For discussion on 13 May 2024

Legislative Council Panel on Welfare Services

Latest Work Progress of the Commission on Poverty

Purpose

This paper briefs Members on the latest work progress of the Commission on Poverty (CoP).

Commission on Poverty

- 2. The Chief Executive (CE) announced in the 2022 Policy Address that the current-term Government adopts the strategy of targeted poverty alleviation by directing resources to those most in need, and would restructure CoP to study and identify target groups for poverty alleviation. The fifth-term CoP was soon established in January 2023 and has convened six regular meetings so far. CoP is chaired by the Chief Secretary for Administration with a membership comprising 18 non-official members from diverse backgrounds and four heads of bureaux. Non-official members are drawn from different strata of the community, including the social welfare, academic, education, medical and business sectors, as well as youth and community leaders, etc. They help relay a wide spectrum of views from society and offer constructive advice to the Government. Through tripartite collaboration of the Government, the business sector and the community, CoP strives to take forward the work on targeted poverty alleviation.
- 3. CoP supports the current-term Government's strategy of targeted poverty alleviation. It also agrees that a two-pronged approach should be adopted, i.e., the Government should on the one hand empower those who are able to help themselves to achieve self-reliance and improve lives, thus releasing the potential labour force of society, and on the other continue to plug existing service gaps to support those who are unable to help themselves.

Target Groups for Targeted Poverty Alleviation

4. To align with the Government's strategy of targeted poverty alleviation, CoP has identified three groups for targeted poverty alleviation based on the latest statistics and multi-dimensional analyses ¹ of household characteristics, employment and income conditions, cash welfare assistance, living condition, etc. The three target groups, namely **households residing in subdivided units** (SDUs)² (about 214 200 persons), **single-parent households**³ (about 213 300 persons) and **elderly households**⁴ (about 555 300 persons), amount to about 950 800 persons⁵. The ensuing paragraphs set out the analysis on the multi-dimensional characteristics of the three target groups, reflecting the areas in which they require greater care or support.

SDU Households

- 5. In 2021, there were 107 200 SDU households in Hong Kong (accounting for 4.0% of the overall households), with the vast majority being private tenants. A total of **about 214 200 persons** lived in SDU households (accounting for 3.1% of the population residing in domestic households). A multi-dimensional analysis of the characteristics of SDU households is set out below:
- SDU households were mostly smaller-sized households with younger population: over seven-tenths of SDU households were one-person to two-person households. Members of these households were younger, with a higher proportion of children aged below 18 (18.9%) than the overall population (13.8%).
- SDU households were mostly working households, but the majority of the working members were less educated and low-skilled: about three quarters of SDU households were working households. Their working

Statistical data of the 2021 Population Census conducted by the Census and Statistics Department (C&SD). Unless otherwise stated, foreign domestic helpers (FDHs) and the marine population are excluded from the figures in respect of household, population and income in this document.

In this document, "SDUs" refer to those, as defined by the C&SD, formed by splitting a unit of quarters into two or more "internally connected" and "externally accessible" units commonly for rental purposes.

Single-parent households refer to domestic households with at least one widowed, divorced, separated or never married member living with child(ren) aged below 18.

⁴ Elderly households refer to domestic households in which all household members other than FDHs are elders aged 65 and over.

Since the populations of these three household groups overlap, the total is slightly lower than the sum of the populations of the three household groups.

members had lower education level, with about four-tenths attaining junior secondary education or below (compared with 22.9% for the overall working population) and nearly eight-tenths were engaged in lower-skilled positions (compared with 56.5% for the overall working population). Generally speaking, their employment earnings and household income were also lower.

- Higher proportions of SDU households were receiving the Comprehensive Social Security Assistance (CSSA), the Working Family Allowance (WFA) and education allowances (13.0%, 6.3% and 25.9% respectively), compared with those of the overall households (5.6%, 2.3% and 23.5% respectively).
- SDU households were living in a crowded environment, and some had to share kitchens and/or toilets: the median per capita floor area of accommodation for SDU households was 6.0 square metres (or 65 square feet), far below that for public rental housing (PRH) households, which was 11.7 square metres (or 126 square feet). Only nearly two-thirds of the households had independent toilets and kitchens, while 4.1% did not have independent toilets and 33.9% had no independent kitchens.
- **Heavy rental burden:** the median monthly rent per square foot for SDU households was roughly estimated to be \$42, far higher than that for PRH households (\$6). Meanwhile, the median rent to income ratio of SDU households was 32.1%, also notably higher than the corresponding ratio for PRH households (11.8%). In face of heavy rental burden, some households would need to contain other expenses, inevitably compromising their quality of life.
- **Heavier burden of raising children:** among SDU households, 27.6% (29 600 households) were households with children and shouldered a heavier burden. The median per capita floor area of accommodation for these households (4.0 square metres or 43 square feet) was lower than that for the overall SDU households.

