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THE VALUE OF CARE: RESEARCH REVEALS DOMESTIC WORKERS CONTRIBUTE USD\$12.6 BILLION TO HONG KONG'S ECONOMY, 3.6% OF THE GDP

HONG KONG, 6 MARCH 2019- On March 6, Hong Kong-based charity Enrich and leading global information services company Experian jointly presented '*The Value of Care: Key Contributions of Migrant Domestic Workers to Economic Growth and Family Well-being in Asia*', a report that comprehensively calculates, for the first time, the economic contribution of migrant domestic workers in Hong Kong, Malaysia and Singapore.

Commissioned by Experian and conducted by international market research firm Frost & Sullivan, the research shows that in 2018, migrant domestic workers (MDWs) contributed an estimated USD\$12.6 billion (HKD\$98.9 billion) to Hong Kong's economy, representing 3.6% of the GDP. MDWs contributed USD\$8.2 billion (SGD\$11 billion) to Singapore's economy (2.4% of the GDP) and in Malaysia, USD\$0.9 billion (MYR3.8 billion), 0.3% of the GDP.

Filling the care gap

With rapidly ageing populations, lower fertility rates, and little or no affordable care services, over 21 million migrant domestic workers (MDWs) currently fill the care gap in Asia and the Pacific, in response to an increasing demand for paid domestic work.

This demand is only set to grow in the future; in Hong Kong the government has projected a total need of 600,000 MDWs by 2047. As more doors open for migrant domestic workers across Asia, the future of care in Hong Kong depends on ensuring that it remains an attractive city to work in.

The real value of care

Domestic work is easy to overlook, but noticeable when it isn't there. It requires a diverse skill set, including direct elements of care (of children, the elderly, the disabled) and indirect elements such as cleaning, cooking etc.

Lucinda Pike, Executive Director of Enrich, said "*Domestic work is, in many ways, invisible and undervalued work that disproportionately falls on women, often migrants. We are thrilled that this research shows how the presence of domestic workers unlocks extra economic potential.*"

In this report, the final contribution figure has been calculated according to the real value that MDWs add based on the cost of domestic work if paid at local rates, the value of their own personal spending in Hong Kong and value of freed-up time. For example, MDWs enable dual incomes in each household by freeing more women to join the workforce. Employing MDWs has a direct effect upon increased female labour force participation, effectively enabling other women to further their careers.

Economic empowerment for migrant women

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In Hong Kong, only 49% of women (at the prime working age of 25-54) with children would be able to join the labour force if they did not employ a MDW. However, if they do employ a MDW, this labour force participation increases to 78%. By enabling more women to join the labour force, MDWs indirectly add USD\$2.6 billion (HKD\$20.1 billion) to Hong Kong's economy, USD\$2.6 billion (SGD\$3.5 billion) to Singapore's economy and USD \$0.23 billion (MYR929 million) to Malaysia. This has an additional contribution to family well-being.

Moving towards financial inclusion

Despite their important contribution, this research also shows a significant lack of access for MDWs to participate in Hong Kong's thriving economy, and points at financial inclusion as a way to improve the experience of migrants in the city.

Ms. Pike also highlights that *"Financial education is a life-changing solution; 96% of participants in Enrich's programmes begin tracking their expenses and 85% save more money, setting them on course to change their entire migration experience. This is one of many steps that can be taken to recognise the economic value of domestic work and is part of a long-term strategy which can be mutually beneficial to ensure a positive future of care."*

In an economic hub like Hong Kong, only 18% of MDWs have bank accounts. Barriers to accessing these financial services include lack of financial knowledge and awareness, strict regulations to open bank accounts, and a lack of funds. There is also a concerning high level of debt amongst MDWs in the city, with, and 83% reporting being in debt in Hong Kong. These figures contrast with those from Singapore and Malaysia, where 51% and 86% of MDWs have bank accounts, and 34% and 65% of them have reported to be in debt, respectively.

Sisca Margareta, Chief Marketing Officer of Experian Asia Pacific, said, *"Building equal opportunities for inclusion across genders and socio-economic groups is key to developing thriving economies and communities in Asia Pacific. Only by arming all groups with financial knowledge and access will we be able to start addressing the financial difficulties they face and help resolve the region's financial inclusion challenges."*

Care for the future: Ensuring domestic and care work provisions

This report reveals that migrant domestic workers contribute significantly to Hong Kong's economy, but yet are largely financially excluded and often return home financially worse off.

If Hong Kong plans to keep relying on migrant domestic workers to fill this care gap, it needs to make sure it remains an attractive city to work in. Taking steps to recognise the economic value of care and domestic work is therefore necessary to ensure future provision of care workers. Failing to do so could lead to strains on the availability of care, having knock on effects to the wider economy and family well-being.

Ends

TABLE 1: Recommendations from this report

Improved educational opportunities and financial literacy training to ensure domestic workers
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Economic empowerment for migrant women

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are equipped with the knowledge to ensure their long-term financial security.

Increased financial inclusion by implementing policies that enable greater access to financial services, including easing regulations for domestic workers to open bank accounts, and providing alternative ways to save money.

Better regulation over financial organisations. Given the finding that many domestic workers turn to the 'unstructured' sector to borrow money instead of formal institutions (e.g. money lenders), placing themselves and their employers at higher risk, there needs to be better regulation over these providers and a reduction in the cap of interest that can be legally charged.

Acknowledging domestic work as skilled work and providing skills development and recognition. Hong Kong will need to recognize domestic and care work as skilled work, for example through upskilling schemes or other professional qualifications, and find ways to retain and attract domestic workers. Early planning would ensure a more stable future of care for all.

Recognising that this is a multi-faceted issue which requires strong collaboration between migrant domestic workers, employers, governments, corporates and civil society.

NOTES TO THE EDITOR

- Infographics attached. Please credit with '*Infographics created by Experian and Enrich HK.*'
- For further information or interview arrangements, please contact Zamira Monteiro / zamira@enrichhk.org / (+852) 2386 5811 or (+852) 5616 1694
- Full report and summary of findings can be found at www.enrichhk.org/thevalueofcare

- **About Enrich**

Enrich is the leading Hong Kong charity promoting the economic empowerment of migrant domestic workers. We empower migrant domestic workers to invest in themselves through financial and empowerment education. Our workshops equip domestic workers with the tools to save, budget and plan for a future with greater financial security while they are here in Hong Kong.

According to a recent CUHK study, 96% of Enrich's participants begin tracking their expenses following Enrich's workshops. For more on Enrich please visit www.enrichhk.org.

- **About Experian**

Experian is the world's leading global information services company. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime. For more on Experian please visit www.experian.com.hk.