Commission on Strategic Development Committee on Social Development and Quality of Life

Council for Sustainable Development Public Engagement Process on Priority Area of Population Policy

Purpose

This paper invites Members to note the work of the Council for Sustainable Development (SD) on the public engagement process on the Priority Area of Population Policy, and to offer views on the working draft of the Invitation and Response (IR) document to be published for the engagement exercise.

Background

2. The public engagement process of the Council for SD is a broad-based, inclusive and transparent process to engage stakeholders in information sharing and active dialogue on selected priority areas, with a view to providing input to the Administration for formulating an SD Strategy for Hong Kong. Following the first engagement process completed in May 2005, the Council for SD has consulted stakeholders and decided to take forward the Priority Area of Population Policy during the second engagement process in 2006.

3. Members noted, via Committee Paper CSD/SC/1/2006, the current developments on the Council for SD's front as well as the preliminary ideas on the discussion scope of the Priority Area of Population Policy. Subsequently, the Council for SD has set up a dedicated Support Group to design and implement the engagement process and to prepare an IR document for the exercise. The membership and terms of reference of the Support Group on Population Policy are at <u>Annex A</u> for Members' reference.

Invitation and Response document

4. The Support Group has since been working on the IR document which is entitled *Enhancing Population Potential for a Sustainable Future.* A working draft of the IR document is attached at <u>Annex B¹</u>. This working draft has incorporated Members' views raised at the workshop of this Committee on 28 March 2006, as well as views of the Strategy Sub-committee and the Support Group on Population Policy under the Council for SD. Members may wish to offer views on this working draft which will be reflected in the revised document for the Council for SD's discussion at its coming meeting in early May. The tentative plan is to launch the IR document by June 2006.

5. To attract readership and encourage responses to the IR document, an easy to read pamphlet will be prepared on the basis of the IR document. The IR document itself will be kept in an appropriate length to provide the necessary information to the community for an informed dialogue.

Public Involvement Events

6. Following the launch of the IR document, the Council for SD will engage the community in the discussion of the Priority Area through a series of involvement events throughout the summer until October 2006. These events would include forums to disseminate relevant information to the public, as well as workshops to engage the general community in active dialogue and discussion. To more effectively reach out to different sectors of the community, stakeholder organizations would be invited to be the partners in organizing these workshops. Prospective partner organizations including the Business Environment Council, the Hong Kong People's Council for Sustainable Development and the Hong Kong Council of Social Service are being sounded out and invited to organise the workshops. During the engagement process, roving exhibitions will be conducted to help raise public awareness of the issues at stake, a dedicated website and bulletins too will be mounted to keep the public informed of the exercise and to facilitate them to contribute their

¹ The three chapters and the annexes enclosed at Annex B form the main body of the IR document. Foreword(s) to the document from the Council for SD as well as the Executive Summary, which would precede Chapter 1, are not yet available at this stage.

views. The entire engagement process would culminate with a Strategy Summit to summarize the views and findings of the process. If need be, this Committee could offer further views during the public engagement exercise and / or discuss the outcome of the public engagement process at a future meeting.

Secretariat to the Council for Sustainable Development April 2006

Annex A

Support Group on Population Policy Membership and terms of reference

Membership -

Convenor:	Professor Wong Siu-lun (Member, Strategy-Sub-committee)
Members:	Dr Chan Wai-kwan (Member, Strategy-Sub-committee) Mr Chua Hoi-wai (Member, Strategy-Sub-committee) Dr Sue Lo (Hong Kong Family Planning Association) Miss Alice Mak Mei-kuen (Kwai Tsing District Council) Dr Peter KS Pun (Hong Kong Policy Research Institute Ltd) Mr Wong Wang-tai (Wan Chai District Council) Dr Paul Yip (The University of Hong Kong) Representative from Central Policy Unit Representative from Health, Welfare and Food Bureau Representative from Home Affairs Bureau

Terms of reference –

- (a) To identify key issues relevant to Hong Kong's long-term sustainability in the priority area, with appropriate reference to international experience and best practice.
- (b) To collect relevant background information (with reference to local and international experience) and compile an "Invitation and Response" document.
- (c) To design and implement the public involvement stage of the engagement process for public discussion of the "Invitation and Response" document and related issues.
- (d) To present the "Invitation and Response" document to the public and encourage and facilitate interactive discussion by stakeholders with a view to building consensus among major groups.
- (e) To receive and collate responses from stakeholders, with a view to making proposals to the Strategy Sub-committee and Council for Sustainable Development.

