



OUR HONG KONG  
FOUNDATION  
團結香港基金

# Facilitating Greater Bay Area Talent Flow and Development Opportunities for Hong Kong Citizens

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# 1. Preface

The Guangdong-Hong Kong-Macao Greater Bay Area (GBA) national strategy aims to better integrate and synergise regional development. Policy documents, such as the *Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area*, have consistently affirmed Hong Kong's role in the GBA. The plan cements Hong Kong's status as an international financial, shipping, trade, and aviation hub and promotes in-depth cooperation in areas such as technological innovation. The enhanced interconnectivity of people, goods, capital, and information forms part of the 14th Five-Year Plan's "dual circulation" development paradigm.

Given the above context, talent flow holds a dual significance for Hong Kong. The proportion of four key industries in Hong Kong's Gross Domestic Product,<sup>1</sup> except for financial services, has shrunk over the past decade due to its homogeneous industry structure.<sup>2</sup> Emerging industries have not yet created enough high-income jobs, stunting upward social mobility for the youth. In contrast, the GBA's larger market size and distinct advantages in innovation and technology can bring a wide range of employment options. Meanwhile, studies indicate a talent shortage in certain Hong Kong industries, including priority and new industries. Local talents may be insufficient to meet the demand while highly-educated talents based in the GBA could fill vacancies.

## 2. Survey Methodology

Our Hong Kong Foundation commissioned Lingnan University and collaborated with the University of Hong Kong and the Chinese University of Hong Kong to conduct three surveys. The surveys covered Hong Kong citizens' perception of cross-border talents, as well as cross-border working and living issues, namely:

- i. Study on Hong Kong citizens' views on foreigners and mainlanders coming to work and study in Hong Kong as well as the Central Government's support measures for Hong Kong during the pandemic. In April 2022, Lingnan University queried 1,025 Hong Kong permanent residents aged 18 or above by phone. The Central Government's support measures for Hong Kong is reported on Page 6.
- ii. An analysis of the current situation of Hong Kong citizens who work and reside in the nine mainland GBA cities<sup>3</sup> on a long-term basis. From November 2020 to April 2022, the University of Hong Kong and the Chinese University of Hong Kong interviewed 2,500 Hong Kong residents who live or work in the GBA at least two weeks a month.
- iii. The development intentions of highly-educated mainlanders residing in Hong Kong. From February 2019 to May 2020, the University of Hong Kong and the Chinese University of Hong Kong interviewed 3,012 highly-educated mainlanders currently living in Hong Kong.

<sup>1</sup> The four key industries are financial services, tourism, trading and logistics, and professional and producer services.

<sup>2</sup> Source: Census and Statistics Department

<sup>3</sup> The nine mainland GBA cities include Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Jiangmen, Huizhou, and Zhaoqing.

# 3. Survey Results and Policy Directions

Hong Kong citizens reacted positively towards non-local talent recruitment. When asked to rate their level of agreement on a scale of 0–10,<sup>4</sup> 66% of Hong Kong permanent residents agreed<sup>5</sup> that non-local recruitment was inevitable in the globalised environment. More than half believed that recruitment of highly-educated mainland talents had positive effects on the overcoming of local manpower shortages<sup>6</sup> and promoting the development of emerging industries<sup>7</sup>.



Among Hong Kong residents living in the GBA, more than half were satisfied with their living conditions. On a scale of 1–10, they rated their socio-economic status<sup>8</sup> in Hong Kong and the Mainland respectively, with the average score increasing from 4.65 in Hong Kong to 5.75 in the Mainland.

The above shows that Hong Kong citizens generally recognise the necessity and benefits of GBA talent flow: Hong Kong benefits from an influx of highly-educated mainland talents, while the GBA provides alternative paths for Hong Kong citizens' upward mobility. However, the surveys also discovered numerous challenges. Some policy directions to remove these obstacles are proposed below.



