

# Effecting positive change to benefit those who need help most



Dr Law explains his work portfolio and the challenges tackled by him.

*Civil Service Newsletter Editorial Board*

**THE** extensive portfolio of Dr Law Chi-kwong, the Secretary for Labour and Welfare (SLW), covers a wide range of complex issues including manpower development, employee protection, poverty alleviation, elderly care in addition to ensuring support for the needy and disadvantaged in a caring and cohesive society in Hong Kong. He has to achieve a delicate balance among various priorities.

### Rich experience in public service

Before joining the Government in 2017, Dr Law Chi-kwong lectured at the University of Hong Kong (HKU) and held a number of key public service positions including being a Legislative Council (LegCo) Member, the Chairman of the Community Care Fund Task Force as well as a member of the Commission on Poverty, the Commission on Strategic Development and the Statistics Advisory Board. Dr Law explained his decision in taking up his current appointment as SLW. He said, "I took up the role as SLW because I wish to continue to serve and contribute to the community. All of my previous positions have prepared me to face the challenge of the current role." He continued, "During my thirty-six years in HKU, apart from teaching, I spent most of my time on policy research which has helped

me enormously. My past experience of conducting policy research for various bureaux and departments also enabled me to gain a better understanding of the dynamics and processes of the Government's operation."

A keen advocate for policy change, Dr Law's eight-year experience in LegCo also proved to be very useful. He explained, "Government policies are often intertwined and social welfare system is like a complicated jigsaw. Policy changes in welfare may have knock-on effects for other policies such as housing, health and education. The knowledge and experiences accumulated from my past positions have allowed me to put together the missing pieces in that puzzle."

# Features

## Small changes seed great achievements

Dr Law shared why achieving a delicate balance among the various priorities in his wide portfolio was easier said than done, “The complex dynamics of Hong Kong’s social welfare system involves different inter-related issues. When you tackle a particular issue in the system, it may likely cause impacts to other parts of it. Normally, more important issues should be accorded with a higher priority. However, more manageable issues are sometimes addressed first to gain public confidence and support before addressing the complex ones. The less complicated policies with achievable changes could be tackled first, which in turn may lay the foundation for greater changes of more complicated policies later on.”

## Major challenges

The two major challenges faced by Hong Kong in terms of labour policy are ageing population and labour shortage. Dr Law conceded, “We have a rapidly ageing labour force, many of whom are 50 to 65 years old and are about to retire which will result in a further reduction of the local talent pool. On the other hand, Hong Kong has relatively low wages compared to similar economies around the world. Usually, labour shortage will lead to increase in wages but this is not necessarily the case in Hong Kong.” He added, “Another related issue is income disparity and there are two key contributing factors. Firstly, the capitalistic market-oriented economy in Hong Kong tends to increase income disparity as capital



Dr Law attended the Commission on Poverty Summit and reported on the work of the Community Care Fund Task Force.

increases in value far more quickly than salaries. Secondly, despite the trade sanctions threatened by the United States, globalisation widens income disparities across countries. The dynamics within the system makes any policy change challenging and we are trying very hard to navigate. There is no straightforward solution.”



Dr Law (first left) learned more about the application of gerontechnology at the Hong Kong Society for the Aged Chai Wan District Elderly Community Centre.

## Balancing income distribution

There are only two ways to tackle the income disparity, namely income distribution and income redistribution. Dr Law explained, “To intervene with income distribution, the instrument we can best leverage on is the implementation of the Statutory Minimum Wage. This involves striking a careful balance between the possible impacts on employers and employees, as any increase in minimum wage level affects not only employers but also consumers with increase in the cost of living.” He added, “The most significant way to enhance the standard of living of the underprivileged is by means of income redistribution.” Noting that the drawing of an official poverty line since 2013 has identified the elderly and working poor as two target groups for poverty alleviation, Dr Law said, “Last year we enhanced the Old Age Living Allowance by introducing a higher level of allowance, covering about half a million recipients. Moreover, for low-income households, we first implemented the Low-income Working Family Allowance Scheme in 2016. After a review, we have substantially broadened its scope and renamed it as the Working Family Allowance Scheme, helping about 50 000 households.”

## Better leveraging talent pools

Hong Kong has one of the lowest birth rates among the territories in the world, which makes it difficult to have a sufficient supply of local young labour workforce to meet our future manpower demand. One solution is to tap into the existing labour potentials such as women and elderly persons. Dr Law pointed out, “The Government will continue to strengthen employment support for elderly job seekers. Currently, we do not have any legislation against age discrimination in employment in Hong Kong. This topic is rather controversial because legislation in this regard would necessitate the Government’s intervention with private employment contracts. We can only address these issues gradually by encouraging employers to count on talent not age in employment. To better utilise senior talents, for example, we have raised the retirement age of civil servants joining the Government on or after 1 June 2015; and with an extension option for those joining between 1 June 2000 and 31 May 2015, hoping to set a good example for the private sector.”