Annex B

Council for Sustainable Development

Working draft of the Invitation and Response (IR) document for the second engagement process

"Enhancing Population Potential for a Sustainable Future"

	Forward(s))) [to be prepared]Executive Summary)
Chapter 1	Population in Hong Kong and Overseas Perspectives
Chapter 2	What are the options for a sustainable population policy for Hong Kong ?
Chapter 3	Inviting responses from the community
Annex I	The Engagement Process of the Council for Sustainable Development
Annex II	Terms of Reference and Membership of the Council for Sustainable Development, Strategy Sub-committee, and Support Group on Population Policy

Chapter 1 – Population in Hong Kong and Overseas Perspectives

In the past few decades, Hong Kong has undergone significant economic development. Our industries have moved up the value chain, from a low-value-added and labour-intensive production mode to a high-valueadded and high-tech based one. Hong Kong's population has also undergone significant expansion, but the growth trend is now slowing down. The population is around 6.94 million in mid-2005. It is projected to increase at an average annual rate of 0.7% to 8.38 million in 2033¹, following a continuous ageing trend. This is much slower than the growth rate of 1% to 2% in the 1980s and 1990s. The slowing growth and ageing population have resulted from a combination of factors, including the low fertility rate, extended life expectancy and migration.

	Hong F	Kong Populatio	on from 1961-200	5 (mid-year)	
Year	Population	The elderly (65+)	Proportion of the elderly	Children (0-14)	Proportion of children
1961	3 168 100	100 100	3.2%	1 283 900	40.5%
1971	4 045 300	182 300	4.5%	1 452 100	35.9%
1981	5 183 400	344 300	6.6%	1 277 300	24.6%
1991	5 752 000	502 400	8.7%	1 198 700	20.8%
2001	6 724 900	753 600	11.2%	1 104 100	16.4%
2005	6 935 900	836 400	12.1%	1 005 400	14.5%
		Population	Projection to 20	33	
2013	7 386 900	978 000	13.2%	899 600	12.2%
2023	7 970 200	1 548 500	19.4%	922 600	11.6%
2033	8 384 100	2 243 100	26.8%	895 300	10.7%

Table 2.1 – Hong Kong Population from 1961 – 2005 and the projection to 2033²

 ¹ HKSARG Census and Statistics Department, Hong Kong Population Projections 2004 – 2033, June 2004
 ² HKSARG Census and Statistics Department.

² HKSARG Census and Statistics Department

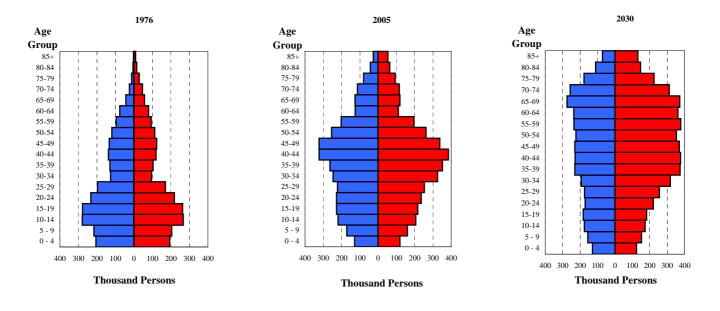


Figure 2.1 – Population Pyramid in Hong Kong³

(a) Fertility

2. The overall sex ratio⁴ in Hong Kong is expected to reduce from 979 in 2005 to 749 in 2033^5 . With enhanced education and workforce participation of the female population, a trend of an increasing proportion of women choosing late marriage or never married has been witnessed. The median age of marriage for females has increased from 22 years old in 1980 to 28 years old in 2005. This in turn translates into delay in childbearing, drop in marital fertility rate, increase in spinsterhood and a significant decline in the total fertility rate⁶ of Hong Kong. The total fertility rate has reduced from 3 children per woman in the 1970s to 0.9 per woman in 2005, which is far below the replacement level (i.e. 2.1 per woman). Apparently, the decreasing trend will not be reversed in the near future, which makes the ageing phenomenon more serious than anticipate⁷.

³ HKSARG Census and Statistics Department

⁴ "Sex ratio" refers to the ratio of the number of males per 1000 females.

⁵ Figures excluded foreign domestic helpers. HKSARG Census and Statistics Department, Hong Kong Population Projections 2004 – 2033, June 2004

⁶ "Total fertility rate" refers to the average number of children that would be born alive to 1 000 women during their lifetime if they were to pass through their childbearing ages 15-49 experiencing the age specific fertility rates prevailing in a given year.
7 WD D S E and LEE (2000). The import of the charge in a given year.

⁷ YIP, P.S.F. and LEE, J. (2002). The impact of the changing marital structure on the fertility rate of Hong Kong SAR. *Social Science and Medicine*, **55**, 2159-2169.

			Act	ual				Projected	
Economy	1983	1993	1999	2001	2003	2005	2013	2023	2033
		(Nun	ber of liv	ve births	per 1 000	women)			
H.K.	1 720	1 340	982	932	901	973 [#]	993	993	993
Japan	1 800	1 460	1 340	1 330	1 290	-	1 340	1 380	1 390
U.S.A. ⁽¹⁾	1 800	2 0 2 0	2 010	2 0 3 0	2 040	-	2 140	2 200	2 210
U.K.	-	1 760	1 690	1 630	1 710	-	1 730	1 740	1 740

Table 2.2 – Comparison with selected economies on total fertility ratein 1983 – 2005 and the projection to 2033 8

Notes: (1) Projected figures are extracted from the middle fertility assumption (among three scenarios) of the population projection series 1999–2100.
 # Provisional figures

(b) Mortality

3. Turning to the other end, the life expectancy of Hong Kong people has increased, which is largely attributed to the advancement in medical technology and an enhancement of living standard. The expectation of life at birth⁹ of our population compares well with other economies. Hong Kong is one of the places that enjoy a long life expectancy, which is 78 and 84 years for men and women respectively¹⁰.

