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'Extremely reactionary gentlemen' amidst a 'modern miracle': was a compromise between labour and capital in British Hong Kong unthinkable?

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ABSTRACT

The Labour Advisory Board (LAB) in Hong Kong is a tripartite government body mediating between labour and business. Set up in 1927, it is often overlooked by studies of labour and economic development in Hong Kong due to its relative insignificance in decision-making processes. However, between the 1960s and 1980s, before direct elections for higher legislative bodies took place, the LAB was the only body in which workers' interests were represented. In 1966, under the influence of George Foggon, Overseas Labour Adviser under the British Labour Government, a proposal was made to enlarge the tiny LAB into a 29-member body – similar to the National Economic Development Council in Britain and the system of 'Parity Codetermination' in West Germany. The abandonment of the proposal during the left-wing riots of 1967 led to stagnation in efforts to reform the LAB until 1977. In the 1980s the battle for a Central Provident Fund, first proposed by Foggon, was lost. This article examines how weak labour welfare and representation in Hong Kong came to be, through the history of the LAB, and reflects on the failed attempts of reformers, local and British, to advance planning and the codetermination of high-level economic policy.

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Introduction

In February 2026, the Hong Kong Special Administrative Region government announced that it would produce a local five-year plan in alignment with the PRC mainland economic planning system. The government pledges to galvanise economic momentum, making use of new technologies to produce substantial development in both new and traditional industries. One critical prerequisite, we contend, is a sound decision-making mechanism to ensure that the points of view of labour and management are fully understood and their interests adequately protected – especially to secure the genuine support of both blue- and white-collar workers. An intriguing question arises: does Hong Kong have an appropriate platform to carry out such a daunting task?

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Drawing on archival materials, newspapers and social science literature, we examine the history of the non-statutory Labour Advisory Board (LAB) [勞工顧問委員會], which could serve as a rudimentary platform for promoting industrial peace and mutually beneficial policies. The LAB, under the Labour Department, was established in 1927 and is now approaching its centenary. It is one of the very few advisory bodies within the Hong Kong government with such a long historical continuity. Yet, the LAB has remained low-profile for a century – the general public is largely unaware of its existence, and the media seldomly reports on its activities. Even academics do not pay it much attention. Existing works provide only anecdotal mentions of the LAB (Butters, 1939, p. 125) while not delving into its functioning between the 1950s and 1980s (England, 1989, p. 9–10, 17, 134–135; Lu, 2019, p. 163–164, 261; Turner, Fosh, & Ng, 1992, p. 97–99; Turner et al., 1980, p. 32, 104, 164). Significant proposals for reforming the LAB in the 1960s, in particular, have not been documented, let alone analysed. In filling this knowledge gap, we show that certain reformers have tried to turn the LAB into a crucial government organisation to redress the power imbalance between workers and employers amidst Hong Kong's economic transformation.

The next section contextualises the socio-political governance structure, changing labour composition and industrial relations in Hong Kong, with a focus on the marginalised role of the LAB in its formative decades. During the British colonial period, especially after the Second World War, Hong Kong's economy flourished, with export manufacturing being a major pillar. However, local and immigrant workers were mostly unskilled, with the exception of skilled labourers concentrated in large enterprises. Hong Kong's notable asset was its large pool of cheap, unorganised labour. In the broader political economy, representative government at the municipal level started during 1982–83, and direct elections to the legislature only began in 1991; under the colonial regime, scant attention was paid to workers' welfare and representation.

Section three details the increasingly contentious labour politics amidst Hong Kong's development. In the mid-1960s, there was an opportunity for the LAB to emulate the British 'National Economic Development Council' (NEDC) by greatly expanding its representation and functions, and to become one of Hong Kong's main representative bodies. With labour movements around the world growing in size and power, the question for the authorities was whether they should take a confrontational stance, or to try to co-opt worker and social activists to 'maintain stability'. Given the institutionalisation of global labour movements, the LAB's corporatist reform was one of the forward-thinking suggestions for improving workers' welfare. British 'labour advisers', such as Sheila Ann Ogilvie, George Foggon and D. I. Goodwin, who possessed a deep understanding of the political implications of labour reforms and trends in the global labour movement, initiated labour policies throughout the British Empire (later the Commonwealth) and beyond, including Hong Kong. Unfortunately, for various reasons, some more obvious than others, this opportunity slipped away. Foggon's 1965–66 proposal for the enlargement of the LAB was aborted as a result of the 1967 Riots in colonial Hong Kong, and his call for a Provident Fund to further the welfare of the working class, based on the Singaporean model, was abandoned.

Section four narrates the minor reforms of the LAB that took place in the late 1970s and 1980s. Blockage at this stage came mainly from employer organisations. Despite some achievements, the LAB has neither evolved into a broadly representative body for

achieving consensus nor become an integral part of the decision-making apparatus. Hong Kong today still lacks an efficient, high-level platform for labour – business communication. In conclusion, we highlight the transformative potential of government-led planning and mechanisms of labour representation.

The Labour Advisory Board's early years

Hong Kong had a peculiar economic environment and political arrangement that was not conducive to labour organisation in the late colonial period. Hong Kong had a population of only 600,000 when Japan surrendered in 1945, but due to the arrival of waves of refugees, and large families, the population had grown to five million by 1980. Economically, Hong Kong had traditionally been an entrepot, but in 1950 the United Nations embargo on China, which remained in force for decades, forced Hong Kong to adopt another model. With the arrival of capital, machinery and technical expertise fleeing Shanghai and other mainland Chinese cities, Hong Kong witnessed a boom in its manufacturing export trade. Labour scholar Joe England described Hong Kong as 'a rich state half the size of Greater London yet exporting more than the whole of India' (Quoted in Yep, 2024, p. 86), which reflects the level of productivity and indirectly the rate of exploitation of labour in Hong Kong. The fact that millions of refugees lived in the city competing for limited jobs created a very weak bargaining position for workers, who in case of disputes were forced to engage in 'voluntary conciliation' with their employers, if not to meet outright dismissal (Clayton, 2021).

The government was ill-disposed toward intervening in the market to foster economic growth. Financial Secretary John Cowperthwaite (1961–1971) strongly believed such intervention was unnecessary due to his orthodox laissez-faire beliefs. Hong Kong undertook to provide only the bare minimum of social overhead capital and welfare. For example, the government engaged in massive land reclamation projects to create industrial and residential spaces. Millions who lived in shanty towns were relocated to public housing estates in large numbers starting in the 1950s, in reaction to massive squatter area fires. Yet conditions and crime rates in these estates were alarming.

