

Life After the Pandemic: Towards a ‘Social Investment Turn’ in Hong Kong?

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The Covid-19 pandemic has taken a toll on human lives and inflicted substantial social and economic losses in the entire East Asian region. While there are controversial debates among health experts on whether Covid-19 is now endemic, the focus of policymakers worldwide has slowly shifted towards the ‘mitigation phase’ of the public health crisis response. In the classic disaster management model, this ‘mitigation phase’ emphasises the need to thoroughly assess existing vulnerabilities and socio-economic structures to ensure better preparedness for similar public health hazards in the future.

This article argues that embracing a ‘social investment turn’ more firmly may present an essential piece of the puzzle for Hong Kong’s preparedness for future pandemics.

Social investment is commonly understood as emphasising human-capital cultivation and can be distinguished from the more traditional focus of welfare policies on protecting the incomes of the most vulnerable and providing financial maintenance for all citizens against common contingencies across the life course. Social investment has emerged as the mainstream idea in Western Europe since the late 1990s as the related policies arguably cater more effectively to major social risk groups in post-industrial societies, including young people, women, and those with low-level or obsolete skills. The author argued in a recent article¹ that these are precisely the groups that have been disproportionately affected socially and economically by the Covid-19 pandemic.

The ‘social investment turn’ has been portrayed as an effective response to economic crises and is specifically geared toward meeting the demands of the global knowledge-based economy, which operates in the context of rapid ageing and accelerated digitisation. Moreover, the social investment perspective contains a notion of governments’ responsibility to cater to working families, particularly vulnerable groups inside and outside the labour market, following a normative focus on equality of opportunity. Indeed, empirical examinations have linked social investment initiatives to various indicators of social progress, including favourable educational outcomes, quality employment, and general capabilities enhancement.

In practice, social investment policies combine a future-oriented child-centred approach, including investment in early cognitive development and high-quality after-school programmes, various incentives for women to join the workforce, and more immediate improvements in the working conditions of working mothers. In addition, scholars have called for the promotion of life-long learning and active ageing strategies paired with shorter-term expansions of zero pillar pensions and elderly-care services as part of a new social contract for the elderly.

Overall, the social investment approach attaches particular importance to employment policies and working-family support that increase skilled labour supply, thus improving the resiliency of the citizenry against external shocks via a push towards higher employment rates and social inclusion.

Even before the outbreak of Covid-19, East Asian societies, including Hong Kong, have faced complex challenges on several fronts. The sharp decline of fertility rates and the associated population ageing have eroded fiscal sustainability and garnered resistance against profligacy in debates about the expansion of welfare policies. Behind the demographic transformations are the changing roles of women in society, from homemakers to career planners, who aspire to strike a work-family balance. Furthermore, economic globalisation has led to the structural transformation of labour markets, and the rise of the knowledge economy has widened the gap between low-value-added service workers and the employees in the higher value-added economy. The Covid-19 pandemic has sharpened all of these challenges and accelerated the need for policymakers to identify suitable policy solutions.

Unlike South Korea and Japan, which have widely been regarded as forerunners in East Asia, Hong Kong has—so far—taken much more careful steps towards a fully-fledged ‘social investment turn’. Policy initiatives in Hong Kong such as the establishment of the Community Care Fund, the Hong Kong Housing Society’s “Ageing in Place Scheme”, Child Care Centres and the Neighbourhood Support Child Care Project, the “Career Let’s Go” programme, and the Labour Department’s “Youth Employment and Training Programme” certainly point in the right direction.

However, the employment policy in Hong Kong has remained *workfarist* as a pro-market perspective continues to dominate, rather than an enabling and investitive one that focusses on re-training unemployed workers and offering much-needed personalised support. Labour market participation of younger mothers has decreased in recent years. Most analysts see a direct link between the challenges of the maternal workforce and the lack of adequate childcare services. Similar to subsidised residential care places for the elderly, the supply of care services for children has continued to fall far below demand. According to official statistics, women’s employment in Hong Kong decreases steadily after age 30, and close to 500,000 total women of working age remain economically inactive. Working mothers also continue to face rigid working hours and implicit discrimination at the workplace. Disruptions of face-to-face learning due to public health measures have affected the learning experiences of Hong Kong children, with access to electronic devices and online access being less accessible to those from low-income families. For some years, limited upward social mobility has been prevalent amongst young Hong Kongers, particularly those with a working-class background.

In the face of the social and economic shocks unleashed by the pandemic, the Hong Kong government rolled out various social policy measures to help people brace for livelihood hardships. It did so primarily via temporary emergency relief or by protecting the labour market from mass dismissal via corporate wage subsidies. As we are slowly moving beyond the harshest realities of the pandemic years in Hong Kong, a future-oriented re-orientation of the city’s welfare policy towards a ‘social investment turn’ may well prove beneficial.

ⁱ Choi, Y. J., Kühner, S., & Shi, S. J. (2022) From “New Social Risks” to “COVID Social Risks:” The Challenges for Inclusive Society in South Korea, Hong Kong, and Taiwan Amid the Pandemic, <https://academic.oup.com/policyandsociety/article/41/2/260/6525755?login=false>.