

Part IV

Employee participation and trade unions in Hong Kong

14 Government supervision of trade unions in Hong Kong

Colonial powers, patterns of enforcement, and prospects for change¹

*Patricia Fosh, Anne Carver, Wilson W.S. Chow,
Ng Sek-Hong and Harriet Samuels*

Introduction

In 1999, Hong Kong has a unique legal framework for trade unions, bequeathed by the previous government. This framework is a peculiar amalgamation of nineteenth-century British law and colonial paternalism with few rights for trade unions and many elements of regulation and supervision. As we saw in Chapter 2, under the ‘one country, two systems’ promise of the 1984 Sino-British Joint Declaration and the 1990 Basic Law, the distinctive features of the laws governing trade union organisation and activities are guaranteed to remain unchanged for fifty years, as is the case with other Hong Kong laws.

However, government control of trade unions has two elements: the first is its supervisory powers over trade unions established by the legal framework and the second is its choice as to what extent it enforces its supervisory powers. The legislation introduced in the colonial era gave the Governor, the Registrar of Trade Unions (RTU) and the Commissioner of Police extensive powers to control trade union organisation and activities. However, the government chose, from the 1970s onwards, to use its supervisory powers benevolently and to achieve trade union compliance with the administrative requirements by persuasion rather than coercion.

At the time of the return of Hong Kong’s sovereignty to China, the Territory’s trade unions were comparatively weak and fragmented, though they had grown in strength, unity and public role since the 1970s. This weakness was a result of a combination of factors, such as the economic structure, the attitudes of employers and political influence from China, rather than due solely to the legal framework (see Chapter 16). However, were the trade unions to undertake large-scale industrial action, or voice extensive criticism of the Special Administrative Region’s (SAR) or China’s policies, the SAR government and its Chief Executive Tung Chee-hwa could utilise the legal powers inherited from the previous government to restrict their activities severely without introducing any change in the legal framework.

This chapter undertakes three tasks. First, it examines the extensive powers to regulate and supervise trade union organisation and activities inherited by the SAR government. Second, it presents an analysis on the extent of the use by the government in the colonial era of its powers to supervise trade unions from the introduction in 1948 of the first major piece of legislation to supervise trade unions to the time of the transition, utilising data derived from the Annual Reports of the RTU. Third, it considers what approach the SAR government is likely to take towards the use of its inherited and preserved powers to control trade unions, utilising the results of an interview survey of the opinions of representatives of different interest groups in Hong Kong.

The legal framework for trade union regulation and supervision in Hong Kong

Chapter 2 outlined the legal framework for trade unions in Hong Kong, including the four Ordinances controlling their organisation and activities—the Trade Union Ordinance (TUO), the Labour Relations Ordinance (LRO), the Societies Ordinance (SO), and the Public Order Ordinance (POO). LRO allows the Chief Executive power to order cooling-off periods in industrial disputes under certain conditions of concern for the welfare of Hong Kong and its people. Cross-trade trade unions may register as societies under SO. POO gives the police significant powers of control over public assemblies and requires, *inter alia*, that organisations seeking to hold public processions obtain in advance a ‘letter of no objection’ from the Commissioner of Police—this provision covers both trade union marches and demonstrations. The most important of these Ordinances is TUO which is the focus of the present chapter.

Trade unions in Hong Kong could lawfully exist as societies in Hong Kong from 1920 but were exposed to ‘the full rigours of nineteenth-century judicial interpretations surrounding their activities’: on the grounds of public policy their rulebooks were unenforceable and their funds unprotected (England and Rear 1975:209–10). Following the disruptive 1925–6 Canton Hong Kong Strike Boycott, the government introduced the harsh Illegal Strikes and Lockouts Ordinance in 1927. Its main purpose was to control trade unions’ political links, but as well as outlawing political strikes, it also forbade the control of any Hong Kong trade union by a trade union or other overseas organisation, and banned the use of union funds for political purposes outside the territory.

From the beginning of the 1930s, the Colonial Office in London pursued a policy of encouraging responsible trade unions and advised colonial governments to introduce trade union legislation (*ibid.*: 210). The Butters Report (1939) recommended legislation for Hong Kong along the lines of the Colonial Office’s Model Trade Union Ordinance of 1941, but the Second World War intervened before any action could be taken. The turmoil of the

post-war period made it necessary for the government to revive its interest in controlling the labour movement, and the framework for trade union organisation and administration was laid down in 1948 with the Trade Unions and Trade Disputes Ordinance (TU&TDO).

The new Ordinance sought to control trade unions through registration and regulations for trade union funds—in particular trade unions were forbidden to use their funds for political purposes either within or without the Colony (TU&TUO s.22). The post of RTU was established, which was held by the Commissioner of Labour. The government's chief concern was the close involvement of the territory's trade unions with mainland politics, the growth of the communist influence in those unions organising areas of vital economic activity, and unions' infiltration by Triads (England and Rear 1975:215).

In the mid-1950s, the 1948 Ordinance became increasingly seen as ineffectual: in particular there was a demand to introduce greater controls to prevent trade unions' maladministration and financial laxity. It also proved difficult to have one official holding both the posts of RTU and Labour Commissioner (England and Rear 1975:211, 215).² Following the Houghton Report in 1951, the Trade Union Registration (Amendment) Ordinance was passed in 1961 which repealed and replaced all provisions of the 1948 Ordinance related to trade union registration and administration³ and established a separate Registry of Trade Unions, headed by the Registrar. A novel feature, not found according to the Colonial Secretary in any other trade union legislation examined, was the power given to the RTU to enforce trade unions' rules at his discretion.⁴ TU&TDO now became the Trade Union Registration Ordinance (TURO).

Further substantial amendments to the Ordinance were introduced in 1971: these clarified the details of various provisions and while, on the one hand, they gave the RTU more powers—this time to enforce more effectively the regulations for membership and office holding—on the other, they introduced a system for officers and members to appeal against RTU decisions. TURO became the Trade Unions Ordinance (TUO). The process was completed by minor amendments in 1977 and 1988, easing restrictions on trade unions in the employment of full-time executives and in the spending of funds on local elections.

The government's supervisory powers over trade unions' organisation and administration at the time of the transition are summarised in Table 14.1. This table shows TUO's scope to be both wide-ranging and detailed. Major points to note are the use of criminal sanctions for contraventions, the key role of registration, the RTU's wide powers to ensure that trade unions comply with their rules, the close scrutiny of account-keeping and the demand for a detailed Annual Return, the restrictions on recruitment and office holding, the heavy limitations on expenditure of funds and the ban on political spending, and the limitation on trade unions' affiliating with overseas organisations.

Table 14.1 Major provisions in TUO regulating trade unions' organisation and activities

<i>Registration</i>	A union must be registered with the RTU in order for the union to enjoy those rights necessary for it to function (ss.13, 42–44). Registration must be undertaken within 30 days of a union's establishment and the application must be signed by at least seven voting members (s.5). The RTU has considerable powers to refuse to register a trade union and to cancel an existing trade union's registration (ss.7 and 10). It is an offence to act as an officer of an unregistered trade union (s.5(5)).
<i>Rules</i>	Every registered union, and every union applying for registration, shall make rules that in the opinion of the Registrar provide adequately for a list of matters specified in Sch. 2 (s.18): these cover, <i>inter alia</i> , definition of voting members, discipline procedures, conduct of AGMs and EGMs, members' participation in decision-making, payment of subscriptions, and welfare fund procedures. The Registrar must approve all rule alterations, amendments and additions. To help trade unions, the RTU issues trade unions seeking to register with a set of 'Model Rules'.
<i>Account keeping</i>	The treasurer of a registered union must render, <i>inter alia</i> , at least once a year a just and true account of receipts and expenditure: the union's accounts must be audited by a person approved by the RTU (s.35). Any officer or member of a registered union (or any authorised agent) can inspect the account books at such times and in such place as specified in the union's rules (s.37(1)).
<i>Annual Return</i>	Every registered union must furnish annually to the RTU, not more than three months after the termination of each financial year of the union, a statement of account, audited by an auditor approved by the RTU, of all expenditure and receipts and the union's assets and liabilities, together with a copy of the auditor's report (including accounts of every branch and of every undertaking operated by the union (Trade Union Registration Regulations (TURR) s.59(14)) (s.36). In addition each union must furnish the RTU on or before 31 March each year a return showing the union's membership and the names of its officers (s.36(2)). The RTU can inspect union account books at any time, entering any union premises, and he can at any time ask a registered union to give an account of union/any branch's funds for a particular period, together with a statement of its assets and liabilities (s.38). Every member, on application, is entitled to receive free of charge a copy of the union's statement of account and any member can inspect any documents related to a registered union filed with the RTU (s.36(3) & TURR s.59 para.4).
<i>Spending on political objects</i>	A registered union must not spend its funds on political purposes (inside or outside of Hong Kong) (s.34) and a registered union can expend its funds on contributions to a union (or similar organisation) outside Hong Kong only with the approval of the Chief Executive (s.33(1)(j)). However, a registered union may, if it fulfils certain conditions, establish an electoral fund to pay for various expenses concerned with campaigning for the election of candidates to a District Board, the Urban or Regional council or the Legislative Council (s.33A).
<i>Affiliation</i>	A registered trade union is allowed to become a member of a 'relevant

professional organization'¹ established in a foreign country, if authorised to do so by a secret ballot of the voting members of a trade union present at a general meeting. A registered trade union wishing to become a member of another organisation established in a foreign country must obtain the consent of the Chief Executive, as well as authorisation by a members' secret ballot as above (s.45).

<i>Recruitment</i>	No person can be a member of a registered union unless he is ordinarily resident in Hong Kong and is or has been engaged or employed in a trade, industry or occupation with which the union is directly concerned (s.17(1)).
<i>Office holding</i>	No person can be an officer of a registered union (i) unless he is ordinarily resident in Hong Kong and is or has been engaged or employed in a trade, industry or occupation with which the union is directly concerned, unless the RTU consents in writing; (ii) if he has been convicted of the offences of fraud, dishonesty, extortion or membership of a triad society within five years save with the consent of the Chief Executive in Council; (iii) if he is under 18 years of age (s.17).
<i>Amalgamation and federation</i>	The RTU must approve all amalgamations and federations (ss. 24–31 and ss.53–56).
<i>Enforcement</i>	Contraventions of TUO are criminal offences and punishable by fines of HK\$2,000 for the trade union and by fines of HK\$2,000 and up to six months' imprisonment for individuals.

Note

- 1 'Relevant professional organizations' are defined as those with the objectives of promoting the interests of persons engaged or employed in a trade, industry or occupation with which the trade union is directly concerned.

The government's use of its supervisory powers in the colonial era

The government's use of its wide legal powers to regulate and intervene in trade union internal affairs from the passage of TU&TDO in 1948 to the time of the transition is summarised in Tables 14.2 and 14.3. Table 14.2 shows that the government was quick to prosecute trade unions for contraventions of TU&TDO/TURO in the period from the mid-1950s to 1970 and, additionally, the RTU used his power to deregister a significant number of trade unions. Further, the Registry resorted to written notices for trade unions contravening their registered rules.