In terms of political governance, the Hong Kong colonial government had three representative bodies: the Urban Council (which had limited elections with strict property requirements until 1983), the Legislative Council (which had no elections until 1985 and no directly-elected seats until 1991) and the Executive Council (which never had elected seats and functioned as the Governor's cabinet). Not surprisingly, the voices of the grassroots were largely neglected by the ruling elites and powerful classes. Labour exploitation and alienation, a massive youth population, extreme dissatisfaction with systemic corruption in the police and other government branches, and general enmity created by racial discrimination, helped foster large scale rioting in 1956 (pro-Kuomintang), 1966 (pro-local reformists) and 1967 (pro-Communist).

The Chinese population in Hong Kong in the early colonial period had been rather docile, but this gradually ended during a phase of nationalist agitation and intellectual enlightenment, especially after the Chinese Republican Revolution of 1911, the May Fourth Movement of 1919 and the founding of the Chinese Communist Party (CCP) in 1921. The LAB was born in the aftermath of the 1925–26 'Canton – Hong Kong General Strike'. On 30 May 1925, the 'May Thirtieth Incident' in Shanghai saw International

Settlement British police killing protesting students; then the 'June 23 Incident' in Canton (now Guangzhou) saw British troops from Shameen (Shamian) Island open fire on protesting crowds. This prompted cooperation between the Kuomintang and the CCP in the National Government based in Canton at the time, to launch a boycott that blockaded British Hong Kong, encouraging Hong Kong workers to go on strike and return to Guangdong. The strike lasted for a year and ended in October 1926. Meanwhile, Britain itself experienced a General Strike in 1926 that paralysed its economy, spurring reforms in several colonies in 1927 (Foggon, 1974a, p. 82). The LAB, established by the Hong Kong colonial government in 1927, was initially comprised of only representatives of large firms, the government and the British armed services, with no labour representatives (Labour Department, 2021). Rather than being a platform for dialogue between labour and capital, it was effectively an agency to coordinate how to scheme against labour. This was frankly admitted by Labour Officer H. R. Butters' 1939 Report –

About the same time as the special labour department was created a Labour Advisory Board was appointed. This Board still exists and in 1938 [...] the members consist entirely of representatives of large Government Departments and employers of labour. There are no worker's representatives and it may be presumed that the purpose of the Board was largely to correlate the attitude of Government and other large employers of labour. The Labour Advisory Board rarely functioned and was convened last in 1936 on a comparatively small matter submitted to it by Government regarding the Chinese New Year bonus to its lower paid employees. (Butters, 1939, p. 125)

During the Japanese occupation, some British officials who were interned in concentration camps reflected on the injustices of pre-war discriminatory measures against the Chinese population. By 1945, a Planning Unit in the Colonial Office 'consisting of those Hong Kong officials who happened to be in Britain at the time of the Japanese invasion and others who subsequently escaped', also started to contemplate political reform in post-war Hong Kong (Miners, 1986, p. 465). Some based their model for reform on the Shanghai International Settlement's Municipal Council, which had a mixed-race composition elected by ratepayers. Despite differences in opinion as to the size of the franchise and direct elections, it was agreed that there would not be universal suffrage in post-war Hong Kong.

With China becoming a victorious Allied power and a permanent member of the United Nations Security Council, the nation's international standing was greatly improved. The post-war colonial government initiated various socio-economic reforms. In 1946, the ordinance forbidding Chinese people from living on Victoria Peak was repealed. That same year, Sir Mark Young – the wartime governor who had been captured by the Japanese and made to undertake forced labour – resumed office in Hong Kong. He proposed the 'Young Plan', this time calling for a Municipal Council with directly elected seats involving appointed representatives from chambers of commerce and trade unions. But Young retired the following year, and soon the Chinese Civil War broke out. The plan became moribund, and London shelved it in 1952 (Miners, 1986).

Against this backdrop, from 1946 the LAB began to include labour representatives and it formally became a tripartite platform of labour, management and government, chaired ex-officio by the Labour Officer (renamed 'Commissioner of Labour' in 1947). Up to that point, the LAB was reported to be 'rarely functional'; the three labour representatives were government appointees representing staff in

firms with foreign employers, Chinese employers and other large firms. LAB member Hon Man-wai [韓文惠], of the Chinese Engineers Institute, became notorious for 'toeing the line', opposing industrial action and attempting to create a closed-shop system (Lu, 2019, p. 163–164, 261). In 1950, the LAB introduced elections: labour and employers each had four representatives, two directly appointed by the governor and two elected by trade union and employer organisation representatives, respectively, before being submitted to the governor for appointment (Labour Department, 2021; Lu, 2019, p. 15). However, as a non-statutory body, the LAB's decisions carried no binding force; it existed only to assist the Commissioner of Labour in policy formulation. Its representatives could only discuss matters raised by the Commissioner and could not put forward their own agenda items or motions. In 1963, the authorities proposed establishing a Joint Labour Consultative Council, but London judged that the conditions were not ripe for this, and the plan was shelved (Labour Department, 2021; HKRS270-5-60, no. 8, p. 2).

Because the pro-Communist 'Hong Kong Federation of Trade Unions' (FTU) [香港工會聯合會] continued to refuse to recognise the legitimacy of the colonial government and declined to participate in government bodies and consultations, for years the LAB's labour representatives came largely from the pro-Kuomintang 'Hong Kong and Kowloon Trades Union Council' (HKTUC) [港九工團聯合總會]: The LAB preferred compliant men. For example, when discussing replacing an employers' representative in 1968, Labour Department official T. D. Sorby proposed appointing someone from the cotton industry whose 'English is not very good, and he did not contribute much, but he understands what Government advisory boards are about' (HKRS270-5-60, no. 14), a remark that showed disdain for the LAB's function. An employers' representative from the Chinese Manufacturers' Association received a HK\$1,000 fine in 1961 for violating regulations on female workers' working hours, but this was not deemed a major problem (HKRS270-5-60, no. 3). Overall, as with any colonial government, Hong Kong's authorities lacked commitment to labour and vulnerable groups, and the LAB failed to promote a balance of labour and capital interests.

An assessment by the Labour Department in 1961 laying out 'Policies and Targets for 1962-67' showed how dismal Hong Kong's labour legislation was. The document was a law-by-law inspection of how much of the International Labour Organization's (ILO) conventions and recommendations were being implemented in Hong Kong. A large number of such conventions were either ratified by the British Government, but with their application 'being reserved' when it came to Hong Kong, or had not been ratified by the British Government at all from the outset. A major exception was the 'Minimum Wage Fixing Machinery Convention, 1928' (ILO Convention No. 26), which was 'fully applied in Hong Kong'. However, the document admitted that:

Although the necessary legislation exists the machinery provided has never been used in Hong Kong. Proposals to replace the legislation by more modern wages council legislation were considered in 1955 but were abandoned because of fear that the system would prove too inflexible for the local economy, might have bad psychological effects and would in any event be extremely difficult to enforce in the absence of compulsory wage records. (HKRS270-5-60, no. 1)

The Labour Department document recommended resolving the minimum wage matter through ‘voluntary collective bargaining’, thus shedding any government responsibility for its implementation.