Table 2.3 – Comparison with selected economies on expectation of life at birth
in 1983 – 2005 and the projection to 2033 11

			Act	tual]	Projected	1
Economy	1983	1993	1999	2001	2003	2005	2013	2023	2033
				Mal	le				
H.K	72.3	75.3	77.7	78.4	78.5	$78.8^{\#}$	80.3	81.6	82.5

⁸ HKSARG Census and Statistics Department

[&]quot;Expectation of life at birth" refers to the number of years of life that a person born in a given year is expected to live if he/she were subject to the prevailing mortality conditions as reflected by the set of age-sex specific mortality rates for that year.

¹⁰ LAW, C.K. and YIP, P.S.F. (2002). Healthy Adjusted Life Years of Hong Kong, SAR. International Journal of Public Health, **81**, 1-7.

¹¹ HKSARG Census and Statistics Department

Japan	74.2	76.3	77.1	78.1	78.4	-	78.9	79.6	80.2
U.S.A. ⁽¹⁾	71.0	72.2	73.9	74.4	74.8	-	76.2 (2015)	77.6 (2025)	79.1 (2035)
U.K.	71.3	73.7	75.0	75.7	76.3	-	78.5	80.0	81.2
				<u>Fema</u>	<u>ale</u>				
H.K	78.4	80.9	83.2	84.6	84.3	$84.4^{\#}$	86.0	87.1	88.0
Japan	79.8	82.5	84.0	84.9	85.3	-	86.3	87.3	88.2
U.S.A. ⁽¹⁾	78.1	78.8	79.4	79.8	80.1	-	82.2 (2015)	83.6 (2025)	84.8 (2035)
U.K.	77.3	79.0	79.9	80.4	80.7	-	82.5	84.1	85.2

Notes: (1) Projected figures are extracted from the middle fertility assumption (among three scenarios) of the population projection series 1999–2100; Figures in bracket refer to the years of the projected expectation of life at birth.

Provisional figures

(c) Movement

4. Another constituent of the population changes is the net movement of population in and out of Hong Kong. This is of crucial importance to maintain a dynamic population and keep the city's vibrancy. Changes to Hong Kong's demographic structure in the past decades have been affected by the massive immigration from the Mainland. The inflow of One-way Permit holders remains to be the major component of the net movement in Hong Kong in recent years, and is expected to contribute to around 80% of the population growth in the future. At the same time, there are also more Hong Kong residents moving to the Mainland to work and live there.

5. In 2005, there was a net inflow of Hong Kong population of 36 019, attributable to an inflow of 55 106 One-way Permit holders, a net inflow of 20 387 Hong Kong non-permanent residents and a net outflow of 39 474 Hong Kong permanent residents. Professionals possessing skills not readily available in Hong Kong and have secured local job offers at market-rate remuneration may apply to enter Hong Kong for employment. Under the Quality Migrant Admission Scheme to be implemented later within 2006, talented individuals may apply to come to Hong Kong for settlement without obtaining a prior local job offer.

Year	Number	Year	Number
1991	26 782	1998	56 039
1992	28 366	1999	54 625
1993	32 909	2000	57 530
1994	38 218	2001	53 655
1995	45 986	2002	45 234
1996	61 179	2003	53 507
1997	50 287	2004	38 072
		2005	55 106

Table 2.4 – Statistics on arrival of One-way Permit holders in 1991 – 2005 12

(d) Dependency

6. Looking at the overall picture, Table 2.1 above indicates a clear trend of an increasing proportion of elderly population and a concurrent reduction in the number of children. The total percentage of elderly and children in the population is expected to increase, implying a shrinking productive labour force in the economy.

	Year	Child	Elderly	Overall
I	2001	227	155	382
Actual	2003	216	161	378
A	2005	197	164	361
ed	2013	163	178	341
Projected	2023	168	282	449
Pr	2033	171	428	598

 Table 2.5 – Dependency ratios in Hong Kong ¹³

7. Regarding the overall dependency $ratio^{14}$ of the population, it is noted that the reduced child dependency ratio has been countered by a

¹² HKSARG Census and Statistics Department

 ¹³ HKSARG Census and Statistics Department

concurrent increase in the elderly dependency ratio. Figure 2.2 outlines the demographic window¹⁵, which opened up when the overall dependency declined with a falling fertility in the past few decades, and the window will close in the decades ahead as the overall dependency rises again with the increasing elderly population. The demographic window provides us with the opportunity of a lowered overall dependency to address the issue before it is too late.

