

Beijing urged to set up pension fund

By STANLEY LEUNG

A DELEGATION of Hongkong unionists has asked Beijing to help set up a Government fund to pay civil servants' pensions, the amount of which is expected to increase significantly by 1997.

Without this fund, the unions are worried the future government might be unable to fulfil its commitments on pensions, especially if the economy does not perform well.

The proposal was put forward by the 25-strong delegation which discussed future labour benefits with Chinese officials and Basic Law drafters during a 10-day visit to China.

Future pensions for the 170,000 civil servants have long been a sensitive question with strong bearing on morale in the civil service and the stability of the territory.

The delegation, which included 12 civil service unionists, met two deputy directors of the State Council's Hongkong and Macau Affairs Office, Li Hou and Lu Ping, as well as some veteran mainland drafters.

The request to set up the special fund — which also mentioned other civil servants' problems — was contained in a letter on labour issues submitted to the Chinese authorities during the visit.

Delegation member Mr Li Ping-yu, who is a representative of the Chinese Civil Servants Association, said there was concern that future governments before and after 1997 might be unable to pay pensions as more and more civil servants were expected to reach retirement age around 1997.

At present, the payments come from general taxation sources, he said.

The unionists hoped the Hongkong Government would set up a special fund for this purpose now that the economy was performing well.

They feared financial problems might arise if the rate of economic growth slowed. If so, they were worried that an increase in taxes to finance payments would meet public opposition.

The civil service unions had earlier relayed their fears to the

Sino-British Joint Liaison Group — the diplomatic body set up to deal with transitional matters.

Endorsement from both the Chinese and British governments is needed as the setting up of such a fund — like the introduction of a new pension scheme last year — touches on arrangements in the transitional period and beyond 1997.

The delegation also told Beijing officials that the civil service unions should be respected after 1997 and be given power to bargain with the Special Administrative Region government on matters affecting salaries, pensions and conditions of services.

Delegation leader Mr Cheng Yiu-tong, who is a vice-chairman of the left-wing Federation of Trade Unions, said the group called for the introduction of direct elections to the legislature after 1997.

With an element of direct elections, the unions believe that labour interests could be better represented on Hongkong's law-making body.

The unionists are generally dissatisfied with their relatively small representation in such influential bodies as the Basic Law Drafting Committee, the Basic Law Consultative Committee and the Legislative Council.

The Beijing officials were also told that workers' welfare should be well taken care of as the labour force of two million workers contributed a lot to the territory's prosperity.

The delegation demanded that the Basic Law stipulate protection of workers' benefits and retirement arrangements, as well as bargaining status and freedom to form unions.

They also sought assurances from Beijing on the continued application of the current 48 International Labour Organisation conventions after 1997.

The Chinese officials promised to submit the unions' suggestions to the relevant BLDC sub-groups for consideration.

This was by far the strongest labour team to discuss future benefits for workers with Beijing.