In July 1958, Sheila Ann Ogilvie, deputy adviser to the Secretary of State for the Colonies and formerly serving in Palestine in the late-1940s, ‘with official responsibility for the conditions of working women in the Colonies’, came to Hong Kong and was ‘deliberately’ shown a host of factories with conditions ranging from the best to the worst (Godfrey, [n.d.](#); HKMS158-1–83, p. 34). She was ‘perturbed, as every other observer is, by the failure of trade unions in Hong Kong to perform the proper function of such bodies’. The reason for this ‘inactivity’, as the workers explained to her, was ‘the fear of their officials and members that, if they were troublesome industrially, they might be deported’. The writer of the report, W. I. J. Wallace, a Colonial Office functionary, defended the penalty as ‘very well justified [...] if these people cause political trouble and indulge in seditious activity’, and argued that to distinguish political trouble from industrial trouble would pose ‘great difficulty’. He nevertheless highlighted the need for unions to not be ‘discouraged from their proper industrial activity’ by such penalties, without suggesting solutions (HKMS158-1–83, p. 80). He also noted that Ogilvie argued that it was in the interests of the employers to recognise and develop proper relations with the unions, since they:

will have only themselves to blame if they find in the end that they have built up serious trouble for the future, when labour conditions may be less favourable to the employers than they are at present. There is therefore strong reason for giving every encouragement to employers both to develop good relations generally with their unions and to run their businesses more efficiently, so that future improvements in the conditions of their workers should cause the least possible damage to the prosperity of the business. (HKMS158-1–83, p. 80)

As we shall see, during the 1970s and 1980s, the lack of a collective bargaining system impeded many labour reforms. The right to collective bargaining did not come into existence in Hong Kong until June 1997, as one of the last pieces of legislation passed by Governor Chris Patten’s British regime, which wanted an ‘honourable exit’ from the colony. It was immediately repealed after the handover.

George Foggon: reforming the Labour Advisory Board

The earliest push to revamp this hardly functioning mechanism of labour representation came from George Foggon, Overseas Labour Adviser in the British Foreign and Commonwealth Office (FCO) and Ministry of Overseas Development. At the time, the British foreign service employed labour attachés at embassies, building ties with labour representatives abroad through social events, and assisting the FCO’s ‘Information Research Department’ to insert anti-Communist propaganda into union publications. Their aim was to blunt demands by foreign labour organisations for the nationalisation of British enterprises and to have them accept improvements via market-compatible collective bargaining or negotiated reforms (Van Goethem, 2017, p. 121–127) – in effect, encouraging union leaders to pursue incremental gains rather than systemic change. Political orientation was so important that in 1964 the LAB’s choice of labour

representative went to the right-wing 'Tramway Free Workers Union' leader Wong Bor [黃波], who had attended training in Calcutta during 1952–53 under the International Confederation of Free Trade Unions (HKRS270-5–60, no. 5), which had CIA links through the dominant presence of the American Federation of Labor (AFL), while the pro-FTU 'Hong Kong Tramways Workers' Union' is described by the colonial government as a 'political terrorist organisation masquerading as a Trade Union' (HKMS158-1–25, p. 36). Before the outbreak of the 1956 pro-Kuomintang riots, the government preferred to work with the HKTUC, which at times was seen as too weak even in the eyes of the British advisers. It was noted that, although they:

... at any rate have a reasonable industrial programme on paper [...] it is regrettable that they do not more seriously address themselves to its implementation. That may explain the relative industrial peace of the past few years ... (HKMS158-1–25, p. 18)

Before World War II, Foggon worked as a clerk in Britain's Ministry of Labour and during the war he served in the Royal Air Force, reaching the rank of Wing Commander. In 1946, he was sent to defeated Germany to help the British occupation forces propose reforms to German trade unions. In contrast to Soviet occupation forces which boasted left-wing German advisors, and US forces which had a more complicated interaction with its labour advisers,¹ the British approach was much more conservative – its proposal was even penned by a former Labour Ministry official from the Nazi regime, with the aim of preserving as much of Germany's pre-war social-security system as possible. Foggon later acknowledged that the highly progressive labour – management coordination system under West Germany's post-war 'Social Market Economy' owed much to contributions from Social Democrats who were recently released or returning from abroad.

The West German trade union system was comprised of two main elements: 'unitary unionism' and 'codetermination'. Many German trade unionists felt that, had the unions not been impeded by religious and ideological divisions amongst themselves, they could have called a general strike in 1933 and 'driven Hitler out of power' (Silvia, 2013, p. 107). In the aftermath of the war, a set of laws and agreements were enacted during 1947–52, with revisions in 1976, requiring large coal, iron and steel enterprises to implement 'parity codetermination', whereby a supervisory board would have eleven members, with five representing employees, five representing employers and one neutral member. Other firms would have employee representatives making up one-third of the board. In addition, there were 'works councils' which worked with unions to provide representation at the shopfloor level. The unions were initially dissatisfied with the one-third rule but later settled for it when faced with the prospect of a rollback initiated by business. They hoped that this system would bring forth democratic socialist economic planning, and argued for extensive nationalisations of banks, heavy industry and transport. This was, however, already a watered-down version of the economist Fritz Naftali's pre-war vision of a nationwide network of codetermination (Silvia, 2013, p. 46–53, 113, 116). The official German verdict in 1998 was that 'Codetermination has proved flexible and has promoted the "cooperative modernization" of German firms by enhancing the flow of information and deepening of trust between labor and management' (Silvia, 2013, p. 56).

Foggon's experience gave him deep insight into labour – capital coordination and its political consequences, including how its failure could lead to the rise of extremist movements, such as the Nazis. For his contributions during the Allied occupation of

Germany, Foggon was awarded an OBE (Hockerts, 1981, p. 316, 334; *The Guardian*, 2006-03-24; *The Times*, 2006-03-24). Foggon later joined the colonial service. He was sent to the Gold Coast (later known as Ghana) and served as Commissioner for Labour in Nigeria from 1954 to 1958. He favoured the inclusion of local union input in policy – a stance that gained approval from Nigerian politicians (*The Guardian*, 2006-03-24). In 1960, he was sent to handle an unprecedented cross-border strike in the East African Railways and Harbours Corporation, spanning Tanganyika (later Tanzania), Kenya and Uganda. With the Mau Mau uprising having recently been brutally suppressed in Kenya, Foggon – reluctant to precipitate larger unrest or repression – handled the strike with caution (Hyde, 2016, p. 85). Later that year, together with the renowned economist James Meade, he was sent on a mission to advise Mauritius on how to upgrade its economy. Their report recommended birth control amongst other policies, and considered the following question: ‘What are the theoretical possibilities of [...] introducing an economic system which enables labour to be treated as a really cheap element in the cost of production but results nevertheless in a reasonable distribution of the national product?’ Meade ‘gloomily concluded’ that a solution might be somewhere between the full nationalisation of private property or its transfer to the workers, which would take a revolution, or having the state subsidise labour and provide cost-of-living subsidies, which would only work with wage restraint (Howson, 2026, p. 561–579).