From 1970 onwards, however, there was a marked change in approach, and the government and the RTU largely refrained from prosecuting and deregistering trade unions. The Registry adopted a benevolent approach to ensuring trade unions' compliance with TUO. The reasons for the change seem to be linked to the 1967 disturbances. Up to 1967, the Colonial Office showed little concern with Hong Kong's internal affairs, being much too busy with the rest of the colonial empire and seeing Hong Kong as a 'shining

Table 14.2 RTU's deregistrations of, prosecutions of, and warnings to trade unions for contravening TUO and warnings to trade unions for not complying with their own rules 1948/49 to 1996¹

	<i>Total no. of TUs on RTU's Register</i>	<i>No. of TUs deregistered for contravention of TUO</i>	<i>No. of TUs and TU officials prosecuted for contravening TUO²</i>	<i>No. of TUs and TU officials warned for contravening TUO³</i>	<i>No. of TUs warned for contravening their registered rules by written notice⁴</i>	<i>No. of TUs warned for contravening their registered rules by warning letter</i>
1948/49 ⁵	178	0	0	2	NA	0
1949/50	261	0	0	0	NA	0
1950/51	276	0	0	0	NA	0
1951/52	288	0	0	0	NA	0
1952/53	304	0	0	0	NA	0
1953/54	299	0	0	0	NA	0
1954/55	300	0	0	0	NA	0
1955/56	301	0	34 (34+0)	2	NA	1
1956/57	306	1	25 (25+0)	0	NA	1
1957/58	309	2	16 (14+2)	0	NA	0
1958/59	315	1	38 (23+15)	1	NA	1
1959/60	316	1	13 (3+10)	7	NA	2
1960/61	315	0	20 (1+19)	0	NA	21
1961/62	315	3 ⁶	12 (4+8)	0	0	5
1962/63	316	0	0	0	36	0
1963/64	313	2	1 (1+0)	At least 3	41	0
1964/65	311	0	5 (5+0)	1	58	Some
1965/66	312	4	13 (5+8)	Some	43	0
1966/67	308	0	2 (2+0)	0	62	0
1967/68	312	1	0	Some	29	0
1968/69	320	1	0	0	22	0
1969/70	321	1	30 (7+23)	7	23	0
1970/71–	339	0	0	At least 26	11	21
1974/75 ⁷	(mean pa)			(mean pa)	(mean pa)	(mean pa)
1975/76–	379	0	0	58	2	39
1979/80	(mean pa)			(mean pa)	(mean pa)	(mean pa)
1980/81–	428	1	0	94	5	40
1984/85	(mean pa)	(mean pa)		(mean pa)	(mean pa)	(mean pa)
1985–89	459	3	0	70	2	32
	(mean pa)	(mean pa)		(mean pa)	(mean pa)	(mean pa)
1990–94	521	0	0	100	0	34
	(mean pa)			(mean pa)		(mean pa)
1995–96	571	0	0	86	0	36
	(mean pa)			(mean pa)	(mean pa)	(mean pa)

Notes

- 1 There were no major revisions of TUO after 1961 and the use of the RTU's powers was more consistent after 1970. This allowed the authors to average the statistics in the Annual Reports for five year periods after 1970.
- 2 The first figure in brackets refers to prosecution of trade unions and the second to prosecution of

- trade union officials. The first prosecution for contravening TUO was brought in 1955/56.
- 3 Warnings to trade unions for contravening TUO were sometimes by written notices (which have legal status) but more frequently by warning letters (such warnings did not have legal status). Warnings issued to trade unions were first reported in tabular form in 1975/76. The figures in the column prior to that date are based on textual analysis by the authors. In these earlier reports, sometimes the terms 'reminded' or 'instructed' are used instead of warning but it is clear from the context that the RTU was warning the union.
 - 4 In 1961 TU&TDO was considerably revised and retitled TURO. In s.52 of TUO the RTU was given extensive powers to seek observance by trade unions and officers of the more important rules of a trade union. However, letters advising trade unions to comply with their rules were sent before this date.
 - 5 Model Rules were first issued in this year. Note that information on contraventions of trade unions' own rules was not presented in tabular form in the RTU's Annual Reports in the earlier years and that the data in this table has been derived from textual analysis. Sometimes the reports indicate that RTU in his letters to trade unions 'instructed' or 'strongly advised' rather than 'warned' trade unions to comply with their rules. Where these other words have been used, they have been counted as warnings.
 - 6 The RTU suggested that one of the entries for 1986 was a mistake and that the trade union concerned should have been classified as a voluntary deregistration.
 - 7 Warnings for contravention of trade unions' own rules were first presented in tabular form in the RTU's Annual Reports in 1975/76.

example' that should be left alone 'to get on with it'.⁵ This complacency was shattered by the riots (Miners 1995:217–18): the Labour government in the UK became sensitised to the dangers of industrial conflict and came under pressure to improve conditions for Hong Kong workers (England and Rear 1981:20–1, 319–1). Considerable improvements were introduced to protect workers from the harsh logic of *laissez-faire*,⁶ the Cinderella Labour Department was doubled in size, labour advisors were brought out from the UK and, most importantly, Labour Tribunals were introduced in 1973 (Labour Tribunal Ordinance)⁷ and a framework for the settlement of disputes in 1975 (LRO). These improvements were part of a general campaign on the part of the Hong Kong government to legitimise its rule by winning the hearts and minds of the Hong Kong people.

Table 14.2 shows that, in the 1970s and 1980s and in the run-up to the transition, the RTU substituted written notices and warning letters for prosecution and deregistration when trade unions contravened TUO,⁸ and he substituted warning letters for written notices when trade unions contravened their registered rules. This persuasive approach to ensuring compliance with TUO's provisions was particularly marked after 1980. Thus Table 14.3 shows that the RTU gave permission for significant numbers of trade unions to submit their annual accounts late and that Registry officers attended a considerable number of trade union functions. The RTU, however, did refuse a request for federation that suggests some strictness in applying this provision.⁹ Thus in 1972/73 an application by the Federation of Hong Kong Civil Servants' Association for registration was refused on the ground, *inter*

alia, that members of nine of the eleven component trade unions involved were not engaged in the same industry or occupation.

The attention of the RTU in his supervision of trade union activities, both in the earlier period of more harsh enforcement of TUO and the later more persuasive approach, appears to have been sharply focused on financial administration. Deregistrations, prosecutions and warnings were most frequent for late Annual Returns (eight deregistrations, 110 prosecutions and 455 warnings) and late transmission of accounts (four deregistrations, sixty-four prosecutions and at least 504 warnings).¹⁰ There was also an emphasis on conforming to the requirements for rule changes to be submitted to the RTU for approval (two prosecutions and 344 warnings) and for the exhibition of the list of officers in the trade union's registered office (266 warnings). There were few indications of serious charges having been brought against trade unions by the government. There was only one political charge—a warning for a trade union with an affiliation to a Taiwanese organisation. The most serious financial and administrative charges since 1948 were a trade union certificate being obtained by fraud (one deregistration), a trade union permitting outsiders to operate a fraudulent benefit scheme under its name (one deregistration), trade union officers signing statutory forms containing false statements (or signing statutory forms recklessly) (fourteen warnings), trade unions furnishing false information to RTU (seven warnings), trade union officers failing to render to members just and true accounts (nine warnings), trade union officers using funds improperly and being financially lax (at least four warnings¹¹) and improper use of funds¹² (one prosecution and four warnings).

Similarly, with respect to the government's enforcement of trade unions' registered rules, the emphasis was on financial and administrative detail. The most common cause of reprimands from the RTU by far was for holding excessive cash in hand (675 written notices and warning letters).¹³ The second most frequent was failure to hold general meetings constitutionally and failure to give sufficient notice for general meetings (219 written notices and warnings).

Considering the period overall since 1948, there are indications that, while the government was willing in the earlier part to deregister trade unions and to prosecute them for infringing TUO's provisions, nevertheless the government did demonstrate a significant acceptance of the trade unions' role and a wish to help them comply with the legislation rather than punish them for failure. Thus Table 14.3 shows that the Governor never refused a trade union application for affiliation with an organisation outside of Hong Kong;¹⁴ that the RTU or the Governor-in-Council on a considerable number of occasions gave permission to a trade union officer to hold his/her position though proscribed from doing so on various grounds (see Table 14.1);¹⁵ and that the Registry provided a large number of courses for trade union officers both on the principles of trade unionism and the provisions of TUO, and on practical aspects such as bookkeeping and auditing.¹⁶

Table 14.3 Governor's consent to TU affiliation outside Hong Kong, late submissions of accounts granted by RTU, RTU's consent for trade union officers to hold posts, number of social events attended by trade union officers and number of trade union officers attending courses organised by RTU 1948/49 to 1996¹

	<i>No. of times Governor gave consent to a TU to affiliate with an organisation outside Hong Kong out of number of applications made</i>	<i>No. of late submissions of TU accounts granted by RTU</i>	<i>No. of times RTU or Governor in Council gave consent to a TU officer to hold his post though officer was in a category proscribed from doing so²</i>	<i>No. of TU social functions attended by Registry officers</i>	<i>No. of TU officers attending courses organised by RTU</i>
1948/49	NR ³	NR	7	NR	NR
1949/50	NR	NR	0	NR	NR
1950/51	NR	NR	0	NR	NR
1951/52	NR	NR	0	NR	At least 20 classes held
1952/53	NR	NR	0	NR	Some classes held
1953/54	NR	NR	0	NR	Well over 500
1954/55	NR	NR	0	NR	Over 600
1955/56	NR	NR	0	NR	197
1956/57	1 out of 1	NR	0	NR	About 90
1957/58	2 out of 2	NR	4	NR	About 78
1958/59	2 out of 2	1	2	NR	About 85
1959/60	1 out of 1	NR	0	NR	About 137
1960/61	1 out of 1	NR	0	NR	About 136
1961/62	No applications	NR	0	NR	NR
1962/63	9 out of 9	NR	12	NR	About 264
1963/64	2 out of 2	NR	16	NR	About 134
1964/65	4 out of 4	NR	11	NR	About 124
1965/66	No applications	NR	11	NR	About 33
1966/67	No applications	NR	0	NR	NR
1967/68	No applications	NR	1	NR	NR
1968/69	1 out of 1	NR	0	NR	NR
1969/70	1 out of 1	NR	8	NR	NR
1970/71–	8 out of 8	NR	9	NR	NR
1974/75	in 5 years		(mean pa)		
1975/76–	9 out of 9	NR	3	NR	NR
1979/80	in 5 years		(mean pa)		
1980/81–	7 out of 7	26	5	15	186
1984/85	in 5 years	(mean pa)	(mean pa)	(mean pa)	(mean pa) ⁴
1985–89	4 out of 4	19	5	24	288
	in 5 years	(mean pa)	(mean pa)	(mean pa)	(mean pa)
1990–94	13 out of 13	22	1	18	328
	in 5 years	(mean X pa)	(mean pa)	(mean pa)	(mean pa)
1995–96	2 out of 2	16	2	14	339
	in 2 years	(mean pa)	(mean pa)	(mean pa)	(mean pa)

Notes

- As note 1 in Table 14.2.
- Note in addition to the prohibitions on office-holding given in Table 14.1 that, until the repeal of the provision in 1971, a person could not hold office if he was an officer of another registered TU unless the RTU consented in writing.
- NR stands for no record in the Annual Report.
- Attendance by trade union officers was recorded in the Annual Reports for 1983/84 and 1984/85 only.

The approach of the Labour Department just before the transition was summarised by two leading officers:¹⁷

Punishment of trade unions does not help harmonious industrial relations and that is why the Labour Department chooses the helpful approach towards trade unions.

We treat trade unions well and make allowances. Hong Kong trade unions are very small. Officers contravene the Trade Union Ordinance mostly due to ignorance. They commit only minor offences so the Registry sees it as its job to help them keep to the Ordinance.

This raises the question of why the government retained these legal controls. While, on the one hand, they may be just an anachronism, on the other hand, there was a long-standing fear of events in China impacting on, and bringing disorder, to Hong Kong. The government may have intentionally retained these controls as a safeguard against trade union unrest (see Chapter 1).

The future for Hong Kong trade unions' legal framework

This leads us inevitably to the question of what the SAR government will do. Will it abolish the legal controls as anachronisms? Will it maintain the present, 'successful' controls? Or will it institute tighter controls in fear of the actions of independent and radical trade union leaders? To answer this question we turn to the results of a survey undertaken by the authors of the views of representatives of different groups of Hong Kong-belongers, interviewed in 1997 and 1998, just before or after the transition.¹⁸ These fifty-two respondents comprised representatives from the Labour Department (five),¹⁹ the leaders of different groups of trade unions—including the traditionally Beijing-oriented Federation of Trade Unions (FTU) (four), the traditionally Taiwan-oriented Trade Union Congress (TUC) (three), the independent and radical Confederation of Trade Unions (CTU) (four), the independent but more conservative Federation of Labour Unions (FLU) (three), and other non-affiliated civil service and professional trade unions (four), representatives of employers' associations and employers from firms with a significant trade union presence (eighteen), judges and barristers (six), representatives of professional and community groups with seats in the Legislative Council (LegCo) (three), and representatives of human rights groups (two).²⁰

The respondents were asked for their opinions on whether the incoming SAR government would chose to alter significantly the trade unions' legal framework, to maintain the inherited framework but to change the pattern of enforcement, or to maintain both the current framework and pattern of enforcement. The major part of the respondents (71 per cent) believed that

the SAR government would preserve both the inherited legal framework and the present pattern of enforcement: this view is referred to as 'things will stay the same'. However, a quarter (27 per cent) believed that the SAR government would keep the inherited legal framework intact but would enforce this more vigorously after the transition than the previous government had since the 1970s: this view is referred to as 'tougher treatment for trade unions'. On the other hand, only one respondent (a representative of an employer's organisation with rather untypical views) thought the SAR government would seek to change the present legal framework for trade unions in Hong Kong.

