

Analysis of the survey returns reveals that the majority of the individual subcontractors in the plastic flowers industry consists of housewives. These housewives undertake subcontracts whenever time permits or when domestic financial problems dictate the need for earning additional household income.

On their part, the contractors are not concerned with the irregular supply of services of these housewives, as there is always an excess supply of such services vis-à-vis the demand⁽¹⁵⁾. In fact, the assembly of plastic flowers and foliage is a very simple task requiring hardly any skill; it only takes time and patience. This simplifies the task of subcontracting. Through this form of subcontracting, the size of the regular labour force of the firm is left intact, while only housewives (the economically inactive population) are called upon whenever necessary.

In contrast, subcontracts in watch band industry require a certain level of skill. In addition, most of the work given out involve polishing which is a highly labour-intensive process. By virtue of the skills required and the high labour intensity, it is not surprising to find that 63 per cent of the subcontractors in this industry are individuals. Further investigation shows that most of these individuals receive a regular successive flow of subcontracts from multiple firms. Such an arrangement promotes employment stability for both the subcontractors and contractors.

Quasi-Subcontracting and Employment Stability

Measures other than subcontracting have been resorted to in coping with peak work load, as can be seen from Table 2. From the results presented in the table, one should not jump to the conclusion that subcontracting is relatively unimportant for those industries which do not show statistically a preference for subcontracting. It is, therefore, necessary to analyse the alternatives.

As shown in Table 3, among the industries which appear to prefer other measures to subcontracting, knitwear favours enlarging the labour force while cotton weaving prefers lengthening the working hours of the existing labour force with tailoring straddling in-between. It can, however, be shown that the measures adopted by knitwear and tailoring firms in

(15) As most of the housewife subcontractors live above the premises of the plastic flowers factories which normally occupy a portion of a multiple-storey building used both for residential and business purposes, the contractor finds no difficulty in recruiting the services of these subcontractors.