In 1965, given his international experience, Foggon was appointed Overseas Labour Adviser by the Ministry of Overseas Development, and in 1966, by the Foreign Office. He did not disdain the traditional imperial recourse of ‘gunboat diplomacy’ – for example, in 1966 he helped pacify a labour dispute in the Seychelles backed by a destroyer, *H.M.S. Carysfort*, upon arrival of which ‘[t]here was an immediate improvement in confidence’ in the colonial authorities, permitting negotiations to begin (the words of MP Frederick Lee, in Hansard, 1966).

Foggon visited Hong Kong in November 1965, October 1967 and January 1969, and made efforts to influence Governor David Trench’s labour policies. British unions were concerned that Britain was losing its competitive edge, and they charged that Hong Kong’s low-cost production – enabled by minimal labour protection – amounted to unfair competition. At the same time, British politicians wanted to appear to their electorate as having enforced a socially responsible colonial policy. This message was passed on from London to the Hong Kong authorities as early as 1956, stating:

We readily understand that it is a matter of great difficulty for your Government to force the pace in labour matters, but, as you know, labour conditions in Hong Kong are sometimes used by U.K. interests as a stick with which to beat H.M. Government and particularly as an argument for restricting imports from Hong Kong. Any improvements which you may be able to effect have therefore their uses as weapons in that battle, apart from their intrinsic merits for the people of Hong Kong. (HKMS158-1-25, p. 11)

As a result, Trench’s limited labour law reforms, which still permitted employers to oblige workers to work long overtime hours, were criticized by the Colonial Office as lacking ‘social responsibility’, being full of loopholes, and merely a ‘paper tiger’; its weak implementation was remarked to be even potentially a ‘farce’ (Clayton, 2009, p. 135–137). Foggon’s purpose in coming to Hong Kong was precisely to urge Trench to propose reforms that would save face for London. On the surface, however, Foggon called

Hong Kong 'quite a modern miracle', and said the bad press that Hong Kong suffered with regard to low pay, long hours and inactive unions was 'rather unfair' (*South China Morning Post*, 1965–11–13).

Foggon's 1965 nine-day visit coincided with Urban Councillor Elsie Elliot's campaign to collect signatures for a petition opposing Star Ferry's fare increase, which later evolved into the 1966 Riots. Although denied a meeting by the FTU, he visited factories in Tsuen Wan and on Un Chau Street, and resettlement estates. He surely witnessed the sweatshops in Hong Kong, the lack of basic social welfare and labour protections, and the confrontations between pro-Communist and anti-Communist unions. He also met with representatives of the HKTUC, the Federation of Hong Kong Industries, the Chinese Manufacturers' Association and the Hong Kong General Chamber of Commerce (HKRS70-1–48).

Foggon submitted a report to Governor Trench proposing to reform the 'ineffective' LAB. On 30 June 1966, Commissioner of Labour James Tinker Wakefield presented a reform plan to expand the LAB from a small 10-member body into a large advisory institution of 29 members. Besides the Commissioner of Labour, labour representation would include two seats each for the FTU and HKTUC, four seats to be elected by trade union representatives, and four seats appointed by the governor; employer representation would include two seats each for the Hong Kong Employers' Association, the Federation of Hong Kong Industries, the Hong Kong General Chamber of Commerce, and the Chinese Manufacturers' Association, plus four governor appointments. There would also be one military labour observer and three independents (HKRS270-5–60, no. 8).²

Wakefield's LAB configuration would have resembled Britain's National Economic Development Council (NEDC), set up in 1962, and reconstituted in 1964 when Labour came to power, comprised of equal numbers of representatives from the Trades Union Congress and employer organisations, plus representatives of economic and financial departments and nationalised concerns, and two management experts, intended to hammer out long-term economic planning and strategies. It is obvious that the LAB reform plan was based heavily on the NEDC's composition. The creator of the NEDC, Conservative Prime Minister Harold Macmillan had, as early as the 1930s, in his book *The Middle Way* (Macmillan, 1978), advocated economic planning by government, seen as more farsighted than capitalists. Macmillan's aim in creating the NEDC was to halt British decline. Sir Hugh Beaver, leader of the Committee on Economic Programmes and Targets, regarded the French model as an example for Britain to imitate. In April 1961, the National Institute for Economic and Social Research invited delegates from the *Commissariat général du Plan* to brief British officials on the workings of the French planning system (Ringe, 1998a, p. 82–83).

However, the Treasury tried hard to prevent the NEDC from becoming a body capable of making policy and aggressively jockeyed for control of the NEDC. The NEDC ultimately failed to stop Chancellor of the Exchequer Reginald Maudling's 1963 decision to print money to stimulate growth (Catherwood, 1998, p. 78; Ringe, 1998b, p. 99–130; Ringe & Rollings, 2000, p. 331–353). The pound thus came under heavy pressure to devalue, and the Labour government that came to power in 1964 found its 1965 'National Plan' unworkable. In November 1967, the Chancellor of the Exchequer James Callaghan was forced to announce the pound's devaluation, which dealt a blow to the colonial

Hong Kong government (Bickers, 2009, p. 65). Employment Secretary Barbara Castle's 1969 attempt to reform labour relations to curb unions' power to strike failed, sowing the seeds of severe confrontation between the Labour government and the unions during the 1970s (Meredith, 2008, p. 103–136). Ultimately, the unions launched a general strike in the winter of 1978–79 that helped bring down the Labour government in the 1979 election. Margaret Thatcher proceeded to viciously attack the trade unions, and to weaken the NEDC, which was dissolved in 1992.

Since Britain lacked a functioning domestic model for labour–business relations, the Hong Kong authorities could only experiment with the prescriptions of a small number of experts. After Foggon's November 1965 visit, Wakefield drafted his LAB reform scheme responding in part to Foggon's recommendations (HKRS270-5-60, no. 11; no. 10; no. 8, p. 6); the new LAB terms of reference largely remain in effect today. Although Foggon's original 1965 report is missing from the preserved archival documents, an annex from the report on social security has been found attached to the 1974 report (HKMS189-1-351, no. 5). It argues that catering for the aged was the most pressing problem, since there was 'accumulating evidence that the urban conditions of Hong Kong life are breaking the system down', followed by unemployment and sickness, which would have to be taken care of by the Industrial Employment Ordinance. Foggon recommended establishing a self-contributory social security scheme, whereby the government would require all workers to pay 5% ('the normal percentage') with a further 5% coming from the employer. He noted that a 'scheme of this type has been operating for some years in Singapore' – evidently its Central Provident Fund (HKMS189-1-351, p. 70–71).

