

立法會
Legislative Council

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Panel on Manpower

**Subcommittee to Study the Setting Up of
an Unemployment Assistance System in Hong Kong**

**Minutes of meeting by videoconferencing
held on Friday, 29 January 2021, at 9:00 am**

- Members present** : Hon LUK Chung-hung, JP (Chairman)
Hon Vincent CHENG Wing-shun, MH, JP (Deputy Chairman)
Hon KWOK Wai-keung, JP
Hon POON Siu-ping, BBS, MH
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
- Member attending** : Hon Holden CHOW Ho-ding
- Member absent** : Hon CHUNG Kwok-pan
- Public Officers attending** : Item I
Mr HO Kai-ming, JP
Under Secretary for Labour and Welfare

Mr Eric LEE Yiu-kwong
Principal Economist (4)
Office of the Government Economist

Ms Agnes LO Kit-mui
Assistant Commissioner (Labour)
Census and Statistics Department

Miss Cindy YIM Lai-kwan
Senior Labour Officer (Employment Services) (Policy)
Labour Department

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 1

Staff in attendance : Ms Rita LAI
Senior Council Secretary (2) 1

Ms Priscilla LAU
Council Secretary (2) 1

Miss Lulu YEUNG
Clerical Assistant (2) 1

I. The employment situation and wages of local employees

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Administration was requested to provide the information on the number of trainees who had completed training courses under the "Love Upgrading Special Scheme" and had successfully secure employment.

Motion

3. Mr KWOK Wai-keung moved the following motion:

"在新冠疫情影響下，本港的經濟及就業情況極不理想。但社會各界認為政府現時每月公布的估算勞動數據與實際情況認知有相當大的出入。因此，委員會要求政府在本年度 6 月舉行的「2021 年人口普查」後，優先處理及提早公布與勞動市場有關的數據，以便政府及各界能更快制定應對的政策和方法。"

(Translation)

"Under the impact of the COVID-19 epidemic, the economy and employment situation of Hong Kong are highly unsatisfactory. Various sectors of our society, however, opine that there are great

discrepancies between the current projected data on labour force published monthly by the Government and the actual situation. As such, this Subcommittee requests the Government to, upon the 2021 Population Census to be conducted in June this year, give priority to processing the data relating to the labour market for early promulgation, so that the Government and various sectors may draw up corresponding policies and approaches more expeditiously."

4. The Chairman said that three members voted for the motion, no member voted against it, and none abstained from voting. The Chairman declared that Mr KWOK Wai-keung's motion was carried.

II. Any other business

5. Members agreed that the next meeting of the Subcommittee would be held at early March 2021 to discuss the research notes on the unemployment insurance systems in selected places and the financial support measures to unemployed persons in Hong Kong prepared by the Research Office of the Legislative Council Secretariat. Members would be informed of the meeting arrangement in due course.

(Post-meeting note: With the concurrence of the Subcommittee Chairman, the next meeting was scheduled for 3 March 2021 at 10:45 am.)

6. There being no other business, the meeting ended at 10:19 am.

Council Business Division 2
Legislative Council Secretariat
25 March 2021

**Proceedings of meeting by videoconferencing of the
Subcommittee to Study the Setting Up of
an Unemployment Assistance System in Hong Kong
held on Friday, 29 January 2021, at 9:00 am**

Time marker	Speaker	Subject(s) / Discussion	Action Required
<i>Agenda item I - The employment situation and wages of local employees</i>			
000352 - 000627	Chairman	Opening remarks	
000628 - 001334	Chairman Admin	Briefing by the Administration on the employment situation and wages in the local labour market. (LC Paper No. CB(2)714/20-21(01))	
001335 - 002026	Chairman Deputy Chairman Admin	<p>Expressing concern about the high underemployment rate, the Deputy Chairman urged the Administration to:</p> <p>(a) lower the requirement of total monthly working hours under the Working Family Allowance Scheme ("WFA Scheme"), such that more underemployed would be eligible for the assistance; and</p> <p>(b) increase the amount of allowance as well as the number of training courses and training places under the Love Upgrading Special Scheme ("the Special Scheme") as most trainees failed to receive the maximum amount of monthly allowance which was set at \$5,800.</p> <p>The Administration advised that:</p> <p>(a) it would study how to provide more support to the underemployed through the WFA Scheme and announce the enhancement measures in due course; and</p> <p>(b) the Special Scheme provided integrated training courses for employees affected by the economic downturn. A trainee could receive monthly allowance up to \$5,800 subject to the classes which he/she enrolled and the respective class schedules.</p>	
002027 - 002715	Chairman Mr POON Siu-ping Admin	Mr POON Siu-ping was concerned about the number of unemployed persons receiving Comprehensive Social Security Assistance ("CSSA") and the extent to which the measures introduced under the Anti-epidemic Fund could	