<sup>4</sup> 0 indicates "strongly disagree"; 10 indicates "strongly agree"

<sup>5</sup> 6–10 indicates "tend to agree"; 5 indicates a "neutral" stance; 0–4 indicates "tend to disagree"

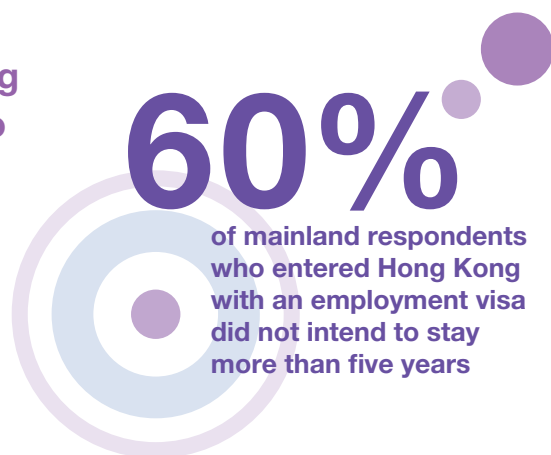
<sup>6</sup> 54% of respondents tend to agree; mean score: 6.2

<sup>7</sup> 52% of respondents tend to agree; mean score: 6.0

<sup>8</sup> 10 indicates the "top socio-economic level"; 1 indicates the "bottom socio-economic level"

### 3.1 Attracting and retaining top mainland talents to support Hong Kong's development

The study found that approximately 60% of mainland respondents in Hong Kong with an employment visa did not intend to stay more than five years, indicating a need for the Hong Kong SAR Government (the Government) to review talent attraction and retention policies.



#### Reviewing immigration policies

Mainland talents may enter Hong Kong for employment via four admission schemes.<sup>9</sup> However, Legislative Council documents revealed that these schemes are not as effective as expected. The Immigration Department's Advisory Committee on Admission of Quality Migrants and Professionals is responsible for the Quality Migrant Admission Scheme's applicant selection process, but the non-permanent establishment only meets quarterly. Applications can take more than six months to process,<sup>10</sup> which is considerably longer than similar programmes in Australia and the United Kingdom. Hong Kong's Technology Talent Admission Scheme (TechTAS) has a shorter processing time, but remains unattractive and fails to incentivise local employers, due to stringent restrictions on applicants' educational qualifications, occupation, and additional requirements on new recruitment of local employees. In the past three years,<sup>11</sup> there were roughly 250 applications under the TechTAS, which was less than 1% of the Admission Scheme for Mainland Talents and Professionals' intake. The Government needs to review the criteria, quotas, point test mechanisms, and approval processes to draw talents to Hong Kong within shorter time periods.

#### Improving talents' living conditions

Over 60% of mainland respondents who plan to leave Hong Kong cited poor living conditions as their primary push factor. Some mainland cities, including Shenzhen and Hangzhou, provided housing benefits for talents in different sectors, but Hong Kong does not have similar policies. Hong Kong Science Park's InnoCell project is the only talent housing scheme available; however, its 500 rental units are reserved for existing and prospective partner companies. The Government should extend the scope of housing projects and offer below-market rents for talents in key industries to improve their living conditions.

#### Helping mainland talents integrate into the local community

Among mainland respondents working in Hong Kong, 61% felt that they have little-to-no interactions with the local community, reflecting a low level of social integration. Meanwhile, courses for new arrivals are mainly provided under the Employees Retraining Board, consisting of skills and language courses targeting the unemployed and underemployed.<sup>12</sup> The Government should consider organising free cultural exchange activities for new arrivals to blend into the local community.

<sup>9</sup> Including Admission Scheme for Mainland Talents and Professionals, Quality Migrant Admission Scheme, Technology Talent Admission Scheme, and Immigration Arrangements for Non-local Graduates.

<sup>10</sup> Source: Legislative Council

<sup>11</sup> From January 2019 to July 2021

<sup>12</sup> Source: Employees Retraining Board

## 3.2 Providing diversified pathways for Hong Kong citizens through enhancing their living infrastructure

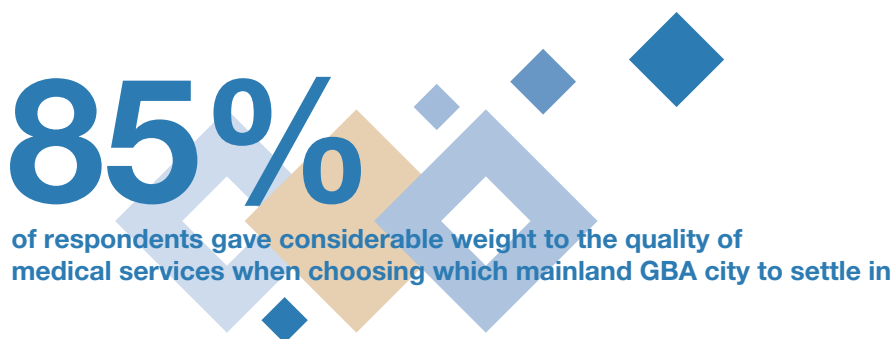
### Encouraging Hong Kong youth to gain mainland experience at an earlier stage

The surveys indicate that Hong Kong respondents with prior experience working in mainland China have developed a higher socio-economic status and a greater intention to stay there for the long term, compared to those without prior experience. It shows that talents have considerable advantages when they understand local markets and culture.

