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In Hongkong trade unions must be registered under the Trade Union Ordinance which is administered by the Registrar of Trade Unions. Once registered, they enjoy certain rights and privileges including immunity from civil suits in respect of a trade dispute.

At the end of 1988 there were a total of 430 employees' unions with a total membership of 416,000 representing about 15% of the working population. Table 4 shows union density by major economic sectors.

Today, Hongkong's trade unions are politically divided into 3 main groups - pro-communist China, pro-Taiwan and independent. In 1988 the pro-China leftwing Hongkong Federation of Trade Unions (FTU) had 81 affiliated unions with about 173,000 members. These affiliated unions are concentrated in shipyards, transport, textile mills, public utilities, printing and construction industries. The pro-Taiwan Hongkong and Kowloon Trades Union Council (HKTUC) had 71 affiliated unions with a membership of about 18,000. These unions are mainly in the catering, textile mills, transport and building trades. The remaining 278 newer and independent unions, some of which are friendly with the FTU or HKTUC, had a total membership of about 225,000 and comprise mainly civil servants, those in the teaching profession and nursing profession.

Trade Union Structure and-Tyges

The majority of trade unions in Hongkong are industrial unions although craft unions still retain a strong vestige of the pre-industrial guild traditions. In the public sector, it is usual for Government employees to organise themselves along occupational or sub-occupational lines while enterprise-based unions as well as general unions may also be found in the private sector.

Most of the industrial unions organise blue-collar workers while white-collar unionism is relatively weak in the private sector. The most developed arm of the white-collar union movement lies in the public sector including the government-assisted social services and professional groups such as nurses and teachers.

## Uneven Distribution of Wealth

According to studies made by a labour specialist, Dr. Ng Sek Hong of the Hongkong University, using government published statistics on "value-added" amount to the Gross Domestic Product and its composition in terms of (a) compensation of employees and (b) operating surplus of selected sectors, he had shown that despite Hongkong's impressive growth in economic development and prosperity between 1977 and 1984, labour's share in the wealth produced was declining while the share of owners of capital increased. For instance the "value-added" amount increased by 2.5 times and compensation of employees rose by 2 times, the return on capital increased by 3.5 times. One of the major reasons for this uneven distribution of wealth is because Hongkong's trade union movement has not grown in the same dramatic way as its economic development. According to statistics available from the Government, union membership remained almost the same at about 360,000 between 1975 and 1984 while the workforce rose by about 47% from 1.5 million to 2.2 million. Consequently, the percentage of organised labour in 1975 was 23.9% declining dramatically to 16.1% in 1984 and further dropping to about 15% at present.

### Problems of Trade Union Organisation

There are a variety of reasons why the trade union movement in Hongkong has not acquired the strength it should. I will now discuss some of the problems which are commonly encountered by trade unions in the field of organising.

#### (1) Misconception of Trade Unions

Firstly, we have the majority of workers who lack the proper understanding of the normal functions of a trade union and what effective trade union actions can do to help them improve their working condition. Workers have different impressions about trade unions. Many of them took trade unions to be welfare associations providing welfare benefits to members and their families. A typical reply from a worker when asked to join a union is what welfare benefits he will be entitled if he becomes a member.

To another group of workers, trade unions are projected political organisations of Taiwan or Communist China. Unfortunately such an impression gained further ground during political disturbances in Hongkong in the past when workers saw a great number of unions directly involved in violent street demonstrations. This misconception of trade unions is further aggravated by the lack of trade union education and publicity to explain to workers the basic "bread and butter" functions of trade unions.