Foggon's intentions can be inferred from a speech he gave in 1973 to the Conference of South Pacific Labour Ministers in Sydney, representing the Solomon Islands (he was to later become Director of the London Branch Office of the ILO). He argued in favour of government-led economic planning, that 'a Labour Department should be geared to make a really effective impact on the central planning process. This is one of the keys to progressive labour policies', but noted that 'all too often, day-to-day pressures on a small Labour Department are too great for very much forward planning to be done and progress tends therefore to be made in a series of fits and starts in response to the pressure of public opinion for example, or particular crises'. He also said that 'comprehensive manpower projections' are undertaken very often by the central planning authority, to which the Labour Department 'can give valuable help'. Such projections include items like 'the growth of the potential labour force and the scope for future employment' and 'future demand for skilled and professional manpower as a basis for training, educational, scholarship and localization programmes'. He further recommended phasing in Provident Funds as a 'simple type of social security scheme' that could be 'easily administered' due to the lack of any actuarial element in the programme. Finally, he argued that a Labour Advisory Board could provide a 'valuable training ground for employers and workers in small countries in the arts of negotiation and compromise', whilst for labour inspectors, it would be 'wiser to prevent than to punish', and that 'techniques of conciliation should [...] be an essential part of every labour inspector's training'. It is clear that an ideal political entity implementing labour policies should make the Labour Department and Labour Advisory Board serve central planning. Manpower projections would be an important task. Labour inspectors should have

a harmonious relationship with the general populace. A Central Provident Fund should help planned economic investment and also be a guarantor of social welfare (Foggon, 1974b, p. 152–164).

In all, Wakefield's reform proposals would have significantly elevated the LAB's political status – enabling it to draft labour legislation and discuss the application of the ILO's recommendations and conventions in Hong Kong. Wakefield, who had been interned during the Japanese occupation and later served as Deputy Secretary for Chinese Affairs and Secretary for the New Territories, had a relatively open attitude. He wanted to raise the stature of the labour representatives within the bodies to which they were delegated, increase the LAB's size, expand elections and enable the LAB to become a 'sounding board' for government policy. The proposed LAB reform during the mid-1960s in Hong Kong harked back to notions of 'economic parliaments' functioning in tandem with 'political parliaments'. In addition to the British NEDC, West German Parity Codetermination, and the French Economic and Social Council, these proposals were associated with Corporatist and State Organicist ideas going back to the 19th century, variously raised by German Chancellor Otto von Bismarck in 1881 as the 'National Economic Council', by the early Soviet Union as the Supreme Soviet of the National Economy ('Vesenkha') and by various European states including Britain in the interwar period in the form of 'economic advisory councils' (Leung, 2022, 2025).

However, this did not mean the LAB would leapfrog to prominence. Wakefield's memorandum quotes London as thinking that, as long as the LAB remained 'wholly advisory', it would not embarrass the government. He himself also vacillated, worrying that a 29-member board would be 'so large as to be unwieldy'; yet he feared that if membership was drastically reduced, large organisations like the FTU would resist being represented by a single delegate. He considered rescinding the requirement to make labour representatives swear an oath of allegiance to the Governor, which he knew would have impeded the participation of pro-CCP unionists (HKRS270-5-60, no. 8, p. 5). Internal correspondence shows Deputy Colonial Secretary James David McGregor as suggesting reducing the number to under 20, preferably 17 (HKRS270-5-60, no. 10). Paul K. C. Tsui [徐家祥] of the Chinese Affairs Department, which was responsible for 'dealing with industrial disputes through conciliation or arbitration', proposed limiting both the FTU and HKTUC to one seat each (HKRS270-5-60, no. 9; Lu, 2019, p. 41). Indeed, one can imagine that a LAB including both FTU and HKTUC representatives would inevitably be difficult to manage, due to entrenched divisions.

However, preparatory work to restructure the LAB came to a sudden halt. In May 1966, the Cultural Revolution officially began in the People's Republic. On 3 December 1966, the '12-3 Incident' took place in Macau against Portuguese fascist rule; Governor Nobre de Carvalho later publicly apologised in front of a Mao Zedong portrait and paid out over two million Patacas in compensation, creating panic in the Hong Kong government. From February 1967 the FTU and related organisations began launching 'political labour strikes' in Hong Kong; in May the '1967 Riots' broke out. By the end of October 1967, the colonial authorities had decided to withdraw Wakefield's reorganisation plan (HKRS270-5-60, no. 12; HKRS270-5-60, no. 13). In its aftermath, a colonial official remarked that 'what is needed is not a large (which [the Secretary for Chinese Affairs] seems to regard as synonymous with prestigious) board, still less an elected board, but a board of 12–14 intelligent and unreactionary [sic] nominated representatives [...] who are capable of

reading information papers fed to them by a properly staffed department' (HKRS270-5-60, cover sheet, p. 3).

Foggon returned to Hong Kong in October 1967, pointing out that although the current unrest had political rather than social roots, it would be a grave mistake for officials and businesses to assume that 'the material and social conditions of the Hong Kong working population have limited relevance to the future problem of stability' (Quoted in Clayton, 2009, p. 139). At the time, female workers commonly worked 60 hours a week. Since the governor had long been constrained by business interests, Foggon's visits helped Trench put forward significant labour reforms. Trench clashed with employers, who argued that with Taiwan and South Korea rapidly expanding exports, Hong Kong needed a more flexible cost structure to remain competitive. At one point Trench threatened to force a reform bill through the Executive and Legislative Councils. The bill proposed that during 1968-72, female workers' daily hours be cut by half an hour each year until an eight-hour day and 48-hour week were achieved, while still allowing employers to require female workers to do up to 300 hours of overtime per year. However, the eight-hour day was universally ignored; in February 1970, Trench rescinded bans on women working at night on the grounds of 'public interest' (Clayton, 2009, p. 139; Leung, 2018).

