



## HOUSE NEWS



### **A Talk of Two Cities: A Comparative Analysis of Human Resources Development Strategies in Hong Kong and Singapore** HONG KONG INSTITUTE OF HUMAN RESOURCE MANAGEMENT

“It was the best of times, it was the worst of times.”

With the rapidly shifting geopolitical landscape, emergence of new technologies and changing demographics, Hong Kong and Singapore, two cities that have long seen each other (and seen by the world) as close competitors, are figuring out ways to adapt to and capitalise on these challenges. A close look at the 2024 Budgets of these two cities sheds light on how these two economies are planning to do to brave these turbulent times.

The themes of the two Budgets speak volumes about the differences in the priorities between the two economies. The theme of the Hong Kong Budget is “**Advance with Confidence. Seize Opportunities. Strive for High-quality Development**”, which signifies a focus on high-value economic development. Singapore’s Budget carries the theme of “**Building Our Shared Future Together**”, which emphasises equitable development.

The thematic difference also manifests itself in different policy choices, especially in the area of human resources and employment, of the two cities.

#### **Hong Kong**

Hong Kong’s policies focus on **drawing in quality capital, enterprises and talent to expand her economic capacity and strengthen impetus for development**. This includes providing extra incentives to attract quality investments in Hong Kong so as to create more job opportunities, such as initiatives through the Hong Kong Investment Corporation Limited to support

industries, encouraging non-Hong Kong companies to establish themselves in Hong Kong, and further strengthening the Top Talent Pass Scheme.

Moreover, Hong Kong will step up efforts in **nurturing local talent**, such as providing additional funding to assist enterprises in capitalising their work globally, implementing initiatives such as the Hong Kong International Legal Talents Training Academy to train experts, and supporting educational institutions in nurturing talent in emerging industries.

To further boost local employment, the 2024 Hong Kong Budget seeks to provide a variety of support to businesses, such as extending funding support via the SME Financing Guarantee Scheme, assisting SMEs in adopting e-commerce solutions to help them better adapt to the Mainland market, and reducing salaries tax and profits tax.

#### **Singapore**

In contrast, the Singapore Budget focuses on **supporting the various strata of her community in adapting to the changing environment**, including support and security for seniors, individuals with middle to low incomes, and families.

Singapore proposes a number of initiatives to **support the upskilling of Singaporeans** in the middle of their careers. For example, Singapore will expand her SkillsFuture programme (similar to Hong Kong’s Continuing Education Fund) by

### **Key Takeaways:**

- The theme of the Hong Kong 2024 Budget is “Advance with Confidence. Seize Opportunities. Strive for High-quality Development”, while Singapore’s 2024 Budget has “Building Our Shared Future Together” as its theme.
- The thematic difference highlights the difference in priorities between the two economies: Hong Kong focuses on achieving general economic development, while Singapore focuses on assisting various strata of her community in adapting to changing times.
- Hong Kong can learn from Singapore’s emphasis on the upskilling of her senior workforce, while Singapore can learn from Hong Kong’s willingness to receive talents from all over the world.



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introducing a new Level-Up programme that helps mid-career workers (those aged 40 years and above) learn substantive skills to stay relevant in a changing market.

For the middle- and low-income groups, Singapore makes an unprecedented move by **introducing a temporary financial support scheme** for workers who have been laid off, so that they can have more time to find the right job or undergo further training to better equip themselves.

Moreover, Singapore is working on **increasing the wages of local lower-wage workers** by adjusting the Progressive Wage Credit Scheme (PWCS) and Local Qualifying Salary (LQS) policies which regulate the number of foreign employees a Singapore company can employ. Employers seeking to hire a certain number of foreign employees must comply with the increase of local qualifying wage, and the government is assisting employers in coping with the increase by raising the maximum co-funding level of PWCS from 30% to 50%.

In support of local families, particularly low-income families with non-working mothers, young families with pressing needs will be prioritised in securing temporary accommodation. Pre-school fee caps will be lowered while subsidies for pre-school education will increase. Fees for special education schools and special student care centres will also be lowered.



#### Lessons for each other

Despite often being seen as close competitors within the region, the different approaches taken by the two economies can still offer valuable lessons to all of us.

On the one hand, Hong Kong can take note of Singapore’s emphasis on the upskilling of talents. The proposed introduction of multiple mega events and increasing investments in promoting Hong Kong as a major tourist destination can be effective only with the support of a sufficient pool of suitable talents. Specific investments in the training of relevant local talents are needed to help Hong Kong plug the talent gap.

On the other hand, Singapore can also learn from Hong Kong’s receptiveness to foreign talents. Singapore is often seen to be wary of foreign talents but at this age, foreign talents can be crucial to the sustainable growth of an economy. With the introduction of the Top Talent Pass Scheme at the end of 2022 demonstrates Hong Kong’s commitment to embracing talents from around the globe. The recent success of the Global Talent Summit - Hong Kong, organised by The Hong Kong Talent Engage in May, serves as evidence of our openness and receptiveness. This summit brought together over 1,200 leaders from diverse sectors, including politics, academia, and business, facilitating discussions and knowledge exchange on talent development. The primary objective was to promote Hong Kong’s distinct position as an international talent hub and a gateway for talent to our country. Through this event, Hong Kong showcased its dedication to nurturing a diverse and thriving talent pool.

Is this the worst or the best of times? Both Hong Kong and Singapore are beset by a myriad of challenges, but with the willingness to learn and the implementation of appropriate strategies, even the worst of times can present us with abundant opportunities.



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