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Masks Could Determine Your Income Level

Could you imagine masks can reflect income inequality in Hong Kong?

Not long ago, some measured the income level by counting how many boxes of masks at home, especially the time when masks were completely out-of-stock and the pandemic was just started. Such measurement has even altered from number of boxes to the price of the mask. During the outbreak of pandemic, the demand for masks has increased dramatically, thus leading to a serious shortage. While we are regulated to wear the masks, it is ironic that the mask becomes the most important daily necessity that the underprivileged couldn't afford due to job loss or huge salaries cut during the pandemic. The ongoing recessionary economy reaches an unemployment rate of over 6% yet the general price level of necessities is still increasing high. People who couldn't even catch up with the increasing price of masks with their frozen income, the negative real income exists. Despite the increases in environmental awareness, the underprivileged may still reuse masks to reduce the financial burden and to lower the money cost. Yet, reusing masks not only puts their health in danger, but also the nearby residents, causing negative externality.

Nowadays, masks are no longer in shortage. The market responded after such shock to eliminate the excess demand by increasing the supply and increasing in price. Chain stores such as Mask-X and Masklab have replaced the shops in mainstreets and provide these masks shops a larger customer flow. Production of masks went flourishing, more styles and colours appeared in the market. What's more is that the pressure in mask shortage forced the government to deliver the free-of-charge masks for the households by mailing. Yet, the masks were never enough to satisfy all wants. The masks are economic goods, more masks are preferred and produced by scarce resources.

“The market of masks is efficient as it’s in equilibrium.” Does this really resolve the underlying economic problem? Without shortage, there is still scarcity. Who doesn’t want to wear better-quality masks? Despite the shortage is cleared, scarcity does not because it is not backed up by purchasing power. The underprivileged families are not willing and able to pay for the high-quality masks as it is far too costly for them. Special masks become superior goods for the wealthy — Their income level could afford higher-quality masks. Masks are no longer only a health protection, but have also become luxury trends. Conversely, the underprivileged could only purchase the standardised and cheap masks, as an inferior goods in economics. At the first glance, we must think that the cost for the underprivileged to buy cheap masks is lower as they acquire lower money costs. However, it is not the case. We used to say, “You get what you pay for.” It is not well-protective to wear cheap masks as compared to high-quality masks, such as KN95. In economics, external cost should also be considered in full cost – the risk of being infected increases, permanently invading the immune system. What’s more is that the extremely high life-long medical expenses would add insult to injury.

Interestingly, a simple item like a mask could reflect the seriousness of income inequality. Achieving for profit-maximization, it is understandable that the masks from specialty shops are more expensive than the normal ones, as they acquire high production costs such as fixed costs like sky-high rents, and variable costs like salaries. Yet, the firms should be more social responsible by not just only involving in price competitions. The government should deliver more well-protective masks to the households, thus achieving income equality.

(599 Words)