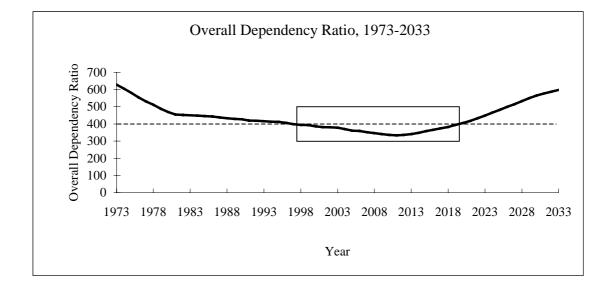


Figure 2.2 – Demographic window

(e) Quality issues

8. Quantitative issues aside, the quality of our population contributes significantly to the efficiency and productivity of our economy. The 1980s witnessed a trend of mass emigration of Hong Kong people to overseas countries. These were mainly people who could afford to migrate and were highly educated and skilled, as well as their dependants. These people left Hong Kong resulting in a "brain drain" problem in those years. Following the reunification with the Mainland and stabilization under "One Country, Two Systems", there are more returnees coming back to Hong Kong in recent years to explore new opportunities.

¹⁴ Child and Elderly dependency ratios refer to the number of persons aged under 15 and those aged 65 and above respectively per 1 000 persons aged between 15 and 64. "Overall dependency ratio" refers to the sum of child and elderly dependency ratios.

¹⁵ HKSARG Census and Statistics Department. The demographic window is the period during which the overall dependency ratio is lower than 400, i.e. 2 dependents to 5 independents.

9. More importantly, in such a fast-paced economy of Hong Kong, it is becoming more and more prevalent that employment opportunities across different industries demand long working hours and impose grave pressure on the working population. Accumulated in time, this may introduce a negative and possibly serious impact on the physical and mental health of the population. Not out of their own free wish though, people are finding it more difficult to allocate time to accommodate other demands or activities in their lives, such as social and family commitments. Fortunately, there appears to be a slightly increasing awareness of this problem among the population in recent years. However, more needs to be done to promote and safeguard the quality of life of the population.

OVERSEAS PERSPECTIVES AND EXPERIENCES

10. The challenges presented by an ageing population are not unique for Hong Kong alone. Other cities around the world and the Mainland similarly see the need to address the demographic trends of low fertility and increased life expectancy, as well as the merits of a free flow of talent for the sustainable development of their cities.

11. Many countries have introduced policies and initiatives to promote parenthood. These include financial incentives (such as tax incentives, allowances), family-friendly workplace arrangements and childcare assistance. For instance, the female policy in Sweden aims at supporting women's participation in the workforce and promoting gender equality, resulting in a workforce with participation by 85% of the female population and a total fertility rate of 1.7. Overall speaking, the international experience focuses on providing an environment conducive to childbearing decisions of the population. There is yet no conclusive evidence about the effectiveness of individual measures to promote parenthood, but it is suggested that these measures can at least help maintain the fertility rate from dropping further.

12. In response to the life expectancy issue, there is a general inclination towards raising the retirement age, so as to utilize the human resources more effectively. While changes to the retirement age involve a wide spectrum of considerations, it is common in the international arena to, in the context of pension entitlement, gradually raise the retirement age of work force over a long period of time. For example, the entitlement age to

pension is raised from 60 to 65 in Japan, and from 65 to 67 in the United States, in a slow pace.

13. In addition, there is a world competition for talent and professionals among developed economies. Major cities like London, New York and Tokyo have put in much effort to attract and retain talent and professionals in their economies. They normally enjoy a free flow of talent from other parts of their countries, whilst the inflow of Mainland talent into Hong Kong has to be subject to regulatory control for various valid reasons. Insofar as the inflow of talent from other countries is concerned, Hong Kong's regulatory regime is comparable to those adopted by many developed economies. The economically vibrant cities in general exhibit stable population distribution by ages, through immigration of the working age group looking for development opportunities, as well as emigration of the older generations seeking less exciting and less costly life styles¹⁶. The continuous circulation and flow of population is key to the cities' economic vibrancy. For instance, in the major Mainland cities like Beijing and Shanghai, the municipal governments are proactive and flexible in offering preferential treatments, with a view to attracting and retaining overseas-trained Chinese students as well as other talent supportive of the pillar industries of individual cities.

14. In the western countries, there is more emphasis on the worklife balance and quality of life of the population, possibly owing to certain cultural factors. For instance, the working population there are more prepared to take leave from office to attend to family matters, as well as to take refreshing breaks which will help sustain their productivity at work. Besides, these arrangements are more likely to be agreeable to their employers and peers. There are also more choices of flexible and varied job opportunities for the employees, so as to cater for their various commitments and circumstances in different stages of their lives.

¹⁶ Richard Wong and Ka-fu Wong, HKU. The importance of migration flow to Hong Kong's future, November 2005

Chapter 2 – What are the options for a sustainable population policy for Hong Kong?

In considering options for a sustainable population policy for Hong Kong to maintain its vibrancy, we have to first consider whether there is an ideal or target *population* that best suits the unique circumstances and challenges facing Hong Kong.