Those who believed that the current pattern of enforcement would continue consisted of all of the Labour Department officials, all of the FTU- and FLU-affiliated officials, the greater part of the employers (83 per cent) and all of the judiciary. Additionally, one of the representatives of the community and professional groups, one of the civil service and professional trade union officials and one CTU-affiliated trade union official were in this group. Those respondents who believed that the SAR government would enforce the trade unions' legal framework more vigorously consisted of all the TUC-affiliated trade union officials, and all but one of CTU-affiliated trade union officials, both representatives of human rights groups, together with three of the civil service and professional trade union officials. Also included was one representative of community and professional groups in LegCo and two employers.

The thirty-seven respondents holding the first view 'that things will stay the same' considered that the SAR government would be concerned to protect Hong Kong's economic prosperity and stability and, consequently, would not wish to change a successful formula: it would continue the previous government's benevolent approach towards trade unions. Most of these respondents held the view that the SAR government was in favour of trade unions and saw them as responsible organisations who would work with other groups to keep Hong Kong's economic success intact. This view is illustrated in the quotes²¹ below from an employer and a FLU official:

Why should the government change a successful system? The SAR government understands the present system and will not change it.

Hong Kong should be proud of its achievements in the labour area in these two decades. Therefore the SAR government may not feel obliged to change anything. Trade unions have enjoyed considerable latitude and breathing space... Organized labour has been able to challenge or deal with the employers effectively. Labour law reforms are not of pressing urgency on the legislative agenda.

We should note however, that a small subgroup of seven respondents within this group had a less favourable view of the new SAR government.

While the respondents in this subgroup felt that the SAR government would exercise its powers under the existing provisions of TUO in the same way as the previous government had done, they were not necessarily optimistic about the future for trade unions in Hong Kong. They simply felt that new Chief Executive would not bother to introduce changes for Hong Kong's small and fragmented trade unions as he would have far bigger problems to deal with, such as health, housing and the elderly. This less optimistic view is illustrated in the following quote from an employer: 'Trade unions are not a major concern for anyone in Hong Kong. They are not a topic of concern for the SAR government. The SAR government is concerned with immigration, housing and hospitals.'

The fourteen respondents with the second view—that is to say those who believed that greater use would be made of the existing legal powers to control trade unions—considered that the SAR government would prove to be much more business-oriented than the previous government and would be quick to control any trade union disorder, or potential disorder, likely to affect Hong Kong industry. These respondents predicted that the SAR government would not tolerate any criticism of its policies, or of China, and that it would clamp down on trade unions' protest activities. The SAR government would use its supervisory powers, such as inspection of trade union accounts, to collect detailed information on trade union activities. There would be less latitude for those trade unions late with their accounts. The RTU would not exercise his permitted discretion to allow those not engaged in the same industry, trade or occupation as the trade union concerned to become trade union officers, and the Chief Executive would subject trade unions wishing to affiliate with foreign 'non relevant professional organisations' to close political scrutiny. The illustrative quotes below are from a CTU official and a representative of a human rights organisation:

China would like to rule Hong Kong in a way as appealing to employers and capitalists as possible. The major fear of employers and capitalists are trade unions. Trade unions for these are bad news.

The SAR government will enforce the Ordinances more strongly because they want to make sure that all the organizations in Hong Kong are not critical of the new government.

An important point to note is that the respondents in the second group considered that the provisions of TUO would be enforced more vigorously against certain trade unions rather than others. A particular target of the SAR government was thought to be the CTU and its affiliates, noted campaigners for civil liberties. In contrast, the traditionally Beijing-oriented FTU and its affiliates would be in favour with the SAR government and would not be subject to such increased scrutiny. The respondents also

considered that the SAR government might invoke POO's provisions more frequently in order to control trade union public activities such as demonstrations and marches.

The following quote from a CTU officer demonstrate this group's views of the future pattern of enforcement of the provisions of TUO and POO:

No, the new government will not change the trade unions' legal framework. Hong Kong has the worst system in the world, why change it? Yes, there will be greater enforcement of the Trade Union Ordinance. There will be a bit more supervision of accounts and international affiliations ...Permission [for international affiliations] will depend on which trade union is asking. There will be political scrutiny of the outside organisation. The Public Order Ordinance will be enforced much more vigorously for processions and meetings and these will be made more difficult. Possibly there will be more prosecutions and less just warning of those contravening.

The following quote from a representative of a human rights organisation demonstrates these respondents' expectations of discrimination against certain trade unions:

The SAR government will use it [TUO] to discriminate against those trade unions which it is not happy with. These trade unions are the ones not controlled by the SAR government or by employers, or refuse to be controlled such as the CTU...The SAR government will probably use it [POO] on some trade unions, not on those who support Beijing policies though but against those trade unions who do not support the SAR and Beijing.

The two groups of respondents in the survey represented groups with different relationships to administrative power at the time of the transition. Those respondents with the 'things will stay the same' view either expected to be part of the new administration or had developed close links with it. Thus representatives of the judiciary and the Labour Department in the survey were expecting to continue to hold office after the transition. The FTU trade unions were Beijing-oriented in colonial times and the FLU trade unions were a more moderate grouping than the CTU trade unions. Employers were more heavily represented in the Provisional LegCo than in Patten's reformed LegCo elected in 1995, and they were anticipating a fruitful collaboration with the incoming HKSAR government. Those believing that the 'climate will get tougher for trade unions' tended to be in conflict with the new administration. The CTU is an important pressure group for the extension of democracy and trade union freedom in Hong Kong and the TUC is traditionally linked with Taiwan. The human rights and religious groups, together with the community groups represented in the survey, also have a strong commitment to democracy and trade union autonomy that puts them in conflict with the incoming HKSAR government.

Chapter 2 analysed the changes in the trade unions' legal framework introduced both by the previous government and by the pro-labour caucus in LegCo in the run-up to the transition, and the reversal of most of these changes by the incoming SAR government. The respondents were interviewed in 1997 when many of these changes were taking place. The conclusion drawn in Chapter 2 was that, after the changes and counterchanges had taken place, the legal framework for trade unions in Hong Kong had more or less returned to its position at the time of the Joint Declaration in 1984. Thus the view of all but one of the respondents that the SAR government would not introduce significant change to the legal framework for trade unions was vindicated at the time of writing in December 1998. So far, there are no indications that the SAR government is enforcing TUO more vigorously than the government had done in the colonial era. However, some interviewees in the minority group, those that believed that there would be 'tougher treatment for trade unions', reported that police supervision and observation of trade union demonstrations and marches was much closer than before the transition.²²

Conclusion: differing views for the trade unions' future

In post-transition Hong Kong, the legal framework for trade unions is an odd combination of British law of the *laissez-faire* era and colonial paternalistic control: this framework is guaranteed to remain unchanged for fifty years from the date of the transition by the 1984 Joint Declaration. The legal framework gives wide powers of administrative control over trade union organisation and activities. Following its crisis of legitimacy triggered by the 1967 disturbances, and also reflecting the increasingly settled, educated and demanding nature of the Hong Kong-belongers, the previous government chose to administer trade union controls benevolently, seeking compliance through persuasion and help rather than through coercion.

The success of the Democratic Party in the elections for the first LegCo in the SAR, as described in Chapter 2, suggests that the SAR government has its own crisis of legitimacy. Its legitimacy has been further brought into question by the sharp downturn in the Hong Kong economy, accompanied by wage cuts, job losses and increasing unemployment. This uncertainty may lead the SAR government to use a light hand in administering the legal controls on trade union organisation and activity following the colonial pattern: the touch may be light, in particular, given the success of independent trade unions leaders in joining their pro-China FTU colleagues in the first SAR LegCo.

The majority group in the survey, those who are closely linked with the incoming SAR government, expect the administration to continue the previous government's pattern of benevolence towards trade unions. In contrast, the minority group, those who are in a potential position of conflict with the incoming SAR, do not share this optimism and expect the new administration to crack down on criticism from independent and radical

groupings. The SAR government may be tempted to do this. But in a society where the enfranchisement of its members is uncertain and the press is considered to be increasingly self-censoring,²³ it is important that groups not part of the elite retain the right to be critical of the government and to act as a check and balance against any arbitrary exercise of power.

Notes

- 1 We thank the ESRC, the British Academy, the Hang Seng Bank Jubilee Foundation and Cathay Pacific for funding this project and the Hong Kong Labour Department for assistance with preparing Tables 14.2 and 14.3. We are also grateful for help from officers and library staff of the Labour Department, Andrew Byrnes and Johannes Chan of the Law Department, Hong Kong University and all the respondents in our interview survey for their co-operation and help.
- 2 According to England and Rear (1975:215) it had been found embarrassing that the same person was responsible for advising and educating trade unions in the principles of responsible trade unionism was also responsible for enforcing TUO.
- 3 The remaining provisions were concerned with the reference of disputes to arbitration and the 1948 Ordinance became the Trade Disputes Ordinance, which was repealed by LRO in 1975.
- 4 LegCo. Proc. 1961:298.
- 5 Lord Rhodes, House of Lords Debate, 9 November 1967, col. 564 quoted in Miners (1975:207).
- 6 There were 150 pieces of legislation of concern to the Labour Department enacted between 1968 and 1979 (England and Rear 1981:319–20).
- 7 This was intended to deal, in particular, with employers' shortcomings in terms of arrears of wages, wages in lieu of notice, severance pay and so forth (England and Rear 1981:320).
- 8 It is not clear from the text of the Annual Reports when the RTU sent written notices and when warning letters to trade unions in contravention of TUO's provisions. Warning letters appeared to be more frequently utilised than written notices.
- 9 Until 29 June 1997, TUO s.55 specified that registered trade union federations could consist only of component trade unions whose members were engaged or employed in the same trade, industry or occupation (see Chapter 2).
- 10 Note that phrases such as 'wilful' and 'after notice' were normally used by the RTU in his reports to describe trade union behaviour that led to trade union deregistration.
- 11 'At least' is used to indicate that the Annual Report(s) concerned referred to 'some' offences being committed rather than giving a precise figure.
- 12 Mainly transfer of welfare funds for use as general funds.
- 13 A limit on cash in hand is one of the RTU's Model Rules and a survey of the rulebooks of the thirty largest trade unions in Hong Kong in 1997 showed that these trade unions had incorporated this Model Rule into their own rulebooks.
- 14 The number of trade unions with permission to affiliate with organisations overseas was thirty-seven at the end of 1996 (information from Labour Department).
- 15 It was not possible to determine from the Annual Reports how often the RTU/Governor in Council refused such requests but the Labour Department was of the opinion that these instances were rare.
- 16 The Labour Department kept no records of trade union courses it held between 1955/56 and 1981 but officials were of the opinion that such courses continued to be held.
- 17 See the authors' interview survey discussed below, pp. 248–252.
- 18 Further interviews were conducted in January 1998 including officials from the CTU and FTU and an employer representative.

- 19 This category includes a spokesperson from the Police Commission who commented on those aspects of POO of relevance to trade union activities.
- 20 This category included a religious group with an interest in industrial relations.
- 21 On account of political sensitivities in Hong Kong at the time of the transition, the interviews were not tape-recorded. Instead, the interviewers recorded respondents' answers for key questions in shorthand.
- 22 Early 1998 interview material.
- 23 *SCMP Year-End Review*, 12 January 1997:13.

15 Hong Kong trade unions

In search of a role¹

Ed Snape and Andy W.Chan

Introduction

The aim of this chapter is to evaluate the role of Hong Kong trade unions during the late 1990s. Following a brief outline of the recent development of trade union functions, we present survey evidence on union functions as seen by leaders of individual trade unions. We then survey recent trends in industrial conflict and, in particular, explore the role played by trade unions in labour disputes. This analysis highlights some of the difficulties facing Hong Kong unions in the effective representation of their members' job-based interests. We conclude with a discussion of the likely implications of our analysis for the future of trade unions in the Hong Kong Special Administrative Region (SAR).

Trade union functions in Hong Kong

We can identify three broad functions typically played by trade unions. First, 'job-based unionism' involves representing the interests of workers in their employment relationship, for example through consultation or negotiation with employers and providing assistance or advice on employment rights. Second, 'services unionism' involves the provision of direct services, cash benefits and retail discounts to members. Finally, 'political unionism' involves political activity, such as lobbying government on members' interests and labour rights. These are not mutually exclusive trade union types. Rather, trade unions emphasise these functions to varying degrees.

