Coronavirus: Hong Kong casual workers and unemployed to miss out on government relief measures during Covid-19 pandemic

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Unions demand cash for people already laid off because of the contagion. Meanwhile, anyone without a pension fund will miss out on wage subsidy package.

Casual workers and the unemployed in Hong Kong have accused the government of turning a blind eye to their financial plight amid the coronavirus outbreak, saying they have missed out once again in a second wave of handouts and subsidies.

They cried foul after the city government announced a HK$137.5 billion (US$18 billion) financial relief package on Wednesday to save ailing businesses and their workers.
- Some HK$80 billion will be used to pay workers 50 per cent of their salaries for half a year, capped at HK$9,000 a month. [1 080 euros]

The money will be distributed through employers, and recipients must have a Mandatory Provident Fund (MPF) pension scheme account to qualify.
- Self-employed people will get a one-off subsidy of HK$7,500 [880 euros], but they too must have an MPF account, meaning those without one will miss out.

Unemployed

“I’ve been fired and out of a job since February. I am the sole breadwinner in my family, as my two children are still secondary school pupils. The government has so far offered me no help at all,” Tsui Yeung-sun, a Chinese restaurant cook for 40 years, said on Thursday.

“I tried looking for new jobs but it was just impossible under the current economic situation. I can only dig deep into my savings for now.”

The 58-year-old made about HK$25,000 a month [2 900] before he lost his job.

Labour unions have demanded that the government offer unemployment subsidies to those who, like Tsui, have already lost a job since the Covid-19 outbreak hit Hong Kong earlier this year.

The Federation of Hong Kong and Kowloon Labour Unions has suggested that the subsidy level be set at HK$9,000 a month, while the Confederation of Trade Unions (HKCTU) has demanded HK$16,000 [1080], citing the government’s huge fiscal reserve of HK$1.1 trillion. Officials have so far not heeded the calls.
But the government announced on Wednesday a move that could help the unemployed, by lowering the asset limit for people to qualify for the comprehensive social security assistance scheme. For example, the asset cap for a one-person household will go up from HK$33,000 to HK$66,000. [3890 to 7780 euros]

Secretary for Labour and Welfare Law Chi-kwong told a radio programme on Thursday: “If you are a single person, of course your burden will not be that big. It’s different to people who need to support the living of their parents and children. If you don’t have a lot of credit card debts, when you have HK$60,000, you can make it through.”

Law’s comment drew an angry response from a caller, who accused him of being out of touch.

The city’s unemployment rate for the period from December last year to February hit 3.7 per cent, the highest level in more than nine years. About 34,400 people lost their jobs during the period.

Casual workers or freelancers

The other group who would not benefit from the new measures were any casual workers or freelancers who do not have an MPF account.

Mung Siu-tat, chief executive of the HKCTU, said that, while the city’s laws require that those people sign up for an MPF account, many do not bother because that would mean less money in their pockets. They would therefore miss out on the one-off HK$7,500 [884 euros] handout for the self-employed. “Some of these people include freelance event organisers and swimming coaches. They just don’t bother opening up MPF accounts,” he said.

“In addition, those aged 65 or above are no longer required to have an MPF account and thus they will not benefit either.”

He criticised the government for letting the workers slip through the net, saying they should be covered too.

A 31-year-old freelance translator agreed, saying she knew of no freelancers with pension accounts.

Elderly citizens

Minister Law Chi-kwong admitted that some elderly citizens would not receive the wage subsidies. “It’s hard to design a system which is flawless,” he said, noting that other social security programmes might help those who miss out.

Help to businesses

On top of wage subsidies for workers, the government has set aside HK$21 billion to help 16 types of business, from tutorial centres to school bus operators, with one-off subsidies at different rates.

For example, some 3,000 tutorial centres registered with the Education Bureau could receive HK$40,000 each.

But the Education Centres Union, representing about 1,500 private tutorial centres, said the amount was just “a drop in the ocean” and would not even cover rents. It added that some 4,000 tutorial and
interest class centres were not required to register with the bureau and so would not receive the subsidies.

Secretary for Education Kevin Yeung Yun-hung admitted the government had prioritised registered centres, but said officials would meanwhile look into ensuring more eligible institutions and educators benefit.

The government hopes businesses will be able to start applying for the wage subsidies from June. Employers can pick a month between January and April as a basis to calculate their payroll when applying for a monthly subsidy of up to HK$9,000 [1 080 euros] for each worker, paid monthly for six months from the end of June. Even if a badly hit company could only afford to pay 10 per cent of its workers’ salaries, the government would still pay the 50 per cent, meaning workers can end up with a total exceeding half their normal monthly salary.

Additional reporting by Chan Ho-him and Kanis “Leung”

P.S.

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