.pdf](http://www.legco.gov.hk/yr04-05/english/hc/sub_com/hs51/papers/hs510718cb2-2727-01-e.pdf), or Commission on poverty (2005) "Assisting the Unemployed: Welfare-to-Work" which can be accessed through the following link, [http://www.cop.gov.hk/eng/pdf/CoP%20Paper%2019.2005\(e\).pdf](http://www.cop.gov.hk/eng/pdf/CoP%20Paper%2019.2005(e).pdf)

fiscal balance of the Employment Retraining Bureau (Audit Commission 2011)<sup>31</sup>. However, this does not mean that the training of domestic workers of Hong Kong nationality has also been suspended. Rather, the general tendency in this case has been an intensification of efforts at training these kinds of human resources as part of a work fair under employment and poverty countermeasures. It is possible that this is linked with the employment of domestic workers resulting from an increasing need for elderly care and the high ratio of cash benefits that are currently being paid out (Public Policy Research Centre, Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong 2008).

From the perspective of users, Hong Kong's domestic work market is characterized by its flexibility. A number of choices, from live-in full time foreign nationals to commuting part time Hong Kong nationals, along with a diverse system of qualifications, give employers a diversity of options for selecting a worker who meets their criteria. This diversity of options for procuring services from the market has the potential to make this a substantial alternative to welfare policies. One of the reasons for market failure lies in methods of distribution that do not allow for the procurement of services among those with low income<sup>32</sup>. However, if a flow can be put in place in which users purchase a range

of domestic services through cash benefits, the role of the government will become consistent as a regulator of income and the market.

The cost of employing foreign domestic workers consists of the minimum wage of 3,920 HKD plus other costs (as of 2012); thus, only those who fall within certain income brackets can afford this. Furthermore, there are income limits for employers hiring foreign domestic workers, meaning that it is not easy for those in lower income brackets to hire them. However, in the 2000s, the Hong Kong government proposed a law that made it possible for those with disabilities on low incomes to hire foreign domestic workers through government benefits. Therefore, this policy of linking cash benefits with the purchasing of services – in other words, the principle of services coming from the market – should hold true in Hong Kong with its high ratio of cash benefits, even considering Hong Kong's high dependency on such services, to begin with.

## Conclusion

While until now we have examined foreign domestic workers and family care in three different regions, this section concludes by examining some of the things they have in common. The reason why domestic work was externalized to foreign women rather than natives of the countries in question was due to an increasing labor demand, lack of a surplus work force resulting from the process of industrialization, and the mobilization of each nation's female work force being one solution to over 15,000 HKD.

<sup>31</sup> The decision was made to suspend the imposition of employment tax until 2013. Thus, the Employment Retraining Bureau continues to run on the disposition of previous funds. Accessible at the following link, [http://www.aud.gov.hk/pdf\\_e/e57ch02.pdf](http://www.aud.gov.hk/pdf_e/e57ch02.pdf)

<sup>32</sup> It would not be possible to hire a foreign domestic worker without a household income of

this. From the perspective of the nation, the increasingly widespread employment of domestic workers was considered a result of the demands of economic growth which causes more and more women to join the work force. For those involved, it was a means for educated women to continue working. It is certainly the case that the employment of domestic workers contributed to more women joining the work force. In the example of Taiwan, around 54% of women were enabled to work through hiring a domestic worker; when looked at from the perspective of the degree of contribution to the labor force participation rate of women, we get the far from negligible figures of 13% for Singapore and 9.3% for Hong Kong. However, these were not achieved through changes to the division of labor by gender role. Thus, inquiries into stratification through ethnicity/nationality, stratification in domestic work and stratification within women have all been overlooked.

The roles expected of domestic workers include the provision of elderly care, thus also giving a sense of how welfare policies are lagging behind. Just because these countries have young population compositions does not mean they will work for the enrichment of welfare policies only based on their increasingly aging populations. Although some point to the driving force of welfare populism as being a common denominator in Asia, when looking at the increasing numbers of domestic workers we get a sense of the potential for reinforcing welfare supply functions within the family based on or using familial models. In this sense, the course of events since the introduction of foreign domestic workers has been path

dependent in nature at the same time as having institutional integrity for realizing the future externalization of care within the family. The fact there has been no decline in the number of foreign domestic workers shows just how much this has been sustained by a strong sense of preference. In other words, we see rather that defamilization is a trend towards the externalization of domestic work through a strengthening of the family unit.