Single-parent Households

- 6. In 2021, there were 72 000 single-parent households in Hong Kong, accounting for about one-tenth (10.9%) of the overall households with children or 2.7% of the overall households. A total of **about 213 300 persons**, including 95 300 children (accounting for 9.9% of the children residing in domestic households), lived in single-parent households. A multi-dimensional analysis of the characteristics of this household group, with a comparison against the overall households with children, is set out below:
- About 75% of single-parent households were two-person to three-person households; nearly six-tenths (58.8%) were households with a single-parent and his/her co-living child(ren); and over a quarter (28.4%) were households with two or more children. Nearly 45% (44.7%) of their household members were children aged below 18, a proportion higher than that of the overall households with children (38.9%). Among these children, about half (50.5%) were aged below 12.
- The employment rate of single-parent households was lower than that of the overall households with children: 69.9% of single-parent households were working household. 25.4% were economically inactive households, which was significantly higher than the corresponding proportion of the overall households with children (8.1%). Compared with the overall households with children, working members of single-parent households had lower education level, and a higher proportion of them were engaged in lower-skilled jobs or worked as part-timers⁶.
- Higher proportions of single-parent households were receiving CSSA and residing in PRH, whilst the proportion of SDU households was also higher: the proportions of single-parent households receiving CSSA (24.8%) and WFA (11.7%) were apparently higher than those of the overall households with children (4.5% and 7.0% respectively). On the other hand, over 45% (46.3%) of them resided in PRH (versus 26.5% for the overall households with children) and nearly 25% resided in owner-occupied housing. However, more than one-tenth (11.3%) of them resided in SDUs.

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⁶ In this document, part-timers refer to people who usually work less than 35 hours a week.

- Single-parent households had a heavier burden of raising children: this was partly attributed to the lower proportion of members aged 18 to 64 in single-parent households (48.8%) than that in the overall households with children (55.2%).
- 7. Further analysis reflected that the conditions faced by certain groups among single-parent households were more difficult:
- **SDU households (8 100 households):** they were living in a crowded environment, and shouldered a heavy rental burden with a low income.
- Economically inactive households (18 300 households): over eight-tenths of these households comprised only a single-parent and his/her co-living child(ren); and over seven-tenths relied on CSSA to meet their living expenses.
- 8. The analysis also reveals that some single mothers might not be able to devote fully at work due to their care giving role. As mentioned above, a relatively higher proportion of single-parent households were economically inactive compared with the overall households with children. **Over nine-tenths of single parents were at working age (aged 25 to 54) and most of them were females**. Their labour force participation rate (LFPR)⁷ (62.9%) was apparently lower than that of the overall female population of the same age group (73.5%). The majority (86.1%) of them did not join the labour force because they were home-makers/unpaid carers.

Elderly Households

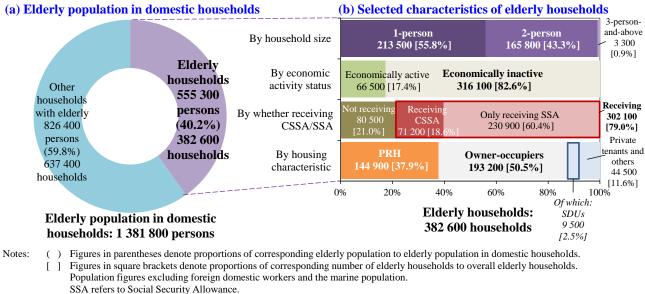
9. In 2021, there were 1 450 800 elders aged 65 and above in Hong Kong, accounting for 20.5% of the overall population. Over nine-tenths of them (95.2% or 1 381 800 persons) resided in domestic households⁸, among which some four-tenths resided in 382 600 elderly households, **involving about**

The LFPR of single mothers at working age increased as the youngest children in their households grew older; on the other hand, their LFPR declined as the number of children in the households increased.