Foggon made two more official visits to Hong Kong, in December 1971 and February 1974, despite the reluctance of the colonial authorities. In his 1971 report, Foggon blamed the doctrinaire laissez-faire Financial Secretary, John Cowperthwaite, who is usually credited with Hong Kong's 'economic miracle', for holding up:

... a proposal to improve sickness pay and extend to non-industrial workers entitlement to paid holidays and sick allowances put forward by the Labour Commissioner, with the support of the Labour Advisory Board and the four principal employer organisations [...] for over a year at official level and be prevented from coming up for consideration in Executive Council. ([...] under discussion and recommended from London as far back as 1961). (HKMS189-1-239 no. 3; HKMS189-1-239 no. 2, p. 2)

This echoed in fact Governor Murray MacLehose's observations that legislation proposed by the LAB was constantly being blocked by the Colonial Secretariat or due to personal factors (Quoted in Li, 2012, p. 66). Three years later, Foggon prefaced his 1974 report with a letter to A. C. Stuart and Richard Crowson of the FCO in London, stating:

I have been closely associated with labour policy in Hong Kong since 1958 and I am sorry to say that I find the attitude towards improved labour standards as negative today as it was then. [...] I have drawn attention to four items of legislation, one of which has been held up for two years by administrative delays and the other three by the reluctance of the Executive Council to approve them. I believe all these four pieces of legislation to be essential for social progress in Hong Kong. (HKMS189-1-351, no. 5)

These four bills were on industrial relations, anti-trade union discrimination, severance pay, and the reduction of overtime for women and young persons. Foggon's report also expressed dissatisfaction with the way things were run in the LAB:

At a meeting with representatives of the HKTUC on 13 February, concern was expressed at the continued delay over the legislation to combat anti-union discrimination and about the absence of any action to implement the Labour Advisory Board's recommendations on severance pay. There was also disappointment that the Board's recommendations on

overtime for women and young persons had not been acted on. The Labour Advisory Board is an important part of the structure of consultation that in Hong Kong must take the place of representative politics. If this consultative body is to be something more than window dressing then there must be a greater readiness on the part of the Executive Council to act on its recommendations. (HKMS189-1-351, no. W/5, emphasis original)

With this stance, Foggon made himself a persona non grata in the eyes of Governor Murray MacLehose, who wrote a damning cover letter to Foggon's 1974 report, telling A. C. Stuart that:

I don't really think its querulous tone is justified and some of the criticisms seem based on factual errors. As no one knows better tha[n] Mr. Foggon very substantial progress has been made in labour legislation in Hong Kong in recent years, and as the Commissioner's note shows considerable progress will be made this year. [...] Though Mr. Foggon has no doubt written from the heart, it is a pity he did not discuss his conclusions with those responsible here. It is also a pity that [...] he took no account of the most recent budget! For instance, if he had asked, we could have told him that far from being reluctant to borrow or raise taxation to meet deficiencies we have done both, and propose to do more, and are only concerned at where the money we need is to come from. (HKMS189-1-351, no. 13)

To A. C. Stuart's suggestion that MacLehose's letter should not be forwarded, Foggon replied:

I agree with you that the Governor's covering letter should not be submitted. Its petulant tone would not, I think, be found very persuasive. Concerning the content of the letter, I wonder if the Governor has, in fact, read my report? (HKMS189-1-351, no. 15)

The Labour Advisory Board reforms: into the 1970s–80s

Obstacles to pushing forward the LAB reforms have long come not only from top government leaders but also powerful employer groups. As early as May 1968, labour adviser D. I. Goodwin, formerly Acting Commissioner for Labour in Singapore, visited Hong Kong and met with the Council of the Employers' Federation of Hong Kong. He observed that of the 26 members present, only one was Chinese, and reported that:

The Chairman [...] introduce[d] pungent criticism of the draft Employment Bill recently under consideration by the Labour Advisory Board [...] as falling short of what the public expected and particularly for not making any provision for redundancy payments. They considered that the Bill in this form would go off like a damp squib and produce politically far more harm than good. Another specific point made was that the proposed legislation was very sophisticated in form, had been presented to the L.A.B. in a half-baked and unfortunately very complicated form and employers had had insufficient time to study the implications fully. They could not understand any reasons for haste in presenting this particular legislation forward and bitterly resented that they had first been consulted only six weeks ago. (HKRS385-5-13, no. 3, p. 1)

As Goodwin wrote:

I must regretfully conclude that among the major employers of Hong Kong there are some *extremely reactionary gentlemen*. I think now that the four employers organisations are meeting together and discussing problems among themselves, they will appear anxious to support the views of the most reactionary employer elements so that if any progress is to be made in labour legislation it make it quite clear that the Government will consult but it is not

considered in any way bound by the views of the employers. More ominously perhaps, it is necessary to record that support for progressive measures to improve the lot of ordinary workers for which there was considerable support a few months ago seems now to be evaporating rapidly and attitudes are now drifting back into the pre-confrontation pattern. (HKRS385-5-13, no. 3, p. 2; emphasis ours)

The reason why these ‘extremely reactionary gentlemen’ could be so reassured of their position was partly due to the fact that, after the 1967 Riots and onwards into the 1970s, even though there was occasional discontent with British inaction, as Foggon’s report laid bare, the LAB’s labour representatives remained pro-Kuomintang figures from the HKTUC, compliant with British capital.

In October 1970, LAB member Leung Tat-shing [梁達誠] of the Urban Services Department Kowloon Workers’ General Union expressed his wish for the government to reduce the number of unions – effectively forcing mergers of left- and right-wing unions (*The Star*, 1970-10-06). Pang Chun-hoi [彭震海] of the Cotton Industry Workers General Union, Chan Kam-chuen [陳鑑泉] of the Cable and Wireless Non-Expatriate Staff Association, and Leung Tat-shing were later appointed or elected to the Legislative Council. The FTU continued to boycott government consultative initiatives after the 1967 Riots, and the LAB union representatives were all from the HKTUC; the pro-CCP newspaper *Wen Wei Po* [文匯報] (1976-02-09) reported in 1976 that a union replied to a government invitation circular with the words ‘we will not take part in this silly game; why bother, if the so-called advisors are hereditary’.

Hong Kong, in the 1970s, was in every way a sweatshop economy. Cantopop singer Sam Hui’s pop hit ‘Eight Taels for Half a Catty’ was almost Marxist in its satirical take on labour exploitation, lamenting how workers who exerted ‘half a catty of effort’ would not ‘receive eight taels’ of pay in return, and mocking the erosion of wages under stagflation following the oil crisis: ‘shrinking like pig intestines scalded with hot water’. The song quickly became popular among Hong Kong’s populace and a classic hit. Jon Halliday and coauthors’ 1974 pamphlet, *Hong Kong: A Case to Answer*, created much embarrassment for London by highlighting the lack of basic rights, such as a minimum wage, maximum working hours, sickness and unemployment insurance, and free healthcare in Hong Kong (Hong Kong Research Project, 1974, p. 7). The policy for six-years of free primary schooling, implemented in 1971, had itself been the result of pressure from UNESCO. Starting in 1974, the ‘Touch Base Policy’ allowed illegal immigrants who successfully reached urban areas to obtain legal residency. As a result, hundreds of thousands of mainland migrants risked their lives to escape to Hong Kong, and they became a steady supply of cheap, exploited industrial labour. The Labour Tribunal came into existence in March 1973. In 1974, business mounted opposition against new legislation on severance pay, given the global economic recession after the oil crisis, and warned that capitalists were already moving to Singapore, Taiwan and the Philippines. It was argued that although Britain had such legislation, Hong Kong ‘should not follow suit’ (*Hong Kong Times* [香港時報], 1974-06-19). Instead, business demanded a system of unemployment insurance paid for by the government (*Wah Kiu Yat Po* [華僑日報], 1974-07-17). Nevertheless, the severance pay bill, supported by right-wing unions, came into effect in August 1974.