2. The proposition of a *quantitative* optimal population for Hong Kong may be difficult, as this may to a large extent hinge on the new developments on various fronts such as technology. On the other hand, we may further explore the *qualitative* dimension of the issue, which is the **population composition**. Owing to the declining fertility rate and increasing life expectancy of Hong Kong people, it is envisaged that the overall dependency ratio is expected to increase from 361 in 2005 to 598 in 2033^{17} . It is high time we consider an appropriate population composition for Hong Kong and seek to sustain a stable population structure for enhancing the city's competitiveness and attractiveness, as well as promoting the quality of life of the local population.

3. At the same time, we should be aware of the strong and imperative inter-relationship between the population and the economic structure of the city. Different economic structure will entail different population makeup to support the city's development; and vice versa, a different population structure will have a major impact on the economic activities in town. We will have to consider whether we should aim for a particular economic structure or a population composition.

4. The following sections set out the sustainability considerations of the population policy from the three perspectives of economy, society and environment.

(A) ECONOMIC PERSPECTIVE

5. Hong Kong is a small city with limited natural resources. The most valuable and important "resource" of the city is naturally its human

¹⁷ HKSARG Census and Statistics Department, Hong Kong Population Projections 2004 – 2033, June 2004

capital. The creativity and productivity of the population are integral to the economic development and vibrancy of the city.

6. The shrinking labour force and ageing population in the coming decades are envisaged to pose much pressure on the public finance of Hong Kong. On the one hand, this may translate into a reduced GDP and tax revenue for the public pocket; and on the other hand, this may imply an increased demand for health, welfare and other services which are funded by the public resources.

7. To sustain the economic competitiveness of Hong Kong in the international arena, there are calls for strategic solutions to our shrinking labour force, and to fill the gap or mismatch between the new industrial structure and the labour force. This should also cater for the social needs of the population. In devising a long-term population policy which will have a bearing on the development for decades, we have to be visionary and allow sufficient flexibility to cope with the future development of the society.

8. There are various approaches to expanding or prolonging our labour force.

(1) Enhancing the capacity of current labour force

Targeting current members of the labour force, we may provide suitable **education and training** to enhance their capacity.

In view of the increased life expectancy of the population and the general productivity of the older generations, we may consider gradually **raising the retirement age** to extend the productive life of the population.

(2) Unleashing hidden human capital

We should not overlook the hidden human capital in our society which, if unleashed, can help expand our productive labour force.

For instance, the overall female labour force participation rate is 51.8% in 2005. Some of the female population may have found it difficult to participate in the labour force and at the same time

accommodate their own individual needs in the current market structure in Hong Kong. Consideration should be given to drawing reference from some overseas experience, where the markets are more willing to offer **flexible and varied employment opportunities** such as part-time jobs and job sharing, to cater for individual needs and thus help unleash the maximum potential labour productivity from the population. In view of the further enhancement of education attainment among females, it has become imperative to make sure that the hidden workforce in the female population can be better utilized and released into the community development.

(3) Attracting quality migrants

Apart from enhancing the local labour productivity, another solution is certainly the **attraction of talent, professionals and workers** from elsewhere. The international economy is highly globalised and interlinked nowadays. The need for quality talent and professionals is shared by all developed economies, and Hong Kong is faced with **immense competition** with cities and countries worldwide on this front. The attractiveness of Hong Kong against other cities depends on the development opportunities and the anticipated quality of life that our city may provide.

(B) SOCIAL PERSPECTIVE

9. The population is our city's social capital. We have to protect and enhance the social well-being of our population, which is instrumental to the developments on any other fronts. An institution which enhances our social capital and meets the needs of the increasing prevalence of single households in Hong Kong is necessary.

10. The education level attained by the female population is increasing, and this leads to an increase in the female workforce participation rate in the past decade. Traditionally, women are expected to take charge of the responsibility of taking care of their families. It therefore appears to be an exclusive choice of either career or family for women. Some of them may choose to leave the workforce after marriage or having children, while some may pick career instead of family and parenthood

when they have to make a choice. Being "working mothers" are in general physically and mentally exhausting for most women as they are concurrently performing two highly demanding roles. The commitments and aspirations of the different roles may compete with each other, and this is not conducive to a better mental and physical health among the working female population. For the long-term sustainability of our population, there is a need to implement policies to facilitate women to attain a *true equilibrium* between their career development, family commitment and parenthood aspirations.

11. In addition, it is important to address the social needs of the older generations. Apart from their physical health which will have an implication on the demand for the public medical services, the promotion of psycho-social well-being is also an important component of healthy ageing. Having a purposeful life with continuous personal development, being self reliant and enjoying harmonious relationships will all help to cultivate psycho-social well-being in older people. Our social institutions should embrace and enlist the experience and energy of the elderly for the benefit of both themselves and the society in general.

12. With a view to enhancing the quality of life of our population, we may consider promoting healthy lifestyle among all parties of the population and providing an enjoyable social environment that is attractive to talent abroad as well as our own population.

(1) Promoting healthy lifestyle

A **healthy lifestyle** entails healthy diets, proper physical exercises and positive thinking, and these all contribute to improving personal health. An improved state of health of the elderly and the community in general will also help lengthen the population's productive lifespan and reduce the overall dependency on the society and medical services in particular.