In terms of job-based unionism, Hong Kong trade unions have had limited influence in most workplaces, particularly in the private sector (Levin and Chiu 1993). A recent Institute of Human Resource Management survey found that the percentage of private-sector companies determining pay levels through negotiation with trade unions or staff associations was 3.3 per cent in the case of manual workers or technicians, 2.4 per cent for clerical and supervisory workers and 1.9 per cent for managerial and professional staff (Institute of Human Resource Management 1995). Trade union weakness has been attributed to the small size of establishments in manufacturing and

private-sector services, to an alleged cultural resistance amongst Hong Kong workers towards joining trade unions and openly challenging their employer (Levin and Chiu 1994:155), and to employer hostility towards unions (Levin and Ng 1995:131). Trade unions are more significant in the civil and public services, although the relationship with management tends to be joint consultation rather than collective bargaining, whilst in the private sector even joint consultation is rare (see Chapter 16).

In view of their limited effectiveness in the job-based functions, Hong Kong trade unions have traditionally emphasised alternative appeals to potential members, in particular the direct provision of welfare benefits and other services. The Hong Kong Federation of Trade Unions (FTU) has been particularly active in this field, as have some of the larger public-service trade unions. In addition, the political functions of trade unions have been significant. Traditionally, membership of an FTU, or a Hong Kong and Kowloon Trades Union Council (TUC) union, was an expression of political loyalty to the Chinese Communist Party, or to the Kuomintang. The political complexion of these trade unions traditionally had as much to do with historic political struggles on the Chinese mainland as with representing the immediate interests of Hong Kong workers.

In recent years there has been an increase in the political activity of trade unions, focusing this time on Hong Kong issues. The democratic reforms of the late 1980s and early 1990s led to the emergence of a pro-labour voice on the Legislative Council (LegCo). Whilst the TUC has kept a low profile, others have been more active. Both the FTU and the pro-democracy Hong Kong Confederation of Trade Unions (CTU) have become involved in electoral politics and also in lobbying legislators and the government, overshadowing the long-established consultative devices such as the Labour Advisory Board. Of course, such developments were called into question by the transfer of sovereignty. The labour and pro-democracy forces face some hostility from the new SAR government. However, it is by no means certain that the growth in trade union membership of recent years will be reversed. The FTU has consolidated and strengthened its organisation and the CTU, whilst vulnerable under the SAR, is determined to continue its work (Snape and Chan 1997).

Whilst it is likely that the above pattern of union activity owes much to the opportunities facing trade unions, several commentators have suggested that the trade unions themselves have at times contributed to their own weakness at the workplace by deliberately following a pacifist line in labour disputes and focusing on the provision of services and political representation (England 1989:116–17; Turner *et al.* 1991:80–3; Levin and Chiu 1993:202–3). Indeed, some suggest that the past reluctance of FTU and TUC trade unions to pursue effective representation may have been more important than workers' attitudes to collective organisation in explaining union weakness (Turner *et al.* 1980, 1991; Chiu and Levin 1996: 33). This suggests that whether or not trade unions become more assertive in workplace disputes is

likely to be a key factor shaping their future role. In this context, it seems appropriate to reassess the role of trade unions and to ask the question: how do union leaders see the role of their trade unions and how do they see them developing? We attempt to shed some light on this in the following section.

Hong Kong trade unions: some survey evidence

In February 1996 we conducted a survey of leaders of individual trade unions, to try to identify what trade unions were doing, both directly and through their federations, and to explore any expected changes over the next three years. Questionnaires were mailed to the senior official (e.g. chairman, president, etc.) of each union registered with the Registrar of Trade Unions as at the beginning of 1996, a total of 522 trade unions. Completed questionnaires were received from 141 trade unions, a response rate of 27 per cent. The nature of the respondents is described in the Appendix (p. 269).

According to our respondents, the job-based function of representing workers *vis-à-vis* their employer was the area where trade unions were most active (Table 15.1). Collective negotiation and consultation with employers had the highest rating of all. Respondents reported that assisting individual workers with claims at the Labour Department or Labour Tribunal was the least significant activity in this category, reflecting the relative infrequency of such claims in most sectors. Organising social, cultural or leisure activities was the most important services function, whilst the payment of cash benefits was the least. This latter finding is not surprising, given that the percentage of total union revenues paid out as benefits has declined over the years, as state welfare provision has increasingly filled this traditional union role.² Instead, unions have tended to emphasise discount purchase deals, and training and education services. Compared to job-based and services functions, respondents rated their organisations as rather less active on political functions. However, most recognised that they had at least some role here, especially in lobbying the government on labour laws and policies.

Comparing trade unions in the community, social and public services with all other (mainly private-sector) trade unions (Table 15.2), the latter claim to be more active in most areas. The exceptions were negotiating and consulting with employers, representing individual workers to employers, offering discount purchase deals and organising social and cultural activities for members, where there was no difference between the two groups of trade unions at the conventional 5 per cent significance level, although the latter two were significantly different at the 10 per cent level.³ The community, social and public services trade unions cite negotiating and consulting with employers, representing individual workers to employers, and advising workers on their employment rights as their three areas of greatest activity. In contrast, the other trade unions cite advising workers on their employment rights, and representing workers in claims and in disputes

Table 15.1 'Currently, how active is your union, either independently or through its affiliated federations, in each of the following areas?' (percentage of valid responses)

<i>Function:</i>	<i>Very active</i>	<i>Slightly active</i>	<i>Not at all active</i>	<i>Unsure</i>		
<i>Job-based functions</i>						
Negotiating or consulting with employers on terms and conditions on behalf of groups of workers	27	25	17	20	10	2
Representing groups of workers in labour disputes	22	13	22	22	15	5
Representing individual workers to employers	20	21	30	18	12	0
Assisting individual workers in claims at the Labour Department/ Tribunal	15	10	17	13	38	7
Advising individual workers on their employment rights	23	24	26	16	11	0
<i>Services functions</i>						
Payment of cash benefits directly to members	2	6	19	12	53	8
Offering discount purchase deals to members	10	19	30	13	28	1
Organising or providing social, cultural or leisure activities for members	12	19	40	19	10	0
Providing training and education services for members	10	13	24	27	26	1
<i>Political functions</i>						
Lobbying the Hong Kong Government on changes in labour laws and policies	18	10	19	21	30	2
Lobbying the Hong Kong Government on changes in social policies	8	14	18	23	36	2
Lobbying the Preliminary Working Committee/ Preparatory Committee of the SAR	3	11	10	16	52	8
Campaigning in elections to public bodies	13	11	19	13	43	2
Providing support for particular politicians or political parties	7	10	22	16	44	2

Source: Authors' HK trade union survey, 1996 (N=141).

as their three main activities, with negotiating and consulting with employers, and representing individual workers to employers ranked fifth

Table 15.2 Trade union activity by sector (percentage of valid responses)

<i>Function</i>	<i>Community, social and public services unions. (N=87)</i>		<i>All other unions (N=54)</i>		<i>Significance level for difference between the two means*</i>
	<i>Mean</i>	<i>Rank</i>	<i>Mean</i>	<i>Rank</i>	
<i>Job-based functions</i>					
Negotiating or consulting with employers on terms and conditions on behalf of groups of workers	3.43	1	3.38	5	.840
Representing groups of workers in labour disputes	2.77	5	3.48	2	.005
Representing individual workers to employers	3.15	2	3.27	7	.584
Assisting individual workers in claims at the Labour Department/Tribunal	1.18	12	3.48	2	.000
Advising individual workers on their employment rights	3.13	3	3.63	1	.028
<i>Services functions</i>					
Payment of cash benefits directly to members	1.49	13	2.39	13	.000
Offering discount purchase deals to members	2.53	6	3.00	10	.054
Organising or providing social, cultural or leisure activities for members	2.92	4	3.29	6	.058
Providing training and education services for members	2.27	7	3.03	9	.001
<i>Political functions</i>					
Lobbying the Hong Kong Government on changes in labour laws and policies	2.18	8	3.39	4	.000
Lobbying the Hong Kong Government on changes in social policies	2.13	9	2.71	12	.013
Campaigning in elections to public bodies.	1.93	10	3.08	8	.000
Providing support for particular politicians or political parties	1.82	11	2.78	11	.000

Source: Authors' HK trade union survey, 1996 (N=141).

Notes: Mean is mean score (1 is 'Not at all active' to 5 is 'Very active'); rank is the rank order amongst the functions.

* Independent samples t-test.

and seventh respectively (Table 15.2). It may be that private-sector trade unions have come to terms with employers' refusal to recognise them by performing a wider range of functions. However, even here the job-based functions are still seen as the main activity of the union.

Looking at the changes anticipated by respondents over the following three years, the basic pattern was that trade unions were expecting to place more emphasis on areas where they are already most active. The job-based functions in particular emerge as ones which many respondents expected to become more important. Services functions are also expected to become more important, with the exception of the provision of cash benefits. Amongst the political functions, most respondents did not expect their trade unions to become less active in lobbying the government. In this respect, trade unions were expecting to continue to show an interest in the pursuit of their members' interests in the political arena. However, respondents were less clear about their future role in campaigning in elections and in providing support for politicians and political parties; private sector trade unions envisaged some increase in such activities, whereas those in the community, social and public services anticipated being less active here.

Further analysis revealed several differences in the functions performed by trade unions.⁴ FTU trade unions tended to place more emphasis on services than did other trade unions, reflecting a long-term strategy to develop such services on the part of the federation. They also rated themselves more highly than non-affiliated trade unions on the job-based and political functions. Thus, in spite of the association of the FTU with services, FTU trade unions show a broader concern and are not simply services-based trade unions, as their rivals have sometimes suggested.

In comparison, CTU-affiliated trade unions rated themselves more highly on job-based functions than did independent trade unions, but less than FTU trade unions on services. This may reflect the ideology and beliefs of CTU leaders, who have shown strong concern for labour rights and interests, rather than for the traditional union services and benefits (Snape and Chan 1997). TUC trade unions also rated themselves lower than did FTU trade unions on services. Independent trade unions in general appeared to be less active than FTU and CTU trade unions across a range of functions. Of course, some of the larger independent trade unions are very active, but this group includes many quite small trade unions with limited resources and this may explain their relative lack of activity.

Trade union subscriptions

The functions performed by trade unions are to some extent reflected in their finances and, in particular, in the level of membership subscriptions. Hong Kong trade unions have a tradition of very low subscriptions and their dependence on income from members is limited, with much of their income coming from trading

Table 15.3 Trade union subscriptions by federation

<i>Union affiliation</i>	<i>Mean annual subscription rate, \$</i>
1 Unaffiliated	94.71
2 CTU	99.65
3 FTU	59.00
4 TUC	43.09
5 Other federations*	347.07

Source: HK trade union survey, 1996 (N=141).

Note: *The high mean for 'Other federations' is due to very high subscription rates for two trade unions in particular. When these two are excluded, 'Other federations' have a mean of \$81.46.

and other activities.⁵ Some union leaders have been critical of this tradition, claiming that low subscriptions and the strong emphasis on direct services fosters inter-union competition, with multiple union membership and 'shopping around' by members. Such competition may thus limit the ability of trade unions to improve their resource base through higher subscriptions. In the longer term, the argument goes, this limits the activities and vitality of the union movement.

Table 15.3 shows that there were differences in average subscriptions according to federation. Whilst the high 'Other federations' figure is inflated by a small number of trade unions with exceptionally high subscriptions, the CTU trade unions in our survey had significantly higher subscriptions levels than either FTU or TUC trade unions. In our interviews, CTU leaders argued that low subscriptions had been a source of weakness and that some CTU affiliates were trying to establish a stronger financial base. Whether the higher subscriptions of the CTU are due to such a policy decision, or whether this simply reflects the higher average wages of some CTU affiliates, is unclear.

Trade unions and labour disputes

Most private-sector workplaces in Hong Kong have no apparent trade union presence. The orthodox view is that industrial relations in such establishments are non-problematic, with a lack of overt conflict and with grievances being dealt with on an individual, face-to-face basis. However, conflicts do emerge and the Hong Kong government provides a voluntary conciliation service to help employees and employers resolve disputes and claims. 'Disputes' involve more than twenty employees and thus represent collective grievances, whilst 'claims' are individual or small-group grievances, usually arising from a breach in the contract of employment or an alleged failure to adhere to the requirements of the Employment Ordinance. Below, in Table 15.5, we attempt to provide an insight into industrial relations issues and conflict resolution in Hong Kong by reviewing the data on disputes for the period 1990 to 1994. The data come from a study of the Labour

Department's files on disputes and we also draw on our interviews with Labour Officers and union officials. First, however, we place these findings in context by surveying the overall trend in industrial conflict.