Research by political scientist Ray Yep and sociologist Tai-lok Lui shows that between 1976 and 1979, Labour right-wing leader and Foreign Secretary David Owen, together with Minister of State Lord Goronwy-Roberts – under pressure from domestic left-wing

opinion – issued the *Hong Kong Planning Paper* (Yep & Lui, 2010). This document demanded that the Hong Kong government implement basic welfare reforms, including banning child labour under the age of 15 by 1980, providing 9 years of compulsory education and creating a self-contributory social insurance system. It also proposed raising public expenditure to 25% of GDP. MacLehose rejected these proposals. Financial Secretary Sir Philip Haddon-Cave also insisted that public spending should not exceed 20% of GDP and resisted major tax increases.

MacLehose, believing London was merely hoping to improve its public image, angrily told British officials to ‘examine their consciences’. At one point, as a final resort, London even considered replacing MacLehose (Yep & Lui, 2010). This soon became an open secret, to the extent that the right-wing Hong Kong press reported rumours that MacLehose had implored London not to appoint a Labour Party politician as Governor of Hong Kong (*Wah Kiu Yat Po* [華僑日報], 1976–12-15). Under pressure from all sides, 9 years of compulsory education was introduced ahead of schedule in 1978, and the Employment of Children Regulations, banning child labour under the age of 13, was passed in 1979. However, these reforms still fell short of the *Planning Paper’s* ambitions, and the social insurance proposal ultimately came to nothing.

Public esteem for trade unions remained low. On the one hand, the colonial authorities practised a limited form of democracy known as ‘government by consultation’, but it short-changed the unions. Drafts of new labour legislation would be sent to major employers’ organisations for comment, but not to the unions. It was thought that since the FTU would not cooperate with government consultative initiatives, it would be unfair if the government reacted only to responses from the HKTUC. It was also observed that Hong Kong workers, being mostly refugees, took a short-term view of matters and preferred immediate material benefits (cash) over longer-term social improvement; sacrificing short-term gain for long-term benefits was something that did not interest them (Turner et al., 1980, p. 13, 15). Even the FTU’s leaders ‘declared themselves in favour of “gentlemen’s agreements” rather than formally-recorded ones’. Union workplace organisation was deemed ‘informal’, ‘amounting to weakness’, and ‘substantial islands of non-recognition and of effectively unchallenged employer authority’ existed; it was observed that the majority of employees remained unaffected by unionism as late as 1976–80 (Turner et al., 1980, p. 34–35, 41).

The LAB was eventually reformed in 1977 with labour and employer seats increased to six each but remained a non-binding advisory body. The FTU only resumed relatively positive interaction with foreign labour researchers and the colonial government by 1979–80 as a result of China’s Reform and Opening-Up Policy and Governor MacLehose’s visit to Beijing (England, 1989, p. 134; Turner et al., 1980, p. xii-xiii, 160). Due to disorganisation in labour representation and low regard from the authorities, when the government set up the ‘Advisory Committee on Diversification’ [經濟多元化諮詢委員會] during 1977–79 to start discussions on more sustainable growth through industrial upgrades to be materialised through economic planning (Hong Kong Government Secretariat [香港布政司署], 1979), the vision totally failed to galvanise support amongst workers. Ironically, just as labour – government relations started to improve in the early 1980s, Hong Kong had already begun its deindustrialisation process.

It is noteworthy that in 1976, H.A. Turner, an ‘Oxford School’ industrial relations expert, funded by the FCO (and reporting to British Trades Union Congress leaders including the

notable leftwinger Jack Jones) and joined by former Hong Kong Labour Department assistant labour officer Ng Sek Hong [伍錫康] and others, investigated the city's labour issues; their report, *The Last Colony: But Whose?*, was published in 1980 (Turner et al., 1980). They recommended imitating West Germany's practice of setting up works councils in sufficiently large firms to review pay scales and fringe benefits, expanding LAB elections, and paving the way for labour-sector members to be appointed or even elected onto the Executive and Legislative Councils in future (Turner et al., 1980, p. 163–164). In 1985, Turner claimed credit for inventing the Hong Kong Legislative Council's 'functional constituency' system, arguing that its history went back to city-states in early civilisations; he criticised direct elections and universal suffrage as producing what Marxists call a 'bourgeois dictatorship', asserting that universal suffrage would merely provide a platform for capitalists, business and landed classes to monopolise under the facade of liberalism (Turner, 1985).

Turner's (1985) statement was driven by the fear that without designated functional constituency seats, there would be no dedicated representative of labour interests, and that capitalist influence would dilute the rest. The background to this was the re-intensification of the battle between trade unions and employee associations by September 1978, when Jark Pui Lee [李澤培], Secretary-General of the Chinese Manufacturers' Association, accused newly rising trade unions of being active 'political power blocs', whilst claiming that 'I personally do not subscribe to [the] view [...] that the government is based on a selective electorate, and is but an instrument of big business and landed interest' (*South China Morning Post*, 1978a–09-23). In stark contrast to this, in 1981, the *Hongkong Standard* (1981–02-02) judged that the Hong Kong colonial authorities were 'not really a government but merely the executive committee of the real governors of Hongkong – the banks, landlords and industrialists'.

In January 1978, the 'Hong Kong Research Project' (of which Jon Halliday was a member), run by London-based social activist and ex-Hong Kong policeman Walter Easey, accused Hong Kong's system of accident compensation as being 30 years out of date compared with Britain. Easey remarked that the difference between Britain's and Hong Kong's systems 'should be called by its correct name, and that name is racism' (*South China Morning Post*, 1978b–01-24). Robert Parry, Labour Member of Parliament for Liverpool, stated that the project's pamphlet, *Industrial Health and Safety in Hongkong*, 'cannot but raise serious doubts as to the sincerity of the Hongkong Government's claim to be governing in the best interests of the community' (*South China Morning Post*, 1978b–01-24).

By 1980, aspects of labour policy that were commonplace elsewhere in the world were finally being phased-in in Hong Kong. Commissioner of Labour Neil Henderson was proposing to legislate on paid maternity leave (*Hong Kong Times* [香港時報], 1980a-02-11), and Leung Tat-shing was campaigning for collective bargaining in his capacity as an appointed Legislative Councillor. Leung lamented the low percentage of firms that practised 'joint consultation' and lambasted employers with 'anti-union attitudes', who refused to engage in dialogue with trade union officials or even to recognise the unions (*Hong Kong Times* [香港時報], 1980b–05-03; *South China Morning Post*, 1980a–05-03). The authorities were considering making employers pay for employees' insurance (*Wen Wei Po* [文匯報], 1980a–05-07); yet these sums were minimal within the context of the high rate of industrial accidents, which resulted in almost a hundred deaths during the 7

months between January and July 1980 (*Wen Wei Po* [文匯報], 1980b–07-28). The more progressive of employer groups, such as the Federation of Hong Kong Industries, chaired by James Wu [胡文瀚], had already initiated safety awareness campaigns with the Labour Department (*South China Morning Post*, 1980b–06-19). In 1981, the Association for the Rights of Industrial Accident Victims was established and almost immediately rose to social prominence.