Hong Kong is a dynamic and fast-paced economy. Long working hours and high pressure are becoming more and more prevalent among its workforce. We need to promote a culture of **work-life balance** to encourage people to pay heed to other elements in their lives, such as family, leisure, as well as cultural and recreational pursuits. More flexible job opportunities such as home-office environment and freelance

work can be promoted. This will not only enhance the social well-being of the population, but may also expand the overall productive labour force in the long run.

An incremental **attitude change** towards marriage, family, parenthood, the role of men and women in the family, as well as complementary initiatives such as more childcare facilities for working parents, may also help stabilize the declining fertility rate in Hong Kong.

In view of an increased life expectancy resulting from an improved living standard and medical services, and with the aim of prolonging one's productive lifespan, there have been suggestions that a **flexible life horizon** should be promoted. In other words, people should be allowed more room to make their individual choices on the distribution of their time and productive years between work and "retirement" (or temporary absence from work for various personal pursuits) along their own life horizon.

(2) Providing an attractive social environment

Quality migrants will take into account a city's comprehensive attractiveness in choosing the place where they work and live. When we consider a suitable immigration or talent admission policy / scheme to meet our own economic needs, we should also be mindful of the social needs of our targeted groups. A social-oriented immigration policy, having regard to needs such as the admission of dependants or key employees, could be advantageous to instill a stronger sense of belonging among them. For example, the provision of adequate international school places may be one of the necessary and important determining factors an overseas talent needs to consider when deciding to come to Hong Kong together with his family. There is also a need to build community consensus to appreciate and welcome their being part of us, which indeed helps expand the total economic pie and lead to new opportunities for the locals.

The population of Hong Kong is essentially ethnic Chinese, while there is concurrently a smaller group of expatriates and ethnic minorities staying in this international city. The promotion of **cultural diversity and ethnical inclusiveness** would help enhance the sense of belonging of these groups, whose importance to Hong Kong's global outlook should not be neglected.

(C) ENVIRONMENTAL PERSPECTIVE

13. The living environment of Hong Kong is of equal importance in determining the attractiveness of our city to our own people, and the talent and creative class from abroad. This will also similarly affect the foreign investors' decision on whether to invest in Hong Kong.

14. In a more macroscopic view, the natural resources supporting the world population are not unlimited. The accumulation and formation of fossil fuels require a very long period of time. However, the world's development on various fronts in the past decades has used up the natural resources in a very high pace.

15. Hong Kong has a relatively small amount of land and natural resources to accommodate a large and growing population. We are one of the most densely populated cities in the world, with the high-rise urban landscape as our defining visual characteristics. To create a high quality urban living space with easy access to essential services and public transport is a challenging task in Hong Kong. While the finite natural resources could be utilized for short-term economic growth, we also need to consider how to make the best use of them in order to satisfy our social needs and enhance Hong Kong's attractiveness, thus boosting our long-term competitiveness.

(1) Creating an attractive living environment

A living environment that may attract talent abroad and retain the locals would have to meet the population's increasing aspiration for a lower living density and an **improved living standard**. It has to be appealing to the vibrant generation looking for opportunities around the world, and also capable of supporting the needs of the ageing population. Architecturally striking buildings are essential components in an attractive city landscape. These apart, good urban design providing natural air corridors and sunlight, revitalized neighbourhood, green and innovative buildings, as well as interesting local heritage also contribute to an attractive living environment, and in turn an overall quality of life and healthy lifestyle.

The provision of **municipal services** to the population is important. The hygiene conditions, law and order, social stability, and medical services at affordable costs are all imperative. The provision of cultural and recreational facilities and activities for the population of all ages is also imperative.

(2) Preserving our limited resources

Hong Kong is in particular lack of natural resources. In the past, the pressures of a fast-growing population, often related closely to the need to accommodate economic growth, can lead to congestion and overcrowding. This has implications not just for the natural environment, but also for our long-term competitiveness, social networks and public health.

A conservative use and preservation of our resources is necessary for the sustainable development of our city, to support its economic and social development. The **decline in our population growth** may, from a positive perspective, offer an opportunity for a reduced pressure on our natural environment and resources.

Chapter 3 -- Inviting responses from the community

This document outlines the key issues pertinent to a sustainable population policy for Hong Kong and the possible options, drawing reference from the international experience.

2. The Council for Sustainable Development would like to invite you to respond to this document, advising us on your views and choices on these issues and options, which will have a long-term bearing on the sustainable development of our city for us all and for our future generations.

3. We welcome feedback on the issues and options presented in Chapter 2 and the questions posed below. We also look forward to receiving any further information, suggestions and questions that you might have relating to the Priority Area of Population Policy. Your views will help shape the recommendations that the Council for Sustainable Development will give to the Government on the way forward for a sustainable population policy for Hong Kong.