Despite these structural commonalities, differences have also emerged between these three regions. Taiwan's prerequisite for employment permits continues to be narrowed down to households with members that are dependent on care; Singapore grants preferential tax treatment to households with married women with children, elderly members, or children the age of 12 or under; and Hong Kong retains institutional neutrality through its emphasis on the training of domestic workers of Hong Kong nationality. In the sense that it emphasizes prerequisites for granting employment permits to those that are dependent on care, Taiwan's stance contains nuances of welfare in the form of the supply of services to those that are dependent on care. On the other hand, Singapore gives most emphasis to female employment, thus containing nuances tinged of labor policy in the form of reducing domestic work for certain women. Differences of this kind are due to the institutional difference of whether or not they will include elderly care into accepting domestic workers, which started out as a labor policy.

With rapidly aging populations becoming a social issue, the demand for foreign domestic workers that are permitted to work for

long hours is increasing in all of these countries. If we consider the fact that, in addition to increasing numbers of workers, there is also a high degree of preference for these workers and that hiring them is in line with the familial models of these countries, it will be difficult to substitute domestic workers for welfare services. Hong Kong is a typical example of this, in which differences in the working condition between workers of Hong Kong nationality and foreign nationality have led not to a relationship of competition but to one of complementarity. In other words, through analogical inference, we can conceive that even if home helpers who commute to work are introduced, it will have little impact on the hiring of foreign domestic workers.

While it is clear that in all three regions, domestic workers play an essential role in providing care for the elderly and disabled,

the skills needed for care that involves medical procedures have been overlooked. In addition, the fact that they are dealt with in a different manner to foreign workers in institutions shows us how foreign domestic workers are treated as an extension of the family. The non-application of labor laws and the lack of skill requirements are built on the premise of intimate social relations within the family; however, those who externalize the role of the family in welfare will need to have established positions as workers, and will at the same time need to internalize the requisite skills within migrant workers. Insufficient care does not only mean a lack of care providers but also refers to a lack of people with the skills needed to provide elderly or disabled care, or to help them maintain their quality of life and provide them with everyday support.

Fig. 1 – Ratios of social security spending from annual government expenditure

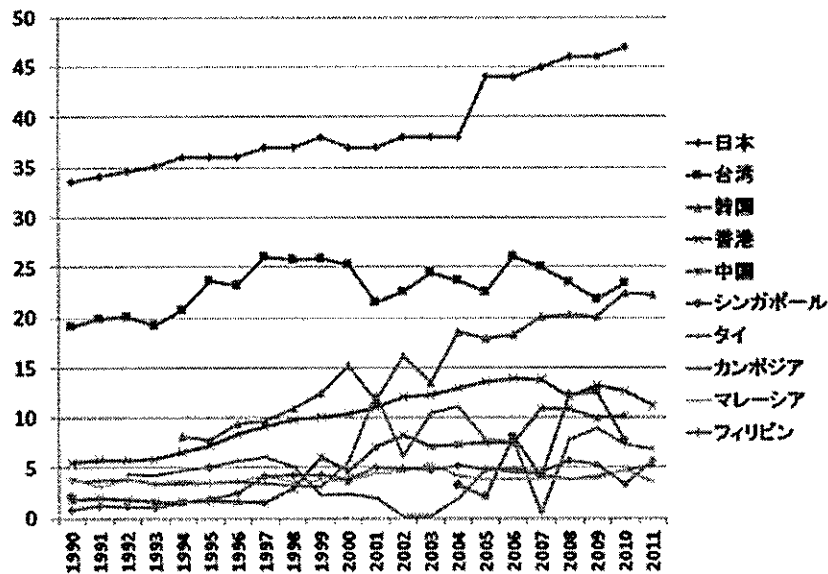


Fig. 2 – Numbers of foreign domestic workers (resident post)

