

Commission on Poverty

Indicators of Poverty

Background and Purpose

At the first meeting of the Commission on Poverty held on 18 February 2005, there was a general consensus that, given the generally affluent Hong Kong economy and the broad coverage of social services and support available, the concept of poverty should focus on the needs of some disadvantaged groups. As a corollary, the consensus of the Commission is that framing the concept of poverty and hence the priority of the Commission's work by reference to a single figure based on income is inappropriate. Rather, a multiplicity of indicators should be compiled to reflect the overall situation in Hong Kong and facilitate the identification of disadvantageous groups that deserve priority attention.

2. This multi-dimensional approach to understanding poverty and helping the needy is in line with the development in recent years in a number of countries whose state of economic development is similar to that of Hong Kong. The focus is more on capacity building and self-reliance and, for certain vulnerable groups (such as the elderly and children in single-parent families), on ensuring access to opportunities and other necessary services and support (e.g. education, housing and medical services).

3. Conceptually, therefore, it is important to note that "poverty" is but a shorthand for the more needy rather than what the plain dictionary meaning suggests. In the context of Hong Kong generally, and of the Commission's work specifically, the concept is developmental and how it is deliberated reflects the value choices of not only the Hong Kong community but of the Commission members collectively.

Considerations affecting the choice of indicators

4. Many possible factors can contribute to the predicament of the needy groups. The same factor