

Alternatives to central provident fund 'unsound'

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Central provident fund

THE Governor's proposals to improve social securities and the long service payment scheme rather than introduce a central provident fund were unsound, five councillors said yesterday.

Mr Tam Yiu-chung, Mr Pang Chun-hoi, Mr Szeto Wah, Mrs Rosanna Tam and Mr Hui Yin-fat expressed their disappointment at the Governor's rejection of a central fund.

Mr Tam lashed out at the Government's "lack of commitment and courage to face the need of the working class" and pledged that the workers would not give up their fight for a fund.

Mr Pang said the Government discriminated against the working class and was pushing them into a miserable retirement.

Mr Szeto said the Governor's intention to improve people's living standards must not only be realised in the provision of cultural and recreational activities, but also in real protections to their livelihood after retirement.

Mrs Tam said the Government was confusing the public by comparing the central provident fund and the social securities improvements, which she said had totally different bearings on the welfare of the community.

Mr Hui described the Government's arrangements in the alternative package as "prejudiced actions... (that) have done a great injustice to the people of Hongkong."

Mr Tam and Mrs Tam held that a central provident fund and social securities were aimed at different groups of people and should be provided at the same time.

Mr Tam said the labour sector would not give in to the Government's refusal to set up a central fund, nor

would it give up the fight for workers' retirement protection.

"We will continue with the fight for a central provident fund. The establishment of a fund can offer protection to the absolute majority of workers, while the public assistance scheme should be maintained to help those who need help most because they are the least able to help themselves," Mr Tam said.

Mr Tam thus dismissed as a non-issue the Governor's argument that the fund would offer the least benefits to those with the greatest need.

"Using a non-issue to turn down the arguments for a central provident fund is unfair to the working class," said a disgruntled Mr Tam.

On the other hand, Mrs Tam listed the confusion that would arise by the Governor's intention of substituting the central provident fund scheme with improvements in social securities, the long service payment scheme and the monitoring of private funds.

By its nature, a central provident fund was a compulsory saving scheme workers joined automatically through the engagement in employment, and it was by no means a social welfare provision, she said.

In its spirit, a central provident fund encouraged paid lunch which workers had to afford themselves, rather than the free lunch offered by the Government, she added.

As to the target, a central provident fund scheme

would cover the general working people who had entered into employment contracts and had stable jobs, it was not aimed at taking care of the people who needed help the most as indicated in the Governor's policy speech, said Mrs Tam.

On the other hand, she said, social securities would only benefit those without stable employment or with low income jobs.

Extending the scope of the long service payment scheme only catered for workers who had worked for a long time for the same employer, but the benefits could not be carried over from one job to another, she said.

"And the strengthening of regulation of private provident funds is but an administrative shape-up," she said.

While Hongkong faced a projected aging population, Mrs Tam said the central provident fund would provide the right solutions to meet society's future needs.

"It is obvious that the establishment of a central provident fund will achieve the major goal of raising citizens' living standards as repeatedly pledged in the policy speech," Mrs Tam said.

Mr Hui questioned the Government's wisdom in deciding against a fund, thus discouraging the low income workers from saving for the future.

"Under private provident funds, with no legislative pressure, it will take several decades before private sector employees can acquire income protection upon retirement," he said.