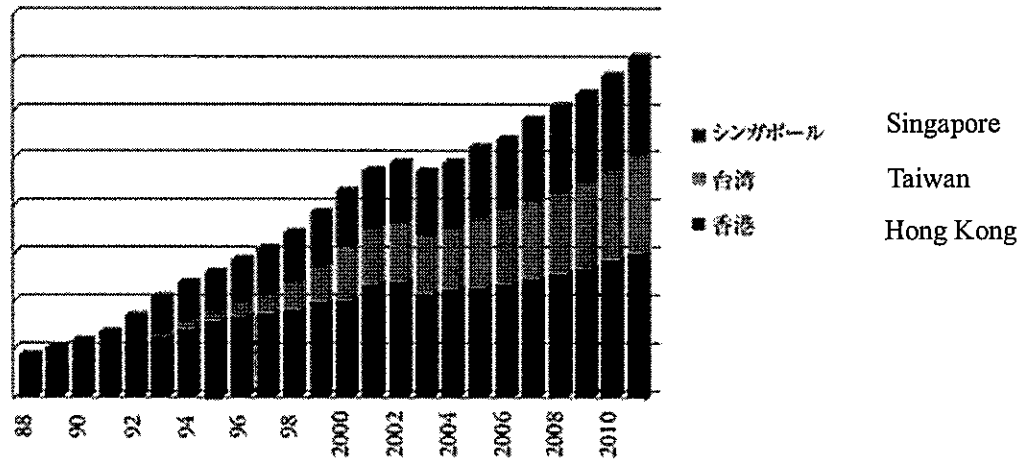


Table 1 – Overview of Taiwan, Singapore and Hong Kong

	Hong Kong	Taiwan	Singapore
GDP per person's (PPP) >	49,300	37,900	59,900
Adjusted purchasing power parity (2011) >			
Area >	1,104	35,980	697
Population (1,000,000 people) >	7.065	23.12	5.077
No. households (100,000) >	2.31	7.94	1.15
Population aging rate >	12.7	10.9% (2011 予測)	9.0
No. foreign domestic workers >	300,000	200,000	200,000
Female labor force participation rate (2010) >	51	49.62 (2009)	56.7
Ratio of households that employ a domestic worker >	0.107	0.024	0.174

Sources: Population statistics were taken from World Economic Outlook Database, <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>.

No. households in Singapore were taken from Singapore Government Website, <http://www.singstat.gov.sg/stats/keyind.html>

GDP per person/Area were taken from CIA-The World Fact Book, <https://www.cia.gov/library/publications/the-world-factbook/>

Female labor force participation rate/ Population aging rate: Accessible from data.un.org (Accessed: May 25, 2012).

Data on Taiwan obtained from the relevant government ministry websites of the Taiwanese Government.