QUESTIONS

- 1. What do you consider as the main objectives of a sustainable population policy for Hong Kong?
- 2. Are you satisfied with the quality of life in Hong Kong? Why? If not, how and in which particular aspect would you want this to be improved?
- 3. What are the factors that would affect your decision on childbearing? What incentives do you consider effective in encouraging parenthood?
- 4. How would you like to strike a balance between work and family or other commitments in life? How can we promote a work-life balance culture? What specific initiatives would be helpful?
- 5. How would you like to enjoy your life after retirement? Would you like to continue to contribute to the society? What kind of activities or job opportunities would be useful?

- 6. How should we address the social needs of an ageing population?
- 7. In considering options to meet the society needs, do you think we should put more emphasis on training our own population, or we should put attention on attracting talent from abroad (including Mainland and overseas)?
- 8. How can we promote Hong Kong as a hub for talent? The predicted population in Hong Kong in 2033 is over 8 million. Should we promote both inflow and outflow of talent, so as to enable a circulation of talent around the region?
- 9. How can we provide a pleasant physical and social living environment appealing to our own population as well as potential immigrants abroad?
- 10. How would you perceive the notion of a "flexible life horizon" in that you are allowed more room to mix study, work and leisure over the entire course of your life, so that you can accommodate various personal pursuits in the manner you prefer and prolong your overall productive lifespan?

FURTHER INFORMATION

4. We have tried to keep this document concise with the necessary information to facilitate an informed dialogue with you. If you would like to learn more about the related issues, you may wish to look at the following websites.

- Sustainable Development Strategy website <www.susdev.org.hk>
- Census and Statistics Department: Hong Kong Statistics
 http://www.censtatd.gov.hk/hong_kong_statistics/statistics_by_subject/index.jsp
- Immigration Department website <www.immd.gov.hk>
- OECD information on Family-friendly Policies <http://www.oecd.org/topic/0,2686,en_2649_34819_1_1_1_374 19,00.html>

- International Child, Youth and Family Policies
 < www.childpolicyintl.org>
- Australian Government Family Assistance Office < http://www.familyassist.gov.au/>
- Organisation for Economic Co-operation and Development (OECD) information on Ageing Society <http://www.oecd.org/topic/0,2686,en_2649_37435_1_1_1_374 35,00.html>
- World Health Organisation Active Ageing: A Policy Framework
 < <u>http://www.who.dk/document/hea/eactagepolframe.pdf</u>>
- The Chinese University of Hong Kong: Centre for Gerontology and Geriatrics < http://healthyageing.sph.cuhk.edu.hk/main_en.htm>

CHANNELS FOR RESPONSE

5. In the coming months, the Council for Sustainable Development will work with the partner organisations from various sectors to implement a programme of events aimed at engaging people in the community to comment on the issues presented in this document. We will reach out to different stakeholders and citizens, hoping to gather opinions from a wide sector of the community.

6. In addition, we have an open and interactive channel of communication through the Sustainable Development Strategy website at <u>www.susdev.org.hk</u>. The website features the latest information on the engagement events and an online discussion forum, where you are invited to exchange your views with other members of the public.

7. We welcome comments by post, fax and email, through the office of the Council Secretariat [by xxxx 2006]. Please send in your views to –

Sustainable Development Unit M/F, Murray Building

Garden Road, Central Hong Kong

Fax: 3150 8168 E-mail: xx@susdev.org.hk

8. Unless parties making submissions to us specify a reservation, we shall assume that they have licensed us to reproduce and publish their views in whole or in part in any form and to use, adapt or develop any proposals put forward without the need for permission from or subsequent acknowledgment of those parties.

<u>Annex I</u>

The Engagement Process of the Council for Sustainable Development

COUNCIL FOR SUSTAINABLE DEVELOPMENT

The Council for Sustainable Development was established in March 2003 to advise, *inter alia*, the preparation of a sustainable development strategy for Hong Kong. During the initial term of the Council, it designed and implemented a five-stage engagement process to engage the community in a discussion on the sustainable way forward in the three pilot areas chosen for the exercise – solid waste management, renewable energy and urban living space.

In the first engagement process, the Council hosted four public forums, 11 regional public workshops, a Youth Forum and a Sustainable Development Strategy Summit. Total attendance at these events exceeded 1,400, and another 22,000 people were estimated to have visited the Council's roving exhibition that toured various public locations. The Council received over 1,900 responses through the channels set up specifically to gather stakeholders' views on the pilot areas. The Council was receptive to stakeholders' comments, and put forward its recommendations to the Government. The first engagement process concluded with the issue of the Government's First Sustainable Development Strategy for Hong Kong in May 2005. Thereafter, the Government and other stakeholders have been working on the plan of action, with a view to achieving sustainable objectives and targets set out in the Strategy.

SECOND ENGAGEMENT PROCESS

The Council for Sustainable Development is working on the second engagement process. The five stages of the process are as follows –

I. Identifying Priority Areas

A public stakeholder forum was held in July 2005 to invite stakeholder views on the new Priority Areas. The Council considered the forum outcome and decided to take forward two Priority Areas – Better Air Quality and Population Policy.