#### (2) Fear of Victimisation

We now come to the problem of workers' fear of victimisation and discrimination by employers. If an employer is known to be "anti-union", workers are generally deterred from forming or joining a trade union for fear of dismissal or of incurring other disadvantages. This is particularly so when they see in their own factories or heard how unenlightened employers in other factories victimised the active and known trade union officials. One of the common tactics used by anti-union employers is to make life in the factory difficult for the active union organisers by giving them more work but less wage increase or no wage increase or transfer them to less rewarding jobs. If they refuse, they can be dismissed for disobedience or their services may be terminated by the employers under the labour law with compensation of one week or one month's wages in lieu of notice. Should the union fail to have the dismissed workers reinstated, the result is obvious - loss of confidence by workers coupled with the detrimental effect of further weakening the union;

#### (3) Multiplicity of Unions

The next problem is multiplicity of unions. This is not only due to the fact that the trade union movement in Hongkong is politically divided but also because personal differences and prestige of some leaders are equally to be blamed for the fragmentation. As a result, workers' solidarity is weakened and workers' cause damaged.

Just to give an example. In the textile, wearing apparel and leather industries alone, there are a total of 26 unions with a combined declared membership of only slightly over 29,000. Some of the unions are affiliated to the pro-China leftwing FTU, a few are affiliated to the pro-Taiwan HKTUC while the remaining are neutral but are friendly to either the FTU or the HKTUC.

#### (4) Lack of Financial Resources

Lack of financial resources in trade unions is a very serious problem. According to the 1988 Annual Report of the Hongkong Registrar of Trade Unions as shown in Table 5 which is before you, almost 60% of trade unions in Hongkong have a membership of less than 250. The average monthly union dues of most unions is about HK\$7 (about T140) per member. Working on this basis, it means these unions have only HK\$1,750 (T35,000) or less a month as income to conduct all its activities. The utter ineffectiveness of such organisations is not hard to imagine.

In practice it leads to either of two things. The Union does little and after some time loses the confidence of workers or it levies extra charges and meet a situation where workers tend to postpone enrolment until they are personally in difficulties with their employers.

#### (S) Scarcity of Trained Full-time Staff

The scarcity of trained and active personnel to carry out various union activities is another obstacle to the growth of trade unions and is in part related to the lack of financial resources. It may be noted that almost all unions, with the exception of a few big unions especially those in the FTU, have no full-time paid union officials. Practically all the union officials can only devote their time to union affairs after a full working day or during their rest days.

#### (6) Difficulties in Contacting Unorganised Workers in

Organising work is generally hampered by difficulties in meeting workers. Union officials who also act as organisers working in one factory are not permitted to go into another factory to talk to the workers on trade union matters while members who are in daily contact with their unorganised colleagues do nothing inside the factories for fear of getting into trouble with the management should they be discovered for indulging in union activities during working hours. This has led to a situation where an absence of organising activities seemed to be a common feature in most unions.

#### (7) Peculiar Labour Force Characteristics

There are also certain characteristics of the Hongkong labour force which discourage organised protests against working conditions and are therefore not conducive to trade union development. For example Hongkong has a high percentage of immigrants from Mainland China. According to Government estimates, about half of those between the ages of 15 and 65 of the population were born in Hongkong. For the rest, it just happened to be the first place that was safe in their flight from the communists and also the place from where there could be no further escape. The fact that so many are refugees is important in explaining the low level of social involvement among Hongkong's workers. To be involved with organisations such as trade unions could lead to trouble with the authorities and, many believe, to deportation across the border.

Aggravating the situation are the problems of large number of casual and part-time workers, the growing proportion of young and women workers especially in manufacturing and service industries and the freedom which full employment and the serious labour shortage give a worker to change his job if he or she does not like it.

#### (8) Uncertainties for the Future

Hongkong has often been described as "the borrowed place and borrowed time". As you are already aware, Hongkong is to be returned to China

in 1997 and become a Special Administrative Region with a high degree of autonomy according to the Sino-British Joint Declaration. The Declaration also stipulated that Hongkong's social and economic systems including its lifestyle will remain unchanged for 50 years after 1997.

