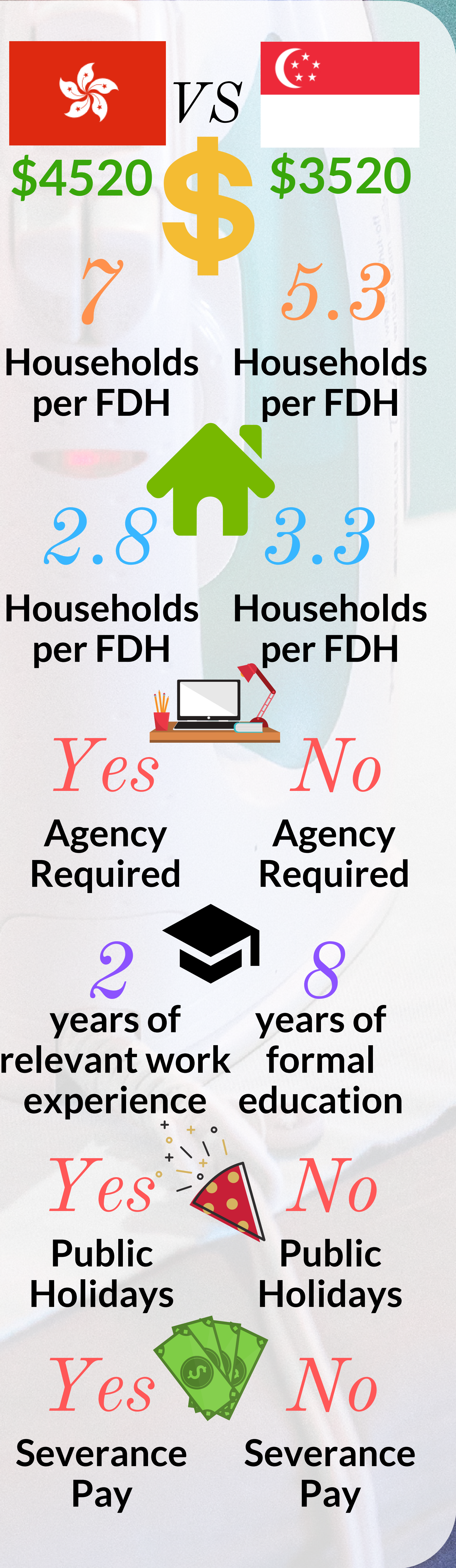


FOREIGN DOMESTIC HELPER

Why work in Singapore if they get paid more in Hong Kong?

INTRODUCTION

Hiring foreign domestic helpers (FDH) is common in both Hong Kong and Singapore. It is unanticipated to find that foreign domestic helpers are willing to work in Singapore when the minimum wage is **HKD 3520** compared to **HKD 4520** in Hong Kong and that the labor rights in Hong Kong are more preferable. Therefore our hypothesis for our question is reached: Hong Kong has a higher entry barrier than Singapore for foreign domestic helpers



METHODOLOGY

Sources:

- Ministry of Manpower
- Immigration Department HK
- Hiring Agencies

Singapore and Hong Kong are in close proximity geographically and that the similarities in terms of economic figures between Hong Kong and Singapore are undeniable, and thus these two locations are selected for comparison

AGENCIES

In Hong Kong, agencies are only allowed to charge the helpers 10% of their first month's salary.

In the Philippines, domestic helpers who are Hong Kong-bound **must not be charged placement fee**, but they can still charge foreign domestic helpers unnecessary fees of up to **HKD 20,000**.

In Indonesia, Hong Kong-bound helpers are allowed to be charged a maximum of **HKD 8,600**, which is a huge amount for an Indonesian domestic helper who is still looking for a job.

ANALYSIS

Comparing the pros and cons between working in Hong Kong and working in Singapore shows that Hong Kong is a more desirable work location as a FDH. The number of person and living space is smaller in Hong Kong than Singapore this translates to less work for the domestic helper. Additionally, domestic helpers in Hong Kong are entitled to public holidays unlike FDH working in Singapore. Furthermore, terminating a domestic helper's contract in Hong Kong would require the employer to pay a severance fee if the FDH has been working for more than 5 years. However, to work in Hong Kong a FDH would need to go through agencies which are infamous for overcharging unnecessarily.

CONCLUSION

In conclusion, we stand by our hypothesis that the reason preventing all FDH from working in Hong Kong is it's high barrier of entry. Dealing with agencies is a reason some FDH prefer to work in Singapore than in Hong Kong for a lower wage as agencies are notorious for overcharging FDH in hidden fees. Another possibility is that FDH is using Singapore as a stepping stone to reach Hong Kong's 2 years of relevant work experience.