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		<p>keep workers in employment. He also enquired about the Administration's forecast on the unemployment situation in Hong Kong, especially the consumption- and tourism-related segment (viz. retail, accommodation and food services sectors as a whole) which was hard hit by the COVID-19 pandemic.</p> <p>The Administration advised that:</p> <p>(a) with the rising local unemployment rate, there was an increase in the number of CSSA unemployment cases. In June 2020, the Administration launched the Special Scheme of Assistance to the Unemployed under the CSSA Scheme for a period of one year to temporarily relax the asset limits for able-bodied persons by 100%. To render further support to the unemployed, the Administration would implement another time-limited new arrangement under the special scheme. Specifically, the cash value of insurance policies of able-bodied CSSA applicants whose applications were submitted during the six months of 1 April to 30 September 2021 would not be counted as assets during the grace period of one year; and</p> <p>(b) relatively stringent anti-epidemic measures would need to remain in place to contain the epidemic. It would inevitably pose pressures on the local economic activities. The labour market was expected to remain under pressure in the near term. Nevertheless, with various anti-epidemic measures yielding results and mass vaccination could be carried out in phases as expected, the recovery of Hong Kong's economy could hopefully gain a stronger momentum in the second half of 2021 and the employment situation would be improved then.</p>	
002716 - 003647	Chairman Mr SHIU Ka-fai Admin	Mr SHIU Ka-fai was concerned whether the unemployment rate included the unemployment of those employees who were adversely affected by the closure of 13 types of scheduled premises consequent upon the Government's anti-epidemic measures. He further urged the Administration to provide financial assistance to the unemployed persons.	

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		<p>The Administration explained that the definitions used in measuring unemployment followed closely those recommended by the International Labour Organization. Unemployment rate referred to the proportion of unemployed persons in the labour force. Unemployed persons were those aged 15 and over who were available for work but did not have a job during the seven days before enumeration, and had sought work during the 30 days before enumeration. If a person (aged 15 or over) who did not have a job had not sought work because he/she believed that work was not available, he/she was also classified as unemployed, being regarded as "discouraged worker". In addition, persons without a job, who had sought work but had not been available for work because of temporary sickness were also classified as unemployed.</p> <p>In response to Mr SIU's enquiry about the timetable for mass vaccination against COVID-19, the Administration advised that it would announce the details once available.</p>	
003648 - 004815	Chairman Admin	<p>The Chairman said that some workers lost their jobs and was reluctant to leave the labour force. He expressed grave concern about the "hidden unemployment" problem and the decline of over 2% to the year-on-year rate of change in the labour force in the first three quarters in 2020. In his view, the unemployment rate of 6.6% and underemployment rate of 3.4% in the fourth quarter of 2020 were underestimated.</p> <p>The Administration advised that:</p> <p>(a) the labour force referred to the land-based non-institutional population aged 15 and over who satisfied the criteria for inclusion in the employed population or the unemployed population;</p> <p>(b) employees who were not provided with work and hence did not receive any wage during the seven days before enumeration and were not informed by their employers in respect of the date of work resumption would be classified as unemployed persons if they were available for and wished to work; and</p>	