Meanwhile, a new generation of trade unions was emerging, with the Hong Kong Christian Industrial Council leading the way by issuing a ‘May 1st Declaration’ in 1980 demanding the establishment of a social insurance system (Lee, 2024; *South China Morning Post*, 1980c–05-02). In 1982, Szeto Wah [司徒華], from the Hong Kong Professional Teachers’ Union, was elected as a LAB labour representative, reflecting the rise in the number and status of white-collar workers. Civil servants also started to unionise. Some of these non-aligned unions, which did not ally with either the Kuomintang or the CCP, began to violate LAB confidentiality rules by holding press conferences to reveal the contents of meetings, and by waging intense struggles over matters such as severance pay, earning condemnation from employer representatives in the press (*Hongkong Standard*, 1982–12-09; *South China Morning Post*, 1982–12-09; *South China Morning Post*, 1983a–10-29). In November 1983, the Hong Kong General Chamber of Commerce’s *The Bulletin* accused these labour groups of deliberately creating a ‘them and us’ mentality in labour – business relations, and of forcing the LAB to comply with their demands (*The Bulletin*, 1983).

Back in 1974, Foggon had observed that the LAB existed to fill the void of representative politics. Governor David Trench argued that representatives of the HKTUC would rather be appointed to the LAB than to the Legislative Council (Quoted in Li, 2012, p. 166). Direct elections to District Boards (later ‘District Councils’), first created in 1977 as advisory bodies, started in 1982. Labour representatives began to obtain seats on the Legislative Council by 1985, and their main battleground naturally shifted there; the LAB’s brief prominence thus subsided. Reforms during 1985–89 meant that five of the six labour representatives were now elected (Turner, Fosh, & Ng, 1992, p. 97); the LAB thereafter underwent no reforms of lasting significance.

During the 1980s, the LAB did succeed in first establishing the Protection of Wages on Insolvency Fund Board (with Chan Kam-chuen as its first chairman) – in place of an unemployment insurance scheme that the government had been studying (*Wah Kiu Yat Po* [華僑日報], 1982–10-11) – and then the Occupational Safety and Health Council. However, due to employer opposition and passive government resistance, it failed to secure the establishment of a Central Provident Fund (*South China Morning Post*, 1983b–01-17), which, as previously stated, was very probably first suggested by Foggon for Hong Kong in 1965, based on the Singaporean model.³ Despite years of considering possible reforms, Hong Kong still does not have a system of standard working hours (Labour Department, 2012).

Conclusion

Looking back at the LAB’s history, it is clear that colonial labour policy reform was not motivated by any serious consideration for workers’ interests or sympathy for their hardships, but by pressure from British unions and politicians, transmitted through the FCO or

the Ministry of Overseas Development, with the protectionist objective of raising Hong Kong's production costs. Britain lacked an exemplary, well-ordered labour system as found in West Germany – concepts such as codetermination, let alone parity codetermination, were unheard of in British industrial and political circles. Other factors that prevented the reform of the LAB in the 1960s include the bifurcation of Hong Kong's labour movement by Kuomintang – CCP divisions, which meant it could not have achieved any kind of unitary unionism. This was further compounded by Cold War imperatives to suppress left-wing unions. As a result, labour reforms, as proposed by Foggon and Wakefield, were ultimately inopportune. By the time Foggon and many others realised that Hong Kong urgently needed labour and social reforms, it was already too late to prevent the 1966 and 1967 riots. Although one could accuse Foggon of acting in the self-interest of British trade unionists exerting pressure through the Labour Government, he personally seemed for the most part sincere and insistent, and the system he proposed would have brought momentous changes to Hong Kong.

The labour representation system in Hong Kong, in our view, became the weakest link in the colonial government's semi-corporatist model of governance – what has been called 'administrative absorption of politics' (King, 1975). This had immediate consequences, and it has left a deep negative legacy. The resolution of this problem is long overdue and is entirely within the purview of Hong Kong's modern-day government economic planners.⁴ To conclude, our account of reforms to create a more broadly representative LAB in charge of drafting labour legislation and welfare policies, should be useful for researchers who wish to consider historical alternatives to *laissez-faire* governance in colonial Hong Kong. The political philosophy that underpins these unprecedented proposals of government-led corporatist reform, as narrated through the meandering path of the LAB's development, has global roots and ramifications. It deserves greater attention from scholars of labour and regional studies, and beyond.

Notes

1. The role of U.S. labour advisers in postwar Germany was complicated. The U.S. advisers in 1945 and 1946 were split between the leftist trade unionists from the CIO and the rightists from the AFL, the latter working closely with anti-communists in the State Department. This left – right split prevented a coherent and consistent position on German trade union policy for the first years of the postwar occupation. Once the Taft-Hartley Labor Act passed in 1947, the left trade unionists were purged and the international labour policy fell into the hands of the Office of Strategic Services (OSS) (later the CIA) and their agents in the U.S. labour movement. In Germany, the U.S. labour advisers funded and supported rightist elements in the Social Democratic and Christian Democratic trade unions (Eisenberg, 1983).
2. Under Wakefield's plan, the Labour Advisory Board would effectively have materialised parity codetermination of Hong Kong's economy as a whole, and the territory could have gradually headed towards being a Social Market Economy. This would have been a corporatist arrangement according to Philippe C. Schmitter's formulation (Schmitter, 1974, p. 85–131), whereby the LAB would neither have been entirely freely elected nor appointed. It might also have brought forth what Erik Olin Wright calls a non-zero-sum 'positive class compromise' between organised labour and capital to help 'resolve macroeconomic problems' (Wright, 2000, p. 968).
3. The Mandatory Provident Fund, which was introduced in 2000, has been regarded by some as a capitulation to the financial sector, as both employers and employees invest a certain percentage of employees' salaries in financial products that promise, but do not guarantee,

a rough profit rate. Since the market is always volatile, in a rapidly aging Hong Kong, the shrinking of pension funds for a large number of salaried workers is expected to create a heavy burden for the social welfare system.

4. Analysts (Leung, 2026; Leung & Li, 2026) suggest that the Hong Kong Special Administrative Region government should set up a high-level 'Socio-Economic Planning Commission', with sectoral councils below it, to allow the government to mediate between labour and employer representatives in various industries and to carry out thorough consultation to achieve social consensus.

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