Despite the promises made, the population of Hongkong continue to view the handover of Hongkong to China with fear and uncertainty. They are worried that China may not honour the Joint Declaration, that their present freedom of speech, association, movement, the right to choose the job they would like to work and also to higher paid jobs will be restricted under communist rule. Unfortunately this fear has greatly heightened by the brutal crackdown last June against the pro-democracy movement in Beijing. '

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ibis is evidenced by the fact that every year, for the past 4 or 5 years, about 50,000 professional, managerial and skilled personnel are migrating overseas to countries such as Canada, United States and Australia with many more applying for foreign passports as "insurance" against the Chinese takeover in July 1997. With this confidence crisis being experienced by the community, it is obvious that the present atmosphere is detrimental to trade union development in Hongkong.

(9) Absence of Formal Collective Bargaining and Agreement

Apart from the above factors, perhaps the greatest obstacle to trade union development is the fact that there are no laws in Hongkong which positively seek to promote formal collective bargaining leading to the signing of collective agreements.

The central problem here is how to promote and develop machinery for collective bargaining between employers and trade unions with a view to regulate terms and conditions of employment by means of collective agreements. But what we have in Hongkong at present is a situation where most employers refuse to recognise trade unions or participate in the setting-up of machinery for bargaining resulting in the absence of formal collective agreements.

Although ILO Conventions Nos: 87 and 98 have been applied in Hongkong and workers have the right to join or form unions under the Trade Union Ordinance, 'It is a right which exhausts itself after a single exercise, that is to join or create a union.

The same can be said about disputes settlement. Under the Labour Relations Ordinance, conciliation service is provided by the Labour Department. If conciliation fails to resolve the dispute, there is little that trade unions can do except to call prolonged strikes if they are strong enough to force employers to arbitration or settlement.

#### Conclusion

Despite the many problems I have just mentioned which present great difficulties for the trade unions, it would however be wrong to assume that the building of stronger trade unions in Hongkong is impossible. As a matter of fact, it may be noted that during the past decade substantial progress has been made by the newer and independent unions and by last year their combined membership represented 54% of the total trade union membership in Hongkong.

With the formation of the Hongkong Confederation of Trade Unions by the independent unions earlier this month to unify all the politically neutral unions in Hongkong, coupled with their greater emphasis on collective bargaining role than the leftwing FTU and the pro- Taiwan HKTUC, there is a good prospect that a more effective trade union movement will emerge in the near future.

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TABLE 4

## TRADE UNION MEMBERSHIP BY MAJOR ECONOMIC DIVISIONS

ECONOMIC NO. OF DECLARED UNION

DIVISION UNIONS MEMBERSHIP DENSITY

Manufacturing 92 61,694 7.5%

Wholesale, Retail,

Restaurants and Hotels 45 42,138 6.0%

Community, Social and

Personal Services 209 194,463 37.9%

Transport, Storage

and Communications 61 80,405 30.1%

Construction 14 13,654 ' 6.0%

Financing, Insurance,

Real Estate and Business

Services 7 18,644 9.2%

Agriculture, Fishing

and Others 2 1,021 2.2%

ALL INDUSTRIES 430 416,136 14.9%

Source: Hongkong Government, Registrar of Trade Unions

Annual Report, 1988

TABLE

SUMMARY OF TRADE UNIONS BY SIZE OF MEMBERSHIP  
DECLARED NUMBER COMBINED

MEMBERSHIP OF UNIONS DECLARED MEMBERSHIP

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Under 51 ,A\_ 77(dgj)w KO'bx) 2,5568 IiSWRMh6

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51 to 250 #166 (3m) (4.ng 19,053

251 to 1000 108 (25%) 51,648 (12147.)

1000 to 5000 66 (13%.) 130,393 (3X47)

5001 and over 13 PM.) 212,486 (317.)

TOTAL 430 (1007.) 416,136 (100%)

Source: Hongkong Government, Registrar of Trade unions

Annual Report,

1988