

Teacher's version P.6-9

(Activity 2: Group discussion on news reports on income distribution in Hong Kong)

Read the following news articles and discuss the questions.

Article 1

Rich family and poor family on the rise

The Legislative Council Panel on Financial Affairs yesterday discussed the results of the 2006 Population By-census. In the past ten years, households with monthly income less than \$8,000 had increased from 16.4% in 1996 to 21.2 % in 2006. Households with monthly income of \$40,000 or more had also increased from 15% to 17% for the same period.

Several members were concerned that there was in Hong Kong a huge gap between the rich and the poor, and Hong Kong might become an M-shape society (middle-class persons decreasing while low-income and highest-income persons increasing). They wondered why the Government so far had not published the latest 2006 Gini Coefficient of Hong Kong.

Source: Adopted from 13 April 2007, Ming Pao

Article 2

Civic groups most satisfied with relationship between SAR and Central Government

Synergynet appointed the Hong Kong Council of Social Service and the Policy 21 Ltd of the University of Hong Kong to conduct a survey of 703 civic community groups, to find out their views on the administrative performance of the Government in the last ten years since the return of Hong Kong.

The results were showed in the chart below. The handling of ‘relationship between the SAR and the Central Government’ scored the highest. On top of the dissatisfaction scores were ‘environmental protection’, ‘democratic political development’ and ‘distribution of social resources’.

Synergynet sees the above indicators as reflecting the opinion of the groups interviewed. It means that ‘economic growth’ adopted by the Government as the fundamental policy for development could not benefit all social classes and might not achieve social harmony with improved economic factors. **Synergynet** urges the Government to give first priority to such problems in the next five years.

Item	Satisfied (%)	Dissatisfied (%)	No Comment (%)
SAR and Central Gov't Relationship	88	10	2
Rule of Law	84	15	1
Economic Growth	79	19	2
Distribution of Social Resources	59	40	2
Democratic Political Development	57	40	3
Environmental Protection	56	44	1

Source: Adopted from Ming Pao, 9 July 2007

Discussion questions: (Q1-2 for Pair A, Q3-4 for Pair B)

Q.1 How did income distribution in Hong Kong change as reported in the news?

What is the evidence?

Q.2 Why economic growth does not improve the income distribution?

Q.3 What would be the social consequences and hence the cost to society of a worsening income inequality? Why?

Q.4 Who is expected to improve income distribution? What is the rationale behind such a claim?