Table 15.4 shows the trend in industrial conflict in Hong Kong since 1980. In general, there have been fewer stoppages since 1982 than in earlier years, with an average of fewer than ten per year since 1983. During this period, there was no discernible trend in the number of stoppages, whilst the numbers of workers involved and working days lost has been affected by occasional large disputes; for example the strike by the Cathay Pacific Flight Attendants' Union accounted for much of the total working days lost in 1993. England (1989), surveying the whole post-war era, identifies a relationship between the economic cycle and the level of stoppages, with an increase in the economic recovery of the late 1970s and a fall after 1982 associated with the recession. However, he also identifies the 'industrial pacifism' of the FTU as a factor in the lower level of stoppages in the 1980s (England 1989:223). Thus, as the opening-up of China and the approach of the transfer of sovereignty increased China's interest in the economic prosperity and stability of Hong Kong, so the pro-China sympathies of the FTU appear to have favoured a less militant approach to relationships with employers.

Table 15.4 Industrial conflict in Hong Kong

<i>Year</i>	<i>Number of stoppages</i>	<i>Workers involved</i>	<i>Working days lost per 1,000 wage earners and salaried employees</i>	<i>Labour disputes</i>	<i>Claims</i>
1980	37	5,083	10.16	171	14,296
1981	49	7,625	7.18	187	17,035
1982	34	7,262	8.41	176	18,383
1983	11	1,143	1.15	153	19,991
1984	11	2,325	1.37	150	19,905
1985	3	440	0.52	155	20,945
1986	9	2,116	2.10	205	21,608
1987	14	1,661	1.16	140	16,232
1988	8	946	0.97	160	15,434
1989	7	4,059	1.35	130	15,206
1990	15	1,490	1.44	168	16,610
1991	5	127	0.08	169	16,510
1992	11	1,832	1.35	137	17,130
1993	10	1,470	6.37	157	17,866
1994	3	129	0.13	166	20,995
1995	9	1,347	0.37	194	22,180
1996	17	1,763	0.99	226	22,840
1997	7	418	0.28	161	20,404

Source: *Annual Report of the Commissioner for Labour*, various years.

The number of disputes referred to the Labour Department also fell in the early 1980s. However, 1986 saw a short-term increase in disputes, associated with the initial introduction of the Insolvency Fund in April 1985, which provided for the recovery of lost wages for workers in cases of company insolvency (England 1989:223). The number of disputes then remained at a lower level, increasing markedly only in 1995 and 1996. The number of claims also peaked in 1986, subsequently falling, and then increasing again in the 1990s. The increase in disputes and claims in recent years may owe much to the economic restructuring which has occurred, since the majority of disputes involve cessation of business, insolvency or retrenchment, and over 60 per cent of claims are concerned with termination of contract or dismissal (Commissioner for Labour 1995). Whether the transfer of sovereignty had a 'chilling' effect on disputes and claims in 1997 remains a matter for speculation at this stage, but it seems plausible that trade unions, and indeed workers themselves, may have been distracted by the politics of the handover, thus perhaps explaining the lower recorded level of industrial conflict compared to the previous two years.

So much for the broad trends. We now turn to our in-depth analysis of disputes for the period 1990 to 1994.

The pattern of disputes

It is traditionally argued that Hong Kong employees are reluctant to voice a grievance with their employer, tending to endure the problem or to quit (Turner *et al.* 1991; Lethbridge and Ng 1995:75). Employee grievances are thus hidden and only become apparent in extreme circumstances. Table 15.5 shows that the great majority of disputes involve an employment relationship which is already at an end due to cessation of business, insolvency, etc. Here, the aim is often to secure unpaid wages or other monies due to employees under the Employment Ordinance.⁶

Almost half the disputes (49 per cent) occurred in manufacturing, a sector which in the early 1990s accounted for 32 per cent of private-sector employment (Labour Department 1991:36), and 13 per cent occurred in construction, which accounted for only 3 per cent of employment. Another quarter of all disputes occurred in the trade, restaurants and hotels sector (36 per cent of private sector employment). These three sectors, accounting for 87 per cent of all disputes, share several common features—many insolvencies or cessations of business and relatively small workplaces with limited provision for dispute resolution. Notably, these are not the areas of higher union density. In these sectors, the Labour Department conciliators are providing a last-resort service for employees who lack effective representation and dispute-resolution procedures at their places of work.

Our analysis shows that trade unions were involved in 26 per cent of all disputes during 1990 to 1994, although they tend to be involved in the larger disputes, representing 42 per cent of workers involved.⁷ The FTU and its

Table 15.5 Labour disputes 1990–4: analysis by cause

<i>Cause</i>	<i>Non-union disputes (%)</i>	<i>Union disputes (%)</i>	<i>All disputes (%)</i>
1 Insolvency/ receivership	28	22	26
2 Cessation of business	38	20	33
3 Removal of factory	2	7	3
4 Redundancy/ retrenchment/ layoff	10	18	12
5 Dismissal	4	5	4
6 Changes in terms of employment	4	14	6
7 Delay or arrears in payment of wages/inability to pay	13	9	12
8 Others	2	3	2
Cause not clearly reported	1	2	2
	n=591	n=206	n=797

Source: Authors' analysis of unpublished Labour Department files.

Note: We have used a slightly different categorisation of causes to that shown in the *Report of the Commissioner for Labour*. Columns may not total 100 due to rounding error.

affiliates were involved in the largest number of union disputes (118 disputes or 15 per cent of the total), followed by the CTU and its affiliates (90:11 per cent) and the independent trade unions (25:3 per cent). The TUC and its affiliates were the least active (involved in only two disputes during the period 1990 to 1994). Given that the CTU is rather smaller than the FTU, it had a higher ratio of disputes per member than the FTU. Our earlier research also suggests that the CTU, to a greater extent than the FTU, appears to be responding to non-members who are involved in a dispute rather than simply representing its existing members, and that disputes involving the CTU are significantly more likely to involve industrial action, particularly strikes (Snape and Chan 1997). Union disputes were slightly more likely to involve an ongoing employment relationship but in around half of the cases dealt with by trade unions, at the time of the dispute the employer was no longer operating at the establishment concerned.

England (1989:224) argues that traditionally, trade unions have usually become involved in a dispute only once it is in progress. However, our interviews with Labour Officers, conducted in 1995, suggest that the pattern had changed somewhat. For example:

The present scene is quite different from three years ago or five years ago. I can say that the trend is for the involvement of the trade union to be at the early stage right now. Although I agree that say ten years ago maybe the involvement of the trade union is at a later stage, when the dispute was public, such that they got knowledge of it, and they would come along and win the support of the workers involved to join their trade union...

The suggestion was that the LegCo elections⁸ and greater competition between the CTU and FTU for members were contributing towards a more assertive union stance in disputes. Labour Officers claimed that the CTU had been associated with such an approach since its formation but that, in recent years, the FTU had on occasion adopted a similarly militant stance. The FTU was also developing its organisation and services, for example developing a network of local offices (see Snape and Chan 1997 for a discussion of these developments). It seems likely that such developments are at least partly responsible for the increase in union membership and density during the early 1990s.

Do trade unions make a difference?

Table 15.6 shows that where workers have trade union representation, the dispute resolution process appears to take longer in terms of the number and duration of conciliation meetings and site visits. Also, the dispute is more likely to involve industrial action. All this may imply a greater intransigence on the part of workers with union representation, although it may also be that trade unions are more likely to become involved once a dispute has become prolonged. These findings were replicated in a multivariate context, assessing the impact of union status along with the cause of the dispute, its size and the industry sector concerned.⁹

However, when we compared the conciliated cash settlement per worker involved (only a proportion of disputes result in a conciliated cash settlement, of course), we found that whilst the mean settlement was higher for union than for non-union disputes, it appears that the cause and industry of the dispute were the main factors influencing the size of settlement, rather than

Table 15.6 The conduct of disputes by trade union involvement

	<i>Non-union disputes</i>	<i>Union disputes</i>	<i>Sample size</i>
Percentage of disputes involving industrial action (all forms)	8%	30%	797
Mean number of conciliation meetings*	2.23	3.15	281
Mean hours of conciliation*	4.96	9.22	281
Mean number of site visits*	0.13	0.81	281

Source: Authors' analysis of unpublished Labour Department files.

Notes

All differences between union and non-union disputes are significant at 1% level. Row (1) is based on a chi-square test; rows (2), (3) and (4) are based on independent samples t-tests.

*All disputes resolved by conciliation with no further reference (e.g. to Labour Tribunal).

union presence, so that when these were controlled for, union presence has no apparent impact on the cash settlement.¹⁰

Conclusion: trade unions in the future

In this chapter, we have discussed a range of evidence on the role of trade unions in Hong Kong. In our survey of leaders of individual trade unions, respondents reported that their trade unions were more active in the job-based functions than in providing direct services to members and in political functions. Collective negotiations and consultation with employers constituted the area where union leaders felt that their organisations were most active. Organising social, cultural or leisure activities was the most important services function, whilst the payment of cash benefits was the least. Trade unions were rated as least active on the political function. However, many recognise that they have a role here, especially in lobbying the government on changes in labour laws and policies, and non-public services trade unions rate themselves almost as highly on political functions as on services functions. Officials were expecting this pattern of activities to be consolidated.

Given the traditional weakness of Hong Kong trade unions at the workplace and the lack of established collective bargaining or consultative mechanisms for most employees, the finding of a strong perceived emphasis on job-based functions is perhaps surprising. Of course, this does not necessarily mean that such functions provide the most significant benefits from the point of view of members. The provision of direct services, for example, may be achieved with relatively little effort on the part of the union and yet be of great value to members. However, at least according to our respondents, it seems that job-based functions were the ones which absorbed more of the unions' effort and it was anticipated that, if anything, this emphasis would increase. Even private sector trade unions, which usually lack employer recognition, claim to be most active in the job-based functions, in particular in advising workers on individual employment rights and representing them in claims and disputes. Private-sector trade unions are also relatively active in terms of lobbying government on labour policy. In the face of employers' refusal to negotiate or consult, this may be a second-choice option for trade unions.

As regards the differences between federations, FTU trade unions have been characterised as emphasising direct services, perhaps at the expense of workplace representation (England 1989:116–17; Turner *et al.* 1991:80–3; Levin and Chiu 1993:202–3), whilst the CTU have an image of being a campaigning organisation, active in disputes and in political protest (Snape and Chan 1997). There is partial support for these stereotypes in our survey findings. FTU trade unions tend to place more emphasis on services functions than do other trade unions (CTU, TUC or independent), but they also place more emphasis than non-affiliated trade unions on job-based and political

functions. CTU-affiliated trade unions tend to rate themselves more highly on job-based functions than do independent trade unions. Independent trade unions in general appear to be less active than FTU and CTU trade unions across a range of functions, although there are exceptions to this in the case of some of the larger independent trade unions. TUC respondents did not rate themselves particularly highly on most of the activities. This, along with our findings on disputes, supports the view of the TUC and its affiliates as relatively inactive and low-profile organisations.

Hong Kong trade unions have traditionally had very low subscription rates. Our survey confirms this, although the CTU trade unions tend to have higher subscriptions than either FTU or TUC trade unions. This may reflect the higher average incomes of members of some of the CTU affiliates, although it may also reflect a strategic decision by CTU trade unions to establish a stronger resource base for their representation work, rather than opting for the low-cost, high-benefits approach which has been emphasised by many Hong Kong trade unions hitherto. Certainly, the CTU leaders we interviewed were conscious of the need to build a sound organisational basis for their work, and they recognised that this placed more demands on financial resources than the traditional benefits-based approach. Of course, the ability to raise subscriptions to a more economic level will depend on their ability to demonstrate real benefits to members, and Hong Kong workers' demand for union services may prove to be highly price sensitive, particularly where there are several trade unions competing for membership.

Our analysis of trade union involvement in labour disputes suggests that union representation may make a difference, with trade unions involved in longer disputes. This may reflect union intransigence prolonging the dispute resolution process, although it may simply be that trade unions are more likely to become involved in disputes that last longer. We could not conclude that union involvement necessarily results in better settlements for workers. It may be that there are other dimensions of trade union success which need to be explored. A key question for trade unions is: To what extent does union involvement in labour disputes provide a sound basis for further union organisation? In many cases, such activity involves trade unions representing workers who were not previously members. In this respect, the trade unions, are providing an 'emergency service' to those who encounter difficulties with their employer. The great majority of such disputes involve an employment relationship that is already at an end, so that the direct organising potential of union activity is probably limited, especially when compared to the effort expended. However, as ideology-driven organisations, trade unions arguably do not apply a strict cost-benefit logic to their activities.¹¹ Furthermore, it may be that such activity has a longer-term value in terms of raising the profile of the trade unions and federations concerned.