The Government has devoted efforts to promoting mainland exchange activities, internships and employment schemes.<sup>13</sup> To build on past work, the Government should conduct periodic reviews of the programmes' effectiveness and work with mainland organisations to carry out timely, in-depth, and theme-based exchange programmes. Supporting Hong Kong youth to accumulate GBA living and working experiences at an early stage increases the competitiveness of those interested to settle in the Area.

### Enabling cross-border medical services integration

Around 85% of Hong Kong respondents living in the Mainland give considerable weight to the quality of medical services when choosing which city to settle in. However, more than 67% of respondents were dissatisfied or neutral with mainland healthcare services. It shows a need for the Government to facilitate cross-border medical resources integration, in order to improve healthcare quality for Hong Kong citizens in mainland China by bridging medical personnel, equipment, medicines, and management models from Hong Kong.



During the pandemic, the Hospital Authority worked with the University of Hong Kong-Shenzhen Hospital (HKU-SZH), which adopted Hong Kong-style management models, to subsidise follow-up consultations for citizens unable to return to Hong Kong. The “Measure of using HK registered drugs and medical devices used in HK public hospitals in Guangdong-Hong Kong-Macao Greater Bay Area” (the Measure) allowed designated Hong Kong medical institutions to use medicines and equipment registered in Hong Kong, although only nine types of medicines and two types of equipment have been approved to date.<sup>14</sup> In the future, Hong Kong can facilitate cross-border sharing of medical records under the Electronic Health Record Sharing System, extend the coverage of the Measure, and regularise the subsidy of Hong Kong people seeking medical treatment at the HKU-SZH.

<sup>13</sup>. Such as Funding Scheme for Youth Internship in the Mainland, Thematic Youth Internship Programmes to the Mainland, Scheme on Corporate Summer Internship on the Mainland and Overseas, Funding Scheme for Youth Exchange in the Mainland, Mainland exchange opportunities under the Education Bureau, Greater Bay Area Youth Employment Scheme, as well as Funding Scheme for Youth Entrepreneurship in the GBA and Funding Scheme for Experiential Programmes at Innovation and Entrepreneurial Bases in the GBA under the Youth Development Fund.

<sup>14</sup>. Source: Legislative Council

## Strengthening support for associations of Hong Kong citizens in the Mainland

In recent years, the Central Government has introduced about 40 policies regarding housing and entrepreneurship to facilitate Hong Kong citizens' development in the GBA. However, approximately half of respondents were unfamiliar with the policies.<sup>15</sup> It is worth noting that respondents with better understanding of the measures were more confident in their development prospects.

Local support services must adequately address citizens' needs and provide immediate solutions, so that Hong Kong citizens in the GBA can better understand and benefit from these measures. The Hong Kong Economic and Trade Office (HKETO) in Guangdong is the main agency providing support, but it only has two GBA offices in Guangzhou and Shenzhen, which are both limited to resolving emergencies and disseminating information. Even though the Hong Kong Federation of Trade Unions offers free legal advisory services for HKETO in Guangdong, the service only covers four mainland GBA cities.<sup>16</sup> Meanwhile, many associations of Hong Kong residents in the Mainland, including chambers of commerce, fraternal associations, and start-up associations are already providing services in different cities on exchange activities as well as career and start-up counselling. The Government should combine its resource advantages with these various associations' extensive experience to provide appropriate support for Hong Kong citizens in the Mainland. Meanwhile, the Government should strengthen communication with the associations so that they can serve as a bridge between the Government and citizens in their daily needs and policy support requirements. This will further boost their confidence to develop in the GBA.

## Building a qualifications recognition ecosystem

Establishing a systematic and regular flow of talents across the GBA will require an ecosystem which puts education, qualifications, and work experience across all sectors and regions on equal footing. Currently, more than seven sectors benefit from the *Mainland and Hong Kong Closer Economic Partnership Arrangement* (CEPA), with each sector forming agreements with its mainland counterparts to establish an accreditation system through registration or examination.<sup>17</sup> CEPA in its current form has yet to cover a multitude of industries under the Qualifications Framework. The Government should continue to work with the Department of Education of Guangdong Province to integrate qualifications frameworks across the region with a view to establish a wider qualifications recognition ecosystem.