A separate Study Group has been established to put together the information on the air quality issue, which will form an informed basis for the Council to decide on the engagement process on the topic.

The current engagement will focus on the second priority area, that is, population policy.

II. Preparation of a document to invite responses

A stakeholder-led Support Group on Population Policy, comprising mainly non-government stakeholders, was set up to advise on the preparation of this Invitation and Response (IR) document. This document aims at providing the general public with the necessary information to support their informed discussion on the sustainable way forward on the issue.

III. Directly involving the wider community

The Support Group is also working on a series of engagement events that follows the launch of this document, to engage the community in a dialogue on the sustainable options for our population policy. We will arrange forums, workshops and summits to meet with stakeholders to discuss the issues. Other communication channels such as online discussion forum will also be available. Partner organisations will assist in engaging a wide sector of stakeholders to gather their views.

IV. Reporting

The Strategy Sub-committee of the Council, with the help of the Support Group, will assess the community response and present a report to the Council. The areas of consensus and where there are conflicting views will be highlighted. The Government will also be asked to respond to the IR document and the community views. The Council will then advise the Government on the sustainable way forward for the population policy.

V. The Government to act

The Government will take into consideration the Council's advice and publish another strategy document on the population policy, which will map out its strategic objectives, targets and plan of action with a view to achieving sustainable outcomes.

The Council will continue to review and repeat the engagement process with other priority areas which are of concern to the general community. Your continued participation and contribution of views are integral to the success of the processes.

Annex II

Terms of Reference and Membership of the Council for Sustainable Development

Terms of Reference -

- a. To advise the Government on the priority areas it should address in promoting sustainable development;
- b. To advise on the preparation of a sustainable development strategy for Hong Kong that will integrate economic, social and environmental perspectives;
- c. To facilitate community participation in the promotion of sustainable development in Hong Kong through various means, including the award of grants from the Sustainable Development Fund; and
- d. To promote public awareness and understanding of the principles of sustainable development.

Membership -

Chairman:	Chief Secretary for Administration
Vice-chairman:	Dr. Edgar Cheng, G.B.S., J.P.
Members:	Dr. Lily Chiang Ms. Choy So-yuk, J.P. Mr. Barrie Cook Ms. Christine Fang, J.P. Mr. Hans Michael Jebsen, B.B.S. Mr. Thomas Kwok, J.P. Mr. Michael Lai, J.P. Professor Lam Kin-che, J.P. Mr. Andrew Liao, S.B.S., S.C., J.P. Ir. Otto Poon, B.B.S. Mr. Tai Hay-lap, B.B.S., J.P. Professor Tsui Lap-chee Secretary for Economic Development and Labour Secretary for the Environment, Transport and Works Secretary for Health, Welfare and Food Secretary for Housing, Planning and Lands

Terms of Reference and Membership of the Strategy Sub-committee

Terms of Reference -

- a. To assist the Council for Sustainable Development with the formulation of a Sustainable Development Strategy for Hong Kong;
- b. To engage stakeholders and the community and implement a consultation programme as agreed by the Council for Sustainable Development with a view to ensuring that the Sustainable Development Strategy is inclusive and widely accepted by the community; and
- c. To report regularly to the Council for Sustainable Development on progress with the formulation of the Sustainable Development Strategy.

Membership -

Chairman: Ir. Otto Poon, B.B.S.

Members: Dr. Lily Chiang Ms. Choy So-yuk, J.P. Mr. Hans Michael Jebsen, B.B.S. Professor Lam Kin-che, J.P. Dr. Chan Wai-kwan, J.P. * Ms. Anne Copeland Chiu * Mr. Chua Hoi-wai * Mr. Albert Lai * Mr. Albert Lai * Mr. Albert Lai * Mr. Ali Tuet * Ms. Luciana Wong * Professor Wong Siu-lun, B.B.S., J.P.*

* Co-opted Members

Terms of Reference and Membership of the Support Group on Population Policy

Terms of Reference -

- a. To identify key issues relevant to Hong Kong's long-term sustainability in the Priority Area, with appropriate reference to international experience and best practice.
- b. To collect relevant background information (with reference to local and international experience) and compile an "Invitation and Response" document.
- c. To design and implement the public involvement stage of the engagement process for public discussion of the "Invitation and Response" document and related issues.
- d. To present the "Invitation and Response" document to the public and to encourage and facilitate interactive discussion by stakeholders with a view to building consensus among major groups.
- e. To receive and collate responses from stakeholders, with a view to making proposals to the Strategy Sub-committee and Council for Sustainable Development.

Membership -

Convenor:	Professor Wong Siu-lun, B.B.S., J.P.
Members:	Dr. Chan Wai-kwan, J.P.
	Mr. Chua Hoi-wai
	Dr. Sue Lo
	Miss Alice Mak Mei-kuen
	Dr. Peter K.S. Pun, S.B.S.
	Mr. Wong Wang-tai
	Dr. Paul Yip
	Representative from Central Policy Unit
	Representative from Health, Welfare and Food Bureau
	Representative from Security Bureau
	Representative from Home Affairs Bureau