⁸ There were 69 000 (or 4.8%) elderlies residing in non-domestic households (mainly residing in residential care homes for the elderly or persons with disabilities). Residence in non-domestic settings is more common among elderlies than the other age groups.

555 300 persons (Figure 1(a)). A multi-dimensional analysis of the characteristics of elderly households is set out below:

Figure 1: Selected characteristics of elderly population in domestic households and elderly households



Source:

2021 Population Census, Census and Statistics Department.

- Elderly households were predominantly singleton elderly households (55.8%), followed by doubleton elderly households (43.3%) and threeperson-and-above households (0.9%) (Figure 1(b)). The majority (70.1%) of other households with elders were larger households with three persons and above.
- As nearly eight-tenths of elders in elderly households were retirees, the majority (82.6%) of elderly households were economically inactive (**Figure 1(b)**). A considerable proportion (88.1%) of other households with elders were economically active.
- Most elderly households relied on government cash benefits as a source of income (Figure 1(b)): the majority (79.0%) of elderly households received support in the form of cash-based social benefits ⁹. Among elderly households, 18.6% received CSSA, a proportion apparently higher than that

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Referring to CSSA and the Social Security Allowance.

of other households with elders (only 2.5%); 36.2% received the Old Age Living Allowance; and quite a number of them (23.1%) benefitted from the Old Age Allowance.

- Most of their housing needs had been assured (Figure 1(b)): about half of elderly households resided in owner-occupied housing, while nearly fourtenths resided in PRH, reflecting that the housing needs for most of them had been assured. However, there were 9 500 households (or 2.5% of all elderly households) residing in SDUs. Their living environment was poor 10. The majority (77.7%) of them were singleton elderly households.
- **Non-material needs:** apart from financial and housing needs, elders also faced challenges on other fronts in daily life (such as physical and mental health, and participation in social activities). Less than one-eighth of elderly households hired foreign domestic helpers and only one-third received regular payment from non-household members, both suggesting that some of them might lack care and support¹¹.

Targeted Poverty Alleviation Projects

10. The CE announced in the 2023 Policy Address that the Government would implement various targeted poverty alleviation projects catering to the needs of the target groups identified by CoP. These projects include:

(1) Strive and Rise Programme

11. The first initiative that adopts the strategy of targeted poverty alleviation is the Strive and Rise Programme (the Programme) which focuses on lifting secondary school students from underprivileged families, particularly those living in SDUs, out of intergenerational poverty through tripartite collaboration of the Government, the business sector and the community, with a view to facilitating student participants to broaden their horizons, reinforce their self-

Among elderly households residing in SDUs, only 55.0% had independent toilets and kitchens, whereas 10.0% did not have independent toilets. Their conditions were even worse than those of the overall SDU households (the corresponding proportions were 65.9% and 4.1% respectively).

In particular, elderly households residing in SDUs might be more prone to mental health issues and social isolation due to depressing environment and financial constraints. Their situation warrants attention.

confidence, develop a positive outlook on life, set goals for their future and strive for upward mobility.

- 12. Completed in early November 2023, the first cohort of the Programme admitted a total of 2 800 student participants, recruited sufficient eligible mentors, received overwhelming support from about 120 enterprises and organisations, and raised some \$140 million in donations. A start-up sum of \$5,000 was awarded to student participants who completed basic training on life planning, capacity building and financial planning under the programme for implementing their personal development plans under the guidance of their mentors, whereas a scholarship of \$5,000 was awarded to student participants upon completion of the first cohort for their own deployment by applying the financial planning skills acquired. Over 540 sessions of group activities were offered for enrollment by student participants and mentors/parents under the first cohort, with more than 21 800 attendances in total (including mentors, student participants and parents).
- 13. The Graduation Ceremony cum Inauguration of the Alumni Club for the first cohort of the Programme was held on 4 November 2023. All graduates from the first cohort automatically became members of the Alumni Club. number of orientation days and various types of activities have been held by the Alumni Coordinator since late November 2023, with a view to expanding the alumni social network and sustain the effectiveness of the Programme. research team from the Hong Kong Polytechnic University was responsible for the impact assessment of the first cohort. Student participants' performance before and after their participation in the Programme were evaluated through questionnaires on the basis of eight selected impact indicators, namely, ability in goal setting, ability in financial planning, interpersonal skills and social network building, self-confidence, self-esteem, resilience, sense of responsibility and empathy, and sense of belonging to the community. The evaluation was completed in March 2024. Having examined the detailed impact assessment report, the Government announced the results in early May. In gist, student participants' self-assessment reflected that they had significant improvements in most of the impact indicators, particularly in financial planning, self-confidence, interpersonal skills and social network building, and sense of belonging to the Parents recognised that student participants had made significant enhancements to their ability in financial planning, interpersonal skills and social network building, sense of belonging to the community and resilience.

mentors, they observed that the performance of student participants had improved noticeably across all eight impact indicators.