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		<p>(c) the labour force participation rate varied among different age groups. The fall in labour force participation rate was partly due to population ageing and partly because some workers left the labour force when losing their jobs. While the employment situation remained difficult, it was expected that many of these workers might probably choose to re-enter the labour force when economic conditions returned to normal.</p>	
004816 - 005737	Chairman Mr Wilson OR Admin	<p>Mr Wilson OR also expressed grave concern that there was a year-on-year decrease in the labour force and the unemployment rate surged to 6.6% in the fourth quarter of 2020, which was record high in the past 16 years. To support those employees affected by the economic downturn, he urged the Administration to:</p> <ul style="list-style-type: none"> (a) establish an unemployment assistance fund to provide short-term subsidy, say, a monthly subsidy of \$6,000 for six months; (b) increase the number of training courses and places under the Special Scheme; and (c) provide the implementation timetable of enhancement measures upon completion of the review of the WFA Scheme. <p>The Administration explained that although there was a year-on-year drop of 2.8% in the second quarter, the labour force increased slightly on a quarter-to-quarter comparison in the third and fourth quarters of 2020. The Administration had put in place the Special Scheme of Assistance to the Unemployed under the CSSA Scheme, the WFA Scheme as well as the Special Scheme to provide timely assistance to the unemployed and underemployed. While the Administration had appealed to members' support for promoting the WFA Scheme through their district network, Mr Wilson OR considered that the Administration should also step up its publicity on the WFA Scheme in order to increase the applications by eligible workers.</p> <p>The Chairman considered that the Administration should create temporary posts and recruit ambassadors to promote the WFA Scheme among</p>	

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		<p>workers, such as frontline cleaning workers and security workers.</p> <p>In response to Mr OR's enquiry, the Administration agreed to provide information on the number of trainees who had completed training courses under the Special Scheme and had successfully secure employment.</p>	Admin
005738 - 010633	Chairman Mr KWOK Wai-keung Admin	<p>Mr KWOK Wai-keung considered that the existing assistance programmes implemented by the Administration failed to provide timely support to the unemployed persons and their families in tiding over the financial difficulties during the COVID-19 epidemic situation. In anticipation of further deterioration in the employment situation after the Chinese New Year, Mr KWOK called on the Administration to formulate concrete measures to address the unemployment problem.</p> <p>The Administration advised that the local economy took a big hit amid the COVID-19 pandemic. The recovery of local economy would hinge on the developments of the epidemic. The unemployed and underemployed were encouraged to explore job opportunities in those industries facing manpower shortage.</p> <p>The Chairman ruled that the motion proposed by Mr KWOK Wai-keung was related to the agenda item and advised that wording of motion would be sent to members by email.</p>	
010634 - 011034	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping was concerned about the calculation of underemployment rate and the Administration's forecast on the unemployment rate following the expiry of the Employment Support Scheme in November 2020.</p> <p>The Administration responded that:</p> <p>(a) the underemployment rate referred to the proportion of underemployed persons in the labour force. The underemployed population comprised those employed persons who had involuntarily worked less than 35 hours during the seven days before enumeration and had sought additional work during the 30 days before enumeration, or had not sought additional work but had been available for</p>	

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		<p>additional work during the seven days before enumeration. Following this definition, employed persons taking no-pay leave due to slack work during the seven days before enumeration were also classified as underemployed if they worked less than 35 hours (or even did not work at all) during the seven-day period; and</p> <p>(b) the Employment Support Scheme provided time-limited financial support to employers to retain employees who might otherwise be made redundant. Despite the wage subsidies, employers still needed to meet other operating costs. As operation or closure of a business was a commercial decision, the unemployment rate would not necessarily correlate with the Scheme.</p>	
011035 - 011544	Chairman Admin	<p>The Chairman considered that (a) the Administration should address the financial needs of grass-root workers who were adversely affected by the epidemic; and (b) the survey design of 2021 Population Census should cover detailed employment situation over the past year.</p> <p>Taking note of Chairman's view, the Administration added that the 2021 Population Census would be conducted from 23 June to 4 August 2021. It was expected that the summary results would be made available in the first quarter of 2022.</p>	
011545 - 012146	Chairman Mr KWOK Wai-keung Deputy Chairman Mr POON Siu-ping	Voting on the motion proposed by Mr KWOK Wai-keung.	
<i>Agenda item II - Any other business</i>			
012147 - 012317	Chairman	<p>Arrangement of next meeting.</p> <p>Closing remarks.</p>	