Hong Kong trade unions face an uncertain future. They will continue to face the problem of employer hostility and reluctance to recognise them as

negotiating partners, and the SAR government has shown, for example in the repeal of the trade union recognition laws (see Chapter 2), that it will continue to follow a strongly pro-business line. However, the Basic Law provides for freedom of association and the relative autonomy of the SAR means that there is likely to be some space for independent trade unions. Since the transfer of sovereignty the trade unions have continued their work, including the CTU, whose leaders have been amongst the most vocal critics of China's human rights and employment policy record. Furthermore, the success of the pro-democracy parties in the 1998 LegCo elections (see Chapter 2), with a significant labour and trade union presence amongst those elected, suggests that welfare and labour issues continue to concern the public.

It may be that the rise in trade union membership and public support for the political causes with which trade unions ally themselves are part of a long-term trend. One reading is that support for independent trade unions and democracy has been growing in other Asian economies as well as in Hong Kong, a reflection of the level of economic and social development (see, for example: Frenkel 1993; Wilkinson 1994; Kuruvilla and Venkataratnam 1996). As economies emerge from the initial phase of low-cost export-oriented industrialisation and diversify into higher value-added and services industries, so skills levels rise and better education and living standards may lead to higher expectations and demands for participation. Such an analysis suggests that rising demands for participation and trade unionisation may be part and parcel of the economic development process and as such will be very difficult for employers and governments to resist in the long term. However, some have suggested that the move to services and to higher value-added industries, whilst consistent with skills development and more positive employment practices, is likely to be associated with a union exclusion strategy based on individualist HRM practices (Kuruvilla 1996). On this reading, Asian trade unions are likely to face similar challenges to those faced by many western trade unions in recent years.

Clearly, the development of Hong Kong's industrial relations system will depend on the pattern of economic development and on government labour market policies in the coming years. Arguably, the trade unions themselves are in a position to influence their own fate, most notably perhaps in the extent to which they are willing and able to approach the job-based functions with greater energy than hitherto. Whilst due moderation and responsible action will be necessary to attract and retain public support, the outright 'industrial pacifism' that has arguably characterised some trade unions is unlikely to secure the future of trade unions in Hong Kong. Trade unions will need to demonstrate that they can secure gains for their members.

Appendix—The survey sample: authors' survey of HK trade unions, 1996

Sample characteristics

	<i>Mean value</i>	<i>Minimum</i>	<i>Maximum</i>
Membership	2,234	14	100,025
Annual subscription payable	\$137	\$0	\$6,000

Trade union affiliation

	<i>Unions</i>	<i>% of sample</i>
CTU	23*	16
FTU	23	16
TUC	12	9
Other federations	28	20
None	55	39
	141	100

Note: *Includes four trade unions affiliated to the Federation of Hong Kong and Kowloon Labour Unions (FLU).

Notes

- 1 The authors gratefully acknowledge the funding provided for this research by the Hong Kong Polytechnic University (research grant numbers 340/183 and G-S508) and wish to thank the labour organizations, the Labour Department and the officials interviewed for their help.
- 2 Less than 5 per cent of trade union expenditure now goes on direct cash benefits paid to members (Registry of Trade Unions 1994).
- 3 These comparisons are based on independent samples t-tests of mean scores on each function, with 5=very active to 1=not at all active. All reported differences are significant at the 5 per cent level or better.
- 4 We scored every union on each of the functions according to a five-point scale (5=very active; 1=not at all active), and an average score was calculated for each union on the three groups of functions: job-based, services and political. One-way analysis of variance was then used to test for differences on these average scores according to union affiliation (CTU, FTU, TUC, other federations, and independents). Multiple comparisons tests were used to look for significant pairwise differences (Scheffe tests, 5 per cent significance level).
- 5 Income from members accounted for only 35 per cent of total income in 1994, with a further 54 per cent coming from 'business undertakings' and 'miscellaneous' sources (Registry of Trade Unions 1994).
- 6 The Labour Department also dealt with 21,000 claims in 1994, often involving similar issues to disputes but with fewer than twenty workers in each case. Again, claims usually emerge only once the contract of employment is over. In 1994, 61 per cent involved termination of contract or dismissal with another 7 per cent involving retrenchment and 5 per cent involving layoffs, cessation of business, insolvency or removal of factory (Commissioner for Labour 1995:61).

- 7 This suggests that the level of union involvement in claims is likely to be even lower since claims involve fewer workers.
- 8 As we have seen, the CTU was associated with the Democrats and the pro-democracy forces, and the FTU with the DAB and pro-China camp.
- 9 We estimated ordinary least squares regressions for the dependent variables number of conciliation meetings, hours of conciliation and number of conciliation visits. Whether or not the dispute involved industrial action was coded as a dummy variable (0=No; 1=Yes) and so logistic regression was used in this case. Independent variables in all regressions were: union status (0=No; 1=Yes), dummy variables for the causes of disputes (based on Table 15.5) and for industry sector, the number of workers involved in the dispute and the number involved as a percentage of total workplace employment. In each case, the coefficient on the union variable was positive and significant at the 5 per cent level or better.
- 10 This analysis involved regressions similar to those referred to in note 9, with the cash settlement per worker as the dependent variable. The union dummy was not significant. We repeated the analysis, replacing the single union variable with separate dummy variables for each of the federations (CTU, FTU, TUC, Independent and Joint cases; with non-union status as the residual case). The only significant finding on union status was that FTU disputes appear to result in significantly higher per capita cash settlements than non-union disputes, although this was only significant at the 10 per cent level. Whether this reflects more effective representation by the FTU or whether they are choosing only the more 'winnable' cases, we cannot be sure.
- 11 Recall the political origins of the FTU and TUC, and the CTU's origins in the Christian campaign for workers' welfare.

16 Joint consultation in Hong Kong

Employee participation or trade union exclusion?¹

Andy W. Chan and Ed Snape

Introduction

The extent to which employees have a say in the decisions affecting their working lives and livelihood is an issue which confronts all societies. In spite of its economic success, Hong Kong has been seen as being relatively backward in terms of the development of 'industrial democracy' (Chiu and Levin 1996). Trade unions remain relatively weak at the workplace, especially in the private sector, and collective bargaining is rare (see Chapter 15). In general, workplace industrial relations show a low level of institutionalisation (Ng and Cheng 1993). However, government and some large employers have sought to provide for some form of employee representation, and joint consultation has emerged as the preferred model in the civil service and in some of the large public utilities.

There appears to be significant support amongst employees for some form of joint consultation or employee representation. Turner *et al.*'s (1980, 1991) surveys of employees across the Hong Kong economy, both public and private sector, found that in 1985, 31 per cent preferred 'joint consultation with workplace representatives', 32 per cent legislation, and 12 per cent trade union negotiation as a means of winning improved working conditions. The figures for their comparable survey in 1976 were 36, 25 and 10 per cent respectively, suggesting a decline in the popularity of legislative methods and a slight increase in the popularity of joint consultation between the two surveys. Turner *et al.* (1980, 1991) interpreted their findings as evidence of a gap in terms of employee representation at the workplace, and urged the government to consider requiring large and medium-sized firms to set up an elected JCC.

In this chapter we examine the practice of joint consultation in Hong Kong and evaluate its significance as a channel for employee representation. Whilst we survey developments in the public sector, our main focus is the private sector, seen as the more problematic for effective employee representation. In particular, we present a case study of the use of joint consultation in a private-sector company.

What is ‘joint consultation’?

The precise form taken by joint consultation may vary from company to company, but it is usually taken to involve some form of committee or discussion forum, with members drawn from both management and employees, the aim being to provide for more effective management-employee communication. Marchington *et al.* define it as follows:

A mechanism for managers and employee representatives to meet on a regular basis in order to exchange views, to utilise members’ knowledge and expertise to deal with matters of common interest which are not the subject of collective bargaining.

(Marchington *et al.* 1992:11)

Thus, in a UK context, the process of joint consultation is usually distinguished from collective bargaining, and emphasises the exchange of information rather than negotiation. Collective bargaining, at least in its more adversarial forms, has been characterised as a ‘distributive’ process, whilst joint consultation is more likely to be ‘integrative’ with non-zero sum outcomes (Hyman and Mason 1995). This is attributable to the underlying assumptions and to the nature of the issues with which each has traditionally been concerned. Collective bargaining has usually been seen as a process of negotiation between two ‘equal’ parties in pursuit of agreement on terms and conditions of employment and related matters. Joint consultation has been seen as a process of management providing information to employee representatives and receiving their views; in the last analysis, however, the assumption has usually been that management prerogatives are maintained. Furthermore, joint consultation tends not to be centrally concerned with terms and conditions, indeed in some organisations joint consultation committees are not allowed to discuss pay.

However, it is possible to draw too clear a distinction between collective bargaining and joint consultation. The distributive-integrative distinction can be seen as a continuum. Collective bargaining can take on integrative characteristics, while the distinction between the two processes can become blurred, for example when issues which are the subject of collective bargaining are raised during joint consultation (Hyman and Mason 1995). Indeed, where the two processes co-exist in an organisation, both sides may use joint consultation to ‘sound out’ the other on issues which may later become the subject of negotiation. Where joint consultation exists in the absence of collective bargaining, it is likely that employee representatives will seek to influence decisions on pay and conditions, even where these issues are specifically excluded from the formal scope of the consultation process. Such qualifications aside, however, the usual assumption is that collective bargaining is the ‘harder’ form of participation, affording greater employee influence, while consultation is essentially a communications mechanism

which leaves management prerogatives largely intact. Indeed, joint consultation may be used by management as a means of marginalising or excluding trade unions (Marchington 1994).

Joint consultation in Hong Kong is a legacy of British rule. However, as we shall demonstrate in this chapter, the form and significance of joint consultation in Hong Kong differs significantly from the British pattern, not least because of the relative weakness of unions and the limited development of collective bargaining in Hong Kong.

Joint consultation in the public and social services

As the largest employer in the territory,² the government has attempted to set a good example in providing channels of employee representation (England 1989:82). Consultation between management and staff is well established at central and departmental levels. In light of the government's growing awareness of the need for formal channels of employee representation in the aftermath of the 1967 riots, the Senior Civil Service Council (SCSC) was formed in 1968 to facilitate communication between the government and white-collar (Master Pay Scale) civil servants. The Model Scale 1 Staff Consultative Council was set up in 1982 to provide similar channels for blue-collar staff. There are also joint consultation committees (JCCs) for the police and the disciplined services, the latter including Immigration, Customs and Excise, the Fire, Correctional and Flying Services. In addition to these central JCCs, there are JCCs at departmental level, with over eighty departmental consultative committees. The JCCs are made up of 'official' (management) and staff sides. For example, the SCSC has up to six officials appointed by the Chief Secretary, with up to nine staff representatives nominated by three staff unions and each side also appoints a secretary. Staff representatives are nominated by recognised trade unions, as shown in Table 16.1.

The civil service JCCs have rather broader terms of reference than is typical in the UK model of joint consultation. In the absence of separate collective bargaining machinery, they cover all issues of concern to staff including pay and conditions. The Standing Commission on Civil Service Salaries and Conditions of Service, consisting of members drawn mainly from the business sector, advises the government on civil service pay and conditions, and there is an annual comparability survey conducted by the Pay Survey and Research Unit under the administrative control of the Standing Commission. The staff sides of the four central JCCs are involved in the commissioning and analysis of the survey through their representation on the Pay Trend Survey Committee. The survey provides the basis for the annual pay adjustment, although changes in the cost of living, the state of the economy, the budgetary situation and the pay claims put forward by the staff sides of the central JCCs are also taken into account by the government in determining the adjustment.

Table 16.1 Nominated trade unions in the central consultative councils of the Hong Kong civil service

Senior Civil Service Council

Association of Expatriate Civil Servants of Hong Kong
Hong Kong Chinese Civil Servants Association
Senior Non-expatriate Officer Association

Model Scale 1 Staff Consultative Council

Agriculture and Fisheries Department Staff Association
Government Employees Association
Government Municipal Staff General Union
Government Property Attendant Association
Government Staff Union
Hong Kong Chinese Civil Servants Association
Hong Kong Civil Servants General Union
Hong Kong Government Waterworks Chinese Employees Union

Police Force Council

Expatriate Inspector Association
Junior Police Officer Association
Local Inspector Association
Superintendent Association

Disciplined Services Consultative Council

Association of Customs and Excise Service Officers
Hong Kong Customs Officers Union
Correctional Services Officers Association (Junior Section)
Correctional Services Officers Association (Senior Section)
Government Flying Service Air Crewmen Union
Government Flying Service Aircraft Engineers Union
Government Flying Service Aircraft Technicians Union
Government Flying Service Pilots Union
Hong Kong Fire Services Control Staff's Association
Hong Kong Fire Services Department Ambulance Officers Association
Hong Kong Fire Services Department Ambulancemen's Union
Hong Kong Fire Services Department Staff's General Association
Hong Kong Fire Services Local Officers Association
Hong Kong Immigration Service Immigration Assistants Union
Immigration Service Officers Association

Source: Staff Relations Division, Civil Service Bureau, Hong Kong SAR Government, September, 1997.