- 14. Launched in October 2023, the second cohort of the Programme increased the number of student participants to 4 000 with an extension to cover Secondary Four students, enriched the variety of group activities (such as more Mainland study and exchange tours) and introduced mentorship groups. The total number of benefited student participants will increase to 6 800 in the 2023/24 school year, reaching 12 000 in the 2025/26 school year.
- 15. So far, 3 830 student participants were admitted to and 3 300 mentors (with some of them willing to match with two student participants) were recruited for the second cohort of the Programme. About 580 group activities provided by supporting enterprises and organisations have been lined up, with a capacity to accommodate some 30 000 attendances. Based on the experience of the first cohort, we will increase the frequency of and quota for the activities popular among student participants in the second cohort, such as visits to the Hong Kong Palace Museum, I&T-related tours, visits to different types of companies and enterprises as well as star mentors' exchange sessions. We will also enrich the variety of group activities, including organising more Mainland study and exchange tours, such as visits to enterprises of different industries in the Greater Bay Area, Yunnan and Wuhan.

(2) Pilot Programme on Community Living Room

- 16. As per the advice of CoP, the Government launched the Pilot Programme on Community Living Room (CLR) in 2023 through tripartite collaboration of the Government, the business sector and the community. Under the Pilot Programme, the business sector will provide venues and the Community Care Fund (CCF) will allocate funding to commission non-governmental organisations (NGOs) to operate the CLRs. The CLRs will provide SDU households with additional living space and help them establish interpersonal networks, thereby enhancing their living standard and sense of belonging to the community.
- 17. The first project under the Pilot Programme is the Sham Shui Po CLR, which has officially commenced operation since the launch on 18 December 2023, providing a saleable floor area of over 4 000 square feet. It offers facilities such as shared living room, cooking and dining area, study room for

students, self-service washing machines and dryers, as well as homework guidance services. Referrals to appropriate community services (e.g. Integrated Family Service Centres, Integrated Children and Youth Services Centres, Neighbourhood Elderly Centres, etc.) will also be made by social workers according to the needs of individual SDU households. Other supporting services include provision of information and talks on diet and nutrition, health and sports, home safety, hygiene, community resources, etc. The service operator will also approach the business sector and local organisations for in-kind donations (e.g. food and food coupons) and volunteer services. The Sham Shui Po CLR, being the first flagship project of the Pilot Programme, provides additional facilities including shower cubicles, children's reading room, sports facilities, etc. To provide targeted support for SDU households, the Sham Shui Po CLR is operated under a membership system. As at the end of March 2024, more than 300 eligible SDU families have become members. The three-year project is expected to serve at least 500 SDU households, with about 80 000 attendances a year.

18. The service of the Sham Shui Po CLR has received favourable feedback The Government actively encourages participation of since its commencement. the business sector to set up more CLRs in districts clustered with SDU households so as to benefit more grassroots families. The Government has received proposals from three commercial organisations to provide suitable premises and bear the fitting-out costs for setting up three CLRs in To Kwa Wan, Hung Hom and Nam Cheong respectively. At its meeting in March 2024, CoP supported the launch of the To Kwa Wan CLR, the Hung Hom CLR and the Nam Cheong CLR under the Pilot Programme, and commissioned NGOs to operate the CLRs through CCF funding for a period of three years each. It is expected that the three CLRs will commence operation within 2024, with their implementation arrangements generally similar to those of the Sham Shui Po Occupying a saleable floor area of about 6 900 square feet, the To Kwa Wan CLR will become the second flagship project under the Pilot Programme. It is anticipated to serve at least 600 SDU households with an annual attendance of about 90 000. As for the Hung Hom and the Nam Cheong CLRs, occupying a saleable floor area of about 3 200 and 2 200 square feet respectively, it is anticipated that they would serve at least 400 and 250 SDU households with respective attendances of about 60 000 and 40 000 every year.