Fig. 3 – Transitions in foreign domestic worker numbers in Taiwan

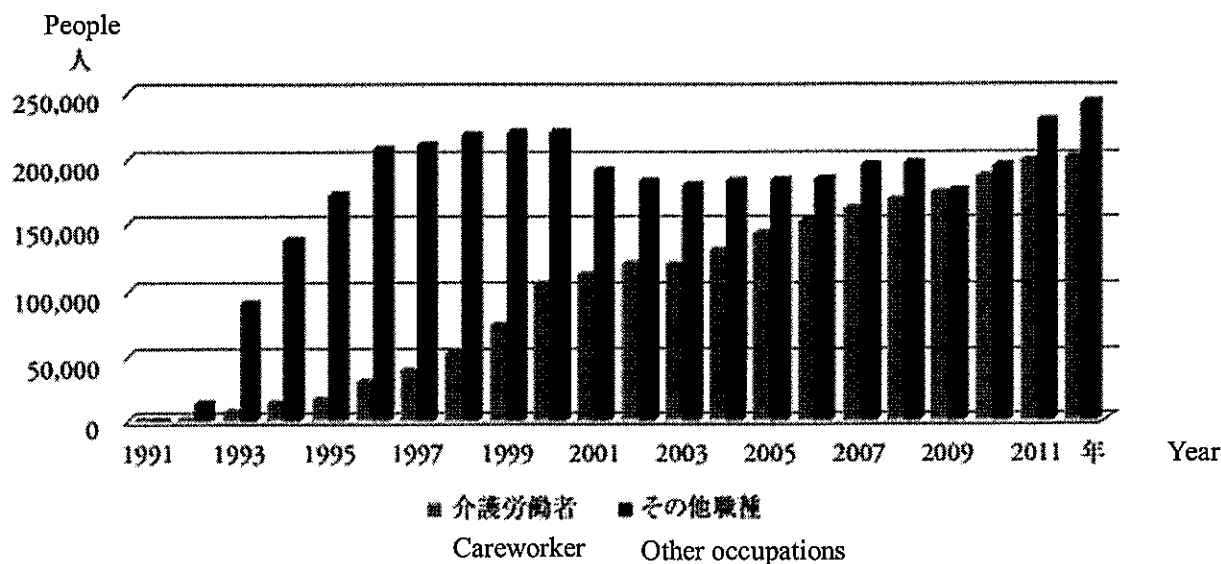
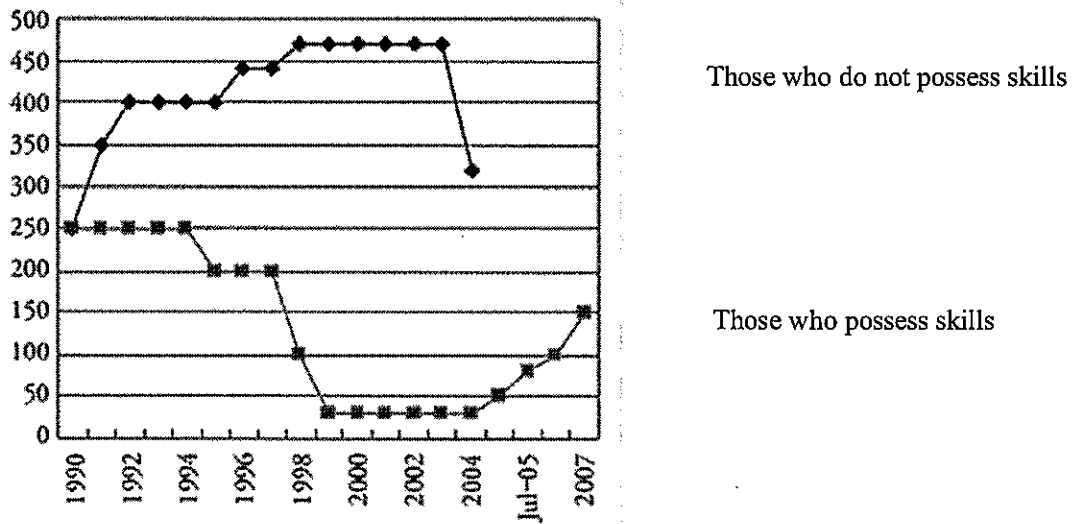


Table 7-2 – Breakdown of pre-arrival costs for Indonesian at-home care workers in Taiwan (2007, NTD)

	Amount (NTD)	% of total
Recruitment fee	1923.1	2.7%
Passport fee	461.5	0.7%
Medical examination	1826.9	2.6%
Lodgings and training expenses	15730.9	22.3%
Licensing examination and pre-flight training	615.4	0.9%
Visa fee	2411.6	3.4%
Labor insurance fee	1538.5	2.2%
Taxes	530.8	0.8%
Flight ticket	8138.5	11.5%
Aviation taxes	384.6	0.5%
Moving expenses	384.6	0.5%
Brokerage fees (Taiwan)	15840.0	22.5%
Interest	8000.0	11.3%
Fees	12758.0	18.1%
	70544.5	100%

Source: From a written oath of an employment treaty.

Fig. 4 – Changes to employment tax in the construction industry



Source: Asato and Nakae (2008) P.184 Table 3-82

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