The typical mode of operation in the SCSC, for example, is to seek agreement between the official and staff sides. Both sides have accepted that such agreements are then binding on all parties. However, the government reserves the right not to implement such agreements where this is in conflict with the public interest and similarly, in spite of the undertaking to consult with staff associations before making changes in conditions of service, the government reserves the right to initiate changes in conditions of service if this is judged to be in the public interest. Where no consensus can be reached

between the official and staff sides within the SCSC, this is recorded in the minutes, along with details of the differing viewpoints. There is provision for a committee of inquiry to be set up to deal with failures to agree on terms and conditions of employment; it has been suggested that this may act as a bargaining tool for the staff side, since the official side has an incentive to reach an agreement rather than face the uncertain outcome of an inquiry (England 1989:85). However, neither side is bound to accept the findings of an inquiry.

Thus, whilst the SCSC and other councils give the appearance of a British-style Whitley Council, and these arrangements are probably Hong Kong's 'closest approximation to modern collective bargaining in the Western sense' (Ng and Sit 1989:91), in fact the government 'escape clauses' mean that the arrangements stop far short of full-blown collective bargaining. Indeed, one commentator has referred to the 1968 agreement which established the SCSC as an 'unequal treaty' between government and civil servants (England 1989:84–5). The Hong Kong government has historically resisted trade union calls for full bargaining rights, and departmental managers, in particular, have often been less than enthusiastic about setting up JCCs in their departments. Furthermore, it appears that many JCC staff representatives feel that the committees lack real impact on key issues of concern (Cheek-Milby 1984), and a survey of civil servants showed that 93 per cent of respondents wanted to have full collective bargaining over pay and working conditions in preference to the consultative arrangements (Cheek-Milby 1988:112).

Even so, joint consultation in the Hong Kong civil service amounts to rather more than simply a communications device; there is scope for trade unions to exert a degree of influence. Thus: '...there has developed over the life of the [SCSC] council a certain amount of "horse trading" for the line between consultation and negotiation invariably becomes blurred when employees have strongly organised associations behind them.' (England 1989:85).

The nomination of staff representatives by the trade unions has been criticised as being rather unrepresentative, particularly in the past when the unions accounted for a minority of staff, whilst some have accused the government of seeking to exclude the more militant organisations, such as the Federation of Civil Service Unions, in spite of their having more members than some recognised trade unions (Cheek-Milby 1984). Nevertheless, the participation of trade unions in these formalised JCCs appears to be at least one of the factors explaining the steady increase in civil service trade union membership since the 1970s. Internal and external pay differentials are amongst the issues fuelling significant discontent amongst rank and file civil servants at various times during the last two decades, and the existence of the JCCs at central and departmental levels has afforded trade unions an opportunity to demonstrate that they can have an impact in furthering the interests of civil servants.

Aside from the civil service, joint consultation is also widespread in other parts of the social and public services. The Hospital Authority (HA), for example, has JCCs at corporate and hospital levels and also for the six 'staff groups' (administrative staff, doctors, nurses, allied health professionals, supporting staff, and supervisory/clerical and general staff). All HA JCCs are specifically excluded from discussing personal and disciplinary cases and the annual pay rise. Management's intention was that Hospital Consultative Committees would focus on operations, productivity, training and staff welfare, whilst the Staff Group CCs would focus more on the interests of their particular group. Staff representatives on the hospital CCs are usually directly elected on a department or staff-group basis, the HACC has a staff representative from each hospital CC, whilst the staff group CCs have a mix of trade union-nominated and directly elected members. The HA approach thus differs from the civil service in placing less emphasis on trade union representation. Indeed, in recent years the HA has developed a direct employee communications strategy involving staff newsletters, opinion surveys and hospital visits by senior corporate managers, and placing less emphasis on trade union representation as the main communications channel. There has been some questioning amongst staff and their representatives about the ability of the JCCs to resolve issues of concern, and some have argued that directly elected representatives in particular may face difficulties in communicating effectively with their constituents due to a lack of time and resources.

Some government-aided social services organisations are known to operate formal staff consultation mechanisms. For example, one of the authors' recent study of eight government-aided social service organisations found that, in addition to communications channels such as staff bulletins, two had established formal staff consultative committees. The staff side of the JCC in the larger organisation was represented by an in-house staff association, which was a registered trade union. In the smaller one, there was no trade union representation on the JCC, but staff representatives were elected according to a written constitution to discuss issues relating to their work, welfare and benefits, as well as the service provided to clients.

Hong Kong schools, whether government, government-aided or private, tend not to have formal joint consultative committees. However, some schools do have regular dialogues between school management board members and teachers. With the inception of the School Management Initiative Scheme in 1991, teachers in those schools implementing this school-based management reform programme can elect their representatives to sit on the school management committee, equivalent in a sense to having 'employee directors'. By the end of 1995, some 220 out of a total of 1,200 primary and secondary schools had adopted the School Management Initiative Scheme, and the Education Department wished all schools to implement it by the year 2000 (*Ming Pao Daily*, 20 December 1995).

The development of joint consultation in the private sector

The riots and labour unrest of 1967 also influenced the government's thinking on policies for the private sector. In addition to the enactment of the Employment Ordinance as a means of safeguarding employment standards, the Labour Department launched a campaign to promote 'good' workplace relations. A key element in this was the promotion of joint consultation, especially in larger enterprises (Yeung 1988; Pong 1990).

Some large employers established such committees, but the development of JCCs in private enterprises is limited compared to the public sector in terms of coverage and also in the degree of influence afforded to employee representatives. In Kirkbride and Tang's survey of large private-sector companies (1989:40), 13 per cent had a JCC and 8 per cent had formal meetings between management and trade unions or staff associations.³ According to the Labour Department, JCCs covered almost 77,000 employees in the private sector in 1993, up from 62,000 in 1984 (Table 16.2). Most were in the utilities and services, including power supply, transportation and telecommunications. Significantly, joint consultation committees were very rare in those sectors exposed to strong market competition.

Several reasons have been suggested for the limited development of joint consultation in the private sector, including the small average size of workplaces in manufacturing (which arguably limits the need for formalised communications devices), high labour mobility (which suggests that where grievances exist employees and employers accept the principle of 'exit' rather than 'voice'), and employer reluctance to implement JCCs for fear of limiting management prerogatives (Yeung 1988:56).

The Labour Department has maintained its official policy of encouraging employers to set up joint consultation arrangements, with the Promotion Unit of the Labour Relations Service and Labour Officers proposing this to

Table 16.2 Joint consultative committees in the private sector 1984 and 1993

Sector	Number of establishments with JCCs		Total number of JCCs		Estimated number of employees covered	
	1984	1993	1984	1993	1984	1993
Manufacturing	6	4	11	5	6,100	1,950
Construction	1	—	1	—	1,200	—
Services	17	22	32	47	19,640	39,790
Utilities	6	6	31	78	32,460	27,900
Education and welfare	2	4	2	6	2,150	7,330
Total	32	36	77	136	61,550	76,970

Source: Chiu and Levin (1996:28).

employers as a way of improving communications and helping to avoid disputes. In fact, the approach is a flexible one, as one Labour Officer explained it to us:

We haven't made a very formal or systematic evaluation of this policy, but still it is our department's stance to promote Joint Consultation. If there are some other means whereby employees and management can communicate with each other, whether this is formal joint consultation machinery or not is not essential. To us, they have achieved the purpose of consultation with each other.

However, our interviews with Labour Officers suggest that most employers are sceptical and that, even where employers express initial interest perhaps following a dispute, this usually soon wanes. Thus, the Labour Relations Service continues to deal mainly with 'casualty-type' work, helping resolve disputes that have already become conflictual, rather than working on helping employers to develop sound long-term employee relations.

Having surveyed the extent of joint consultation in Hong Kong, in the remainder of the chapter we present a private-sector case study. The aims in so doing are to provide some insights into management strategy in maintaining a JCC and to evaluate the extent to which JCCs can afford effective employee involvement in the private sector.

Joint consultation at the Hong Kong School of Motoring

The Hong Kong School of Motoring is jointly owned by the Cross Harbour Tunnel Co. Ltd and Wilson Parking International Holdings Ltd. It provides driving tuition for the general public. There are courses covering private motor car, light goods vehicle, motor cycle, commercial vehicle and bus training. The School of Motoring employs around 700 full-time staff, of which 500 are driving instructors, the rest being management and support staff. There are another 120 part-time instructors, along with a smaller number of part-time car cleaners, telephone operators and refuelling assistants. The company operates on three main sites, located at Wong Chuk Hang on Hong Kong Island, and at Yuen Long and Shatin in the New Territories.

JCCs have been in operation at the company since its establishment in 1983, the principle of joint consultation having been introduced from the parent company. The objectives are set out in the JCC constitution as follows:

- a To give the employees a wider interest in the day-to-day activities of the company,
- b To provide a recognised and direct channel of communication between the employees and the management on matters affecting their joint or several interests.

- c To promote throughout the Company a spirit of cooperation and securing the contentment of the employees.
- d To help employees have a wider interest in, and a greater degree of responsibility for, the conditions under which their work is performed.

(The Hong Kong School of Motoring Ltd.
Joint Consultative Committee—Constitution)

Thus, the stated aim is to enhance communication between employees and management and to underpin positive employee attitudes towards the company.

There are committees for each of the three sites. Employee representatives are elected, normally for a term of two years, with half being replaced each year so as to ensure a degree of continuity. Each employee who has completed their probationary period of employment is eligible to vote in the election and is entitled to nominate one fellow employee as a candidate. Candidates for election must themselves be eligible to vote in the group for which they are being nominated, must have at least one year's service, have no disciplinary record in the preceding six months, and be at least 21 years old. Contested elections are the norm, although on occasions supervisors have had to encourage employees to stand for election. Retiring representatives are allowed to stand again, although this is not usual. At the time of our interviews, the longest serving representatives had been in position for only three years and the Human Resources (HR) Manager expressed a preference for revolving the role amongst as many different staff as possible. Employees

Table 16.3 Organisation of the JCCs and corresponding employee representatives at the Hong Kong School of Motoring

<i>Group/Staff covered</i>	<i>No. of employee representatives</i>
<i>Shatin Operations JCC</i>	
1 Operations private car groups	6
2 Commercial group, support group and duty officers group	1
3 Senior driving instructors	1
4 Motorcycle group	1
<i>Wong Chuk Hang JCC</i>	
1 Operations private car groups	4
2 Motorcycle	1
3 Support group and senior driving instructors	1
<i>Yuen Long JCC</i>	
1 Operations private car groups	3
2 GADC/ MGVI/ bus group	1
3 Support group/ senior driving instructors and motorcycle	1

Source: The Hong Kong School of Motoring Ltd. Joint Consultative Committee— Constitution.

vote for the representative(s) for their own group (Table 16.3). The annual elections take place during July or August by secret ballot and a turnout of at least 60 per cent is required for a valid election. The company provides training for elected employee representatives, covering such issues as communications, presentational and problem-solving techniques.

There are three appointed management representatives on each committee: the Operations Comptroller (a senior manager with overall responsibility for operations, who only normally attends when major company-wide issues are discussed), the site Operations Manager, and the company HR Manager. One of the management representatives is Chair of the JCC, usually selected for the three-year term of office. An HR Officer or Assistant acts as secretary

JCCs must meet at least quarterly, but not normally more than once a month. In practice, meetings are usually around once every six weeks, lasting for around two to two and a half hours, and are held during normal office hours. JCC meetings are minuted by an HR Officer and the minutes are circulated to all members and then posted on employee notice boards. Employees who are not elected representatives are allowed to attend the meetings as non-participant observers, an attempt to increase employee interest in and understanding of the JCC.

Representatives meet informally with their constituents before the meeting to discuss possible agenda items. A few days before the JCC, a short 'agenda meeting' of employee representatives is held. This is described by the JCC representatives we interviewed as a democratic process, with an elected chairman and, where necessary, voting on the priority issues to put forward. The suggested agenda is then forwarded to the HR Manager, who must decide whether issues fall within the remit of the JCC and whether certain issues can be resolved prior to the meeting. Management also put forward agenda items, particularly to sound out employee opinion on new policies, and may brief representatives on key issues. Management's aim is to gather employee opinions and to win their acceptance of management decisions. The final agenda is circulated to all members at least two days before the JCC meeting.