(3) School-based After School Care Service Scheme

- 19. CoP supported the Government's implementation of the School-based After School Care Service Scheme (the Scheme) in the 2023/24 school year to allow primary students in need (particularly those from single-parent families) to stay at school outside school hours for care and learning support, with a view to facilitating their parents to go to work as well.
- 20. As at March 2024, the Scheme recruited 59 primary schools located in Kowloon City, Yau Tsim Mong, Sham Shui Po, Kwun Tong, Kwai Tsing, Tsuen Wan and Yuen Long Districts to provide nearly 3 000 service places. The schools and service operators provide after school care and homework tutorials for participating students to assist them in finishing their homework and revision at school as far as possible. The Scheme can alleviate pressure on parents in terms of parenting and care giving while helping them unleash their working potential. After homework tutorials, social development activities, such as group games, are arranged for students to relieve their study pressure, enhance exchanges among peers, foster communication and teamwork, as well as boost their learning and social skills.
- 21. The Scheme has received positive feedback since its launch. In order to collect more comprehensive data and views from stakeholders for future review of the Scheme on the way forward, the Government is considering a gradual expansion of the Scheme, including increasing the number of participating schools and service places in the 2024/25 school year. Subject to finalisation of the details, the Government plans to seek funding support from CCF to extend the pilot period of the Scheme to the 2024/25 school year, covering a total of 100 primary schools across all 18 districts in Hong Kong.

(4) <u>Care for Elderly Households</u>

22. CoP considers that households with elderly members only (including singleton, doubleton and three-person-and-above elderly households) lack interpersonal support networks and have to deal with various problems on their own, and are subject to immense pressure, including worries about deteriorating health, difficulties in adapting, changes in lifestyle after retirement, weakened financial capacity, gradual detachment from society amid rapid social developments, as well as their needs not being understood by families, relatives,

friends and society, etc. All these problems make elders feel isolated and helpless, and some even become "hidden" as a result.

23. In March 2024, the Social Welfare Department engaged the District Services and Community Care Teams (Care Teams) in Tsuen Wan and Southern Districts as pilots to implement the Care Teams – Pilot Scheme on Supporting Households of Singleton/Doubleton Elderly and Carers of Elderly/Persons with Disabilities (Pilot Scheme). Under the Pilot Scheme, the Care Teams will help identify households of singleton/doubleton elderly and carers of elderly persons/persons with disabilities in need through visits or contacts, and refer these cases to social welfare service units for follow-up. The Care Teams will also assist in referring elderly persons and persons with disabilities in need to install the emergency alarm system in order to enhance support and reduce risks of The Government will review the effectiveness of the implementation accidents. in the pilot districts after one year, and consider extending the services to other districts.

The Proposed Analytical Framework for Monitoring Hong Kong's Poverty Situation

24. At the meeting of the Legislative Council Subcommittee on Reforming the Poverty Alleviation Policies and Strategies on 26 September 2022, the Government briefed on the limitations of the "poverty line" previously adopted The "poverty line" adopted only takes on reflecting the poverty situation. household income as the sole indicator, which may lead to possible over-Moreover, since the "poverty line" was estimation of the poverty situation. formulated based on the concept of "relative poverty", poor households will always exist under "relative poverty" regardless of the effectiveness of the poverty alleviation work. This may create the wrong impression to the public that "more people become poor despite more resources being put in". These limitations will in the long run weaken the function of the "poverty line" in monitoring the actual poverty situation. There were comments raised at the meeting that under the analytical framework of "relative poverty", the Government's use of considerable public funds to roll out non-recurrent measures, including cash pay-outs or non-recurrent tax reductions, can only reduce the poor population and improve the poverty rate in the short term, but cannot solve the poverty issue in the long run.

25. In order to continuously monitor the effectiveness of the poverty alleviation work in Hong Kong, CoP supports the Government's adoption of a multi-dimensional approach (i.e. not only focusing on income) to monitor the situation of and changes in the local population as a whole and in various target groups. From a macro point of view, the various dimensions to be considered should to a certain extent reflect the impact of factors such as the macroeconomic situation and government policies on these target groups. In parallel, from a micro perspective, the Government will formulate key performance indicators (KPIs) for relevant targeted poverty alleviation projects in order to evaluate and compare the changes of the beneficiaries before and after their participation in various projects, in order to complement the monitoring of the progress and effectiveness of the poverty alleviation work from the macro perspective.

Advice Sought

26. Members are invited to note the content of this paper, and provide views on the latest work progress of CoP.

Labour and Welfare Bureau Social Welfare Department May 2024