## Attracting parents back to work

Another important issue in encouraging a greater number of women back into the workforce is the provision of adequate and affordable child care facilities for parents. Dr Law elaborated, “We are working on enhancing child care facilities substantially in Hong Kong. We encourage corporations to operate in-house child care centres to help parents return to the workforce. Some corporations have already established such child care facilities for their employees. The Government is also considering the provision of such services in the new Government Complex in Tseung Kwan O.” He added, “For other family-friendly employment measures, the Government has increased statutory paternity leave under the Employment Ordinance to five days since January 2019 and proposed to extend statutory maternity leave from the existing ten to fourteen weeks with the additional maternity leave pay so incurred to be borne by public coffers. Both measures have already been implemented in the civil service.”



Dr Law (centre) visited the Hong Kong Single Parents Association Jockey Club Neighbourhood Support Centre at Sha Tin District.

## Assisting multi-generational workforces

Looking at a broader spectrum of talents, the Labour Department (LD) provides a wealth of employment services to help different sectors of the labour force. For instance, the Youth Employment Start and the Youth Employment and Training Programme provide career advisory services as well as pre-employment and on-the-job training to young talents. Dr Law commented, “I think LD is doing a good job on these programmes which have made a substantial impact, particularly for young people, with the help of various non-governmental organisations (NGOs) and employers.”

He added, “Free employment assistance is also provided to job seekers with disabilities. Moving ahead, we will continue to strengthen those services which target at persons with disabilities, through collaboration with NGOs. Moreover, the Employment Programme for the Elderly and the Middle-aged has been introduced to encourage employers to engage job seekers aged 40 or above, with additional financial incentives for employers hiring those aged 60 or above. We would also like to extend the employees retraining support services currently provided under the same roof with LD’s ‘Employment in One-stop’ in Tin Shui Wai to 12 other LD job centres and those NGOs commissioned by the Social Welfare Department currently providing the Integrated Employment Assistance Programme for Self-reliance to increase the impact of the services.”

# Features



Dr Law (centre) attended the panel discussion on “Policies Supporting the Application of Innovation and Technology in Elderly and Rehabilitation Care” at the Gerontech and Innovation Expo cum Summit 2018.

## Enhancing employee protection under Mandatory Provident Fund (MPF) System

On the Government’s effort to further enhance employee benefits, Dr Law mentioned, “We are striving to enhance the MPF System with the ultimate objective of making it a truly effective instrument for retirement protection. Abolishing the arrangement of “offsetting” severance payment and long service payment with employers’ mandatory contributions is a crucial task, which was announced in the Chief Executive’s 2018 Policy Address. We are currently working on the draft legislation with complicated legislative changes and also the need to set up new systems to help mitigate the change. To this effect, we are establishing transitional measures to help employers in the interim to reduce the impact brought by this policy change.”

The MPF System is often criticised for charging relatively high administration costs. Paper submission of MPF payments widely adopted by micro enterprises with less than nine staff members is also an extremely time-consuming and often error-ridden process. To help alleviate this, the Mandatory Provident Fund Schemes Authority is looking into the development of a centralised electronic platform to standardise,

streamline and automate the MPF System. Dr Law highlighted, “Digitalisation not only makes submissions easier for employers but also provides full portability after the abolition of the ‘offsetting’ mechanism, so that employees can switch their scheme operators over one platform. This will significantly reduce administration and compliance costs.”

## Work-life balance

When Dr Law takes a little time out from his official duties, he enjoys swimming and hiking in country parks to achieve good work-life balance. He explained, “I enjoy hiking very much. If the weather is overcast, I will go somewhere closer to home on Hong Kong Island. In days with good weather, I prefer venturing further afield for hikes in the New Territories, particularly in Sai Kung, but anywhere will do.”



Dr Law (left) enjoys swimming and hiking to achieve work-life balance. Photo shows Dr Law with an elderly swimmer after completion of the New World Harbour Race 2018.

## Advice for colleagues

In concluding, Dr Law shared the following with fellow colleagues, “As a Principal Official, it is vital to understand your team members’ constraints and workloads and appreciate their work efforts. Mutual understanding is important for a great working relationship. I would also encourage my colleagues to have a break suitably as I know they have been doing a very good job.”