# 4. Conclusion

Talent flow is the catalyst to unlock the GBA's full potential. Both mainland talents in Hong Kong and Hong Kong talents in the Mainland still face challenges in their daily lives, despite a general consensus on talent flow's importance and urgency. The Government must take further steps to support their endeavours by providing greater development opportunities, thus herald a new era of sustainable and coordinated growth for the GBA.

<sup>15</sup> Percent of respondents who expressed a lack of understanding for each measure: Entrepreneurship-related policies (50%), housing safeguard policies (51%), settlement benefits (51%).

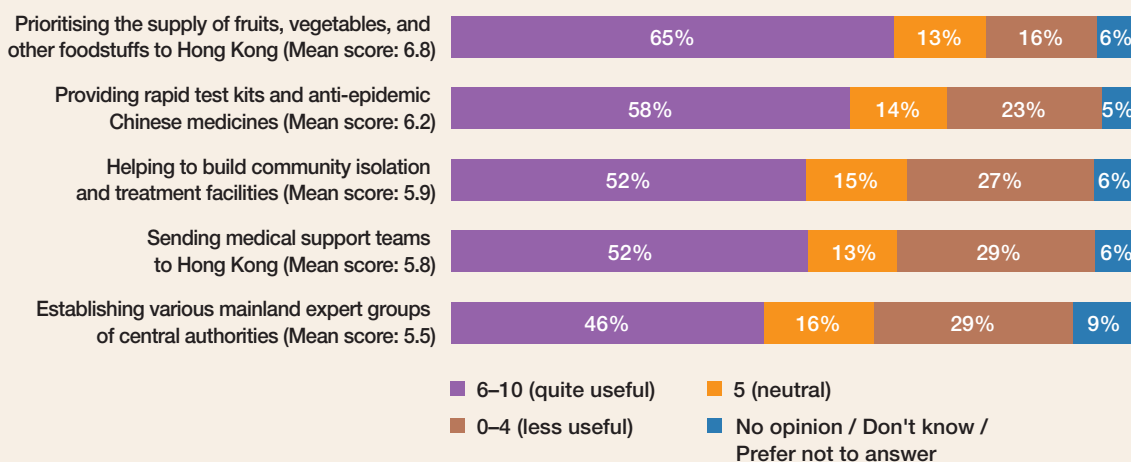
<sup>16</sup> The four mainland cities in the GBA are Guangzhou, Shenzhen, Dongguan, and Zhongshan.

<sup>17</sup> Including securities and futures services, architecture and related engineering services, accounting services, medical services, legal services, education services, and tourism services.

## Hong Kong citizens' opinions on the Central Government's support measures for COVID-19 fifth wave

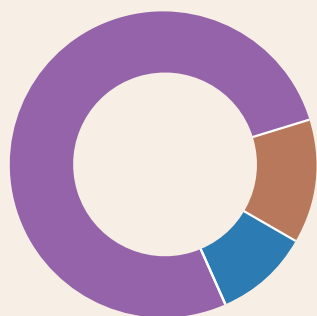
The Central Government promptly came to Hong Kong's aid during the severe fifth wave of COVID-19 in early 2022. Our Hong Kong Foundation commissioned Lingnan University to carry out telephone interviews with 1,025 Hong Kong permanent residents aged 18 or above to understand views on the Central Government's support measures.

Respondents were asked to rate the efficacy of different support measures from 0 to 10.<sup>18</sup> The three highest rated measures were "prioritising the supply of fruits, vegetables, and other foodstuffs to Hong Kong", "providing rapid test kits and anti-epidemic Chinese medicines", and "helping to build community isolation and treatment facilities". Citizens were appreciative of the Central Government's support measures overall, particularly on critical issues such as the stable supply of daily necessities and goods.



Source: Study on Hong Kong citizens' views on foreigners and mainlanders coming to work and study in Hong Kong as well as the Central Government's support measures for Hong Kong during the pandemic

More than 77% of respondents appreciated the Central Government's caring about Hong Kong following the fifth wave of the COVID-19 pandemic.



### Having been through the pandemic's fifth wave, do you think the Central Government cares for Hong Kong?

**77%** Yes / A lot

**13%** No

**10%** No opinion / Don't know / Prefer not to answer

Source: Study on Hong Kong citizens' views on foreigners and mainlanders coming to work and study in Hong Kong as well as the Central Government's support measures for Hong Kong during the pandemic

<sup>18</sup> The measures were rated from 0-10; 0 being "least useful"; and 10 being "very useful".

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