The JCC Constitution defines the 'scope for discussions' as 'any matters that are pertinent to the general well being of the employees', although 'salary and monetary benefits' and 'individual cases' are excluded. The JCCs focus mainly on conditions of work, including physical conditions and work rules. Benefits, including working hours and fringe benefits, were also discussed, but there was no minuted discussion of pay. Other items included, for example, appraisal and promotion policies and the increase in the social club membership fee (Table 16.4).

Discussion at JCC meetings usually involves the originator of the agenda item explaining the issue, prior to a general discussion. In essence, JCC meetings involve an exchange of opinions, with employee representatives raising questions and airing their views and with management supplying

Table 16.4 Analysis of the items discussed in the Hong Kong School of Motoring JCCs during 1996

<i>Subject category</i>	<i>Number of items</i>	<i>Management clarification of query</i>	<i>Management agree to implement</i>	<i>Management reject the proposal</i>	<i>Other actions (e.g. noted)</i>
Working conditions	37	8	13	4	12
Welfare and benefits	14	9	3	1	1
Miscellaneous	14	1	10	3	0

*Selected issues**a Working conditions*

Change of shift of instructors and subsequent compensation to company
 Avoidance of last-minute message on change of shift
 Ventilation, cleanliness and pest control of the workplace
 Noise-proof wall for lecture room
 Change of the vehicle licence position
 Traffic congestion
 Arrangement of work after typhoon signal is hoisted
 Handling students' absence due to illness
 Safety award
 Quality of woollen vest
 Company's new products

b Welfare and benefits

Change of meal hours
 Rest period of lecturers
 Overtime pay for senior driving instructors
 Award of five-year full attendance
 Ten-year service award
 Annual leave arrangement and its calculation
 Arrangement of medical benefits and comments on doctors
 Amendment in retirement fund
 Confidential and private mails for staff
 Birthday card for staff
 Staff purchase uniform and shoes
 No-smoking areas
 Suspension of canteen operation on Sunday
 Scholarship for children of the staff

c Miscellaneous

Appraisal and promotion of staff
 Printing of salary slip and its format
 Salary increment when under warning
 Company policy on drunk driving
 Courtesy campaign
 Follow-up on sexual harassment case
 Penalty of loss of staff card
 Increase of social club membership fee
 Bus training course
 Duty change affecting attendance on training courses

Source: Human Resource Department, Hong Kong School of Motoring.

information, giving clarification or perhaps even responding to employee suggestions. Certainly it is a two-way discussion, but it is not a decision-

making forum and there is no voting or passing of resolutions. Whilst management often follow up issues after the meeting and take the views of employees into account in formulating or amending policies, the JCC stops short of being a negotiating body.

Where employee representatives raise issues which relate to particular individuals, the HR Manager may try to resolve the matter with the representative concerned or pass the case on to the departmental manager. Other than individual cases, matters which are formally beyond the terms of reference of the JCC are occasionally discussed at the end of the formal meetings—‘off the minutes’. As the HR Manager put it to us:

I feel that the only effective way is to let them voice their concern and not to suppress them. If you suppress them they will say ‘Where else can I go?’, and then they will start to write things on the toilet doors.

However, there would be no question of management representatives entering into any kind of dialogue or negotiation on pay or monetary benefits, not least because such matters as the annual pay increase are beyond the discretion of the managers who sit on the JCC.

JCC representatives take on a broader employee communications and involvement role within the company. Regular ‘Open Forum’ meetings are held for employees, in groups of twenty or so, at which JCC employee representatives brief them on JCC discussions and on the follow-up on issues raised. In addition, JCC employee representatives are included on panels for disciplinary hearings, management’s concern here being to demonstrate the fairness of the procedure.

Employee representatives vary in the extent to which they are able and willing to speak up in the JCC. It may be that some employees still feel intimidated about speaking up in front of management, particularly on more controversial issues, in spite of the following ‘guarantee’ in the JCC Constitution:

Each representative shall be free to discharge the duties of his office in the Committee with the assurance that his personal standing with the company will in no way be affected by any action he may take in good faith while acting in the capacity of a representative.

Management were aware of no trade union members amongst the workforce at the time of our research. However, there have been two key incidents of industrial relations conflict in the past: a strike in February 1992 over the annual pay rise and a conflict over the retrenchment involving twenty-seven staff in March 1995. The February 1992 incident involved unsuccessful attempts to recruit by both the Confederation of Trade Unions (CTU) and the Federation of Trade Unions (FTU). In the wake of this episode, management took steps to improve employee

communications, including the more effective communication of JCC deliberations and outcomes to the workforce, and to reform the election process in order to ensure that JCC representatives were seen to be truly representative.⁴ The second incident led to a high-profile campaign by the FTU to recruit at the School of Motoring, with leaflet distribution at site exits and at Tai Wai station to try to encourage employees to join a trade union, with rallies outside the main building and with the blocking of the exits from the Shatin site. However, the FTU's bid eventually failed. As the HR Manager explained:

I think we survived the second trial because after 1992 we really took all our efforts to improve communications and all of us knew why these 27 people had been laid off, because after they were given the letter we [were all] briefed properly...

Thus, the JCC can be seen as part of an employee communications strategy aimed at avoiding industrial conflict and minimising employee support for trade union representation. Management appear to have concluded on the basis of the 1992 and 1995 episodes that communication and effective consultation are necessary if employee commitment and harmonious relations are to be maintained. As the HR Manager put it:

Sometimes you will know that we have done something wrong; we have made some mistakes... We have to be brave enough to admit it; to fix it with some concessions. Sometimes I have a difficult time to persuade the management to give the concessions. But with the JCC we have the groundwork for fixing things.

Judging from our interviews with employee representatives, they are reasonably positive about the JCC and some feel that they are genuinely able to influence management decisions on some issues, citing specific examples to us.⁵ There is also a recognition that communication can help to contain conflict. Thus, in the busy summer period of 1997, high staff turnover and shortages led to instructors being asked to limit their leave and the JCC provided management with an opportunity to explain the situation:

The JCC can reduce workplace conflict because there is communication or clarification before the issues become too serious. One example was to clarify to us the difficulty management face with the work schedule... we accepted their explanation...

However, others noted the limits to their role and even raised the possibility of their being incorporated into management's point of view. As one of them explained:

We, as JCC representatives, just transmit colleagues' views to management but we cannot participate in decision-making... Maybe after being JCC representatives for some time, we know more about the practical problems management face and become more considerate than before...

There was a feeling amongst some employee representatives that the annual pay increase should be included in the terms of reference of the JCC, since this was the key concern of employees, who were requesting greater management transparency on this issue. The employee representatives we interviewed expressed considerable frustration, having had requests to discuss the annual pay adjustment turned down by management, and they intimated that they found it very difficult to explain to their colleagues their lack of impact on management decisions. Some employee representatives suggested that, in spite of the JCC, management decision-making lacked transparency and that, in practice, management tended not to change their predetermined policy. The danger is that JCC representatives will lack credibility with employees to the extent that they are seen as having little or no influence on key issues.

Conclusion: future prospects

In Hong Kong, joint consultation is the norm in the public sector. Especially in the civil service, trade unions are afforded a degree of recognition by management as providing the basis for employee representation. Indeed, civil service joint consultation has arguably developed into a form of 'quasi-collective bargaining' and Turner *et al.* (1980, 1991) argue that when Hong Kong workers express a preference for JCCs, it is this model which they appear to have in mind. In the private sector, things are rather different, and joint consultation is found mainly in the public utilities, transport and communications, apparently covering fewer than 80,000 employees. Even here, the pattern differs from that of the public sector, with JCCs functioning more as a communications device and with trade unions marginalised. Indeed, there appears to be an element of a 'trade union substitution' strategy here in some companies.

At the Hong Kong School of Motoring, the JCC was part of a broader communications strategy aimed at the management of employee attitudes. The avoidance of overt conflict and trade union activity was a key aim of the consultative arrangements and management sought to avoid a repeat of earlier industrial action by bolstering the credibility of JCC representatives amongst staff. This meant that management had to be prepared to make concessions to employee opinion on occasions, but the JCC was clearly a communications rather than a decision-making forum, and pay and monetary benefits were excluded from the agenda. Staff representatives agreed that they were able to influence management decisions to some extent, but many recognised that their impact was ultimately limited, and

there was a desire amongst representatives and employees for pay to be included as an item for discussion. However, employees had in the past eventually refused the involvement of outside trade unions in the face of management resistance.

Perhaps not surprisingly, the CTU's stance is that, particularly in the private sector, joint consultation has been used by management to resist trade union involvement and that JCC agendas are deliberately limited to discussions of less controversial issues, leaving employees without a voice on the key issues which concern them (*CTU in Solidarity*, No. 26, December 1996, p. 1). Our case study provides some evidence of this. Management was using the communications strategy, of which the JCC was part, to avoid a situation where employees turn to a trade union for help. The exclusion of pay from the JCC agenda also provides support for the CTU view.

It seems that employees are prepared to become involved in their JCCs, perhaps because this is often the main source of information and influence available to them. Our case suggests that JCCs can afford employees a degree of influence over management decisions, even in the private sector, but that this is very much on management's terms, and is limited in scope. The approach in our private-sector case study was one of management communicating policies to the JCC, of listening to employee questions and opinions, and then either providing further information or reconsidering decisions accordingly. There was no evidence of bargaining or of trying to reach any agreement. This differs from the civil service, where more emphasis is placed on trade union representation and on trying to reach a consensus, but even here management prerogatives are maintained, for example with the presence of many 'escape clauses' available to the government following a resolution from the JCC.

The relationship between joint consultation and trade union growth is a complex one. The experience of the civil service suggests that where unions are seen to have an influence, then staff will join. Elsewhere, and even in parts of the public sector, joint consultation is seen by management as an attempt to limit trade union growth and influence. There may be some trade-offs for management: insisting on a non-union approach and treating the JCC as a rival to trade union representation is the essence of the trade union substitution strategy, but basing staff representation on trade union channels may make for more effective representation of employee opinions and more effective dissemination of the deliberations of the JCC. This may help build employee commitment to the process. Where such commitment is lacking and where staff representatives lack credibility in the eyes of employees, there may be a risk that employee grievances are seen to be ignored by management and so provide fertile ground for disruptive action of either a collective or individual nature.

Industrial relations in the majority of Hong Kong workplaces is characterised by a lack of effective means of employee representation and dispute resolution (Turner *et al.* 1980, 1991; Chiu and Levin 1996). JCCs are

well established in the public sector, but recent years have seen little evidence of growth in the number of private-sector companies implementing joint consultation and the institutionalisation of workplace industrial relations remains weak. Indeed, the trend may be the reverse. Compared to other sectors of the economy, public utilities have had more institutionalised forms of industrial relations, including JCCs. However, deregulation and restructuring has been associated with job losses and new policies designed to improve efficiency and customer service. Such developments by definition reduce the number of employees covered by these JCCs, and new strategies may call into question the previous industrial relations arrangements.

Clearly, the Labour Department's long-standing policy of urging employers to consider joint consultation on a voluntary basis has had little direct impact. Turner *et al.* (1980) came to a similar conclusion in an earlier period and suggested that the way forward was to require employers by law to establish elected JCCs, at least in large and medium-sized firms. The success of the pro-democracy candidates in the 1998 LegCo elections and the possibility of public support for pro-labour policies offer some hope for those who would champion an extension of the rights to employee representation. However, the removal of the laws passed during the last weeks of British rule, affording rights to trade union representation, consultation and collective bargaining, as discussed in Chapter 2, demonstrates employer and government opposition to such forms of industrial relations. If the employer lobby has its way, then we are unlikely to see a significant increase in the private-sector incidence of joint consultation or similar forms of participation in the foreseeable future.

Notes

- 1 The authors gratefully acknowledge the funding provided for this research by the Hong Kong Polytechnic University (research grant number G-S508) and wish to thank the Hong Kong School of Motoring for their help..
- 2 There were 185,442 civil servants in October 1997.
- 3 The large company survey was aimed at companies with more than 200 employees. These percentages are based on a sample of 143 companies.
- 4 During the 1992 incident, JCC representatives addressed the workforce on the company's behalf to try to dispel rumours and explain the company's position. However, they lacked credibility and management report that at that time the election process was not taken very seriously by employees. Management were concerned that informal and unnamed strike leaders emerged.
- 5 Table 16.4 suggests that the JCC exerts a degree of influence on management decisions.

Part V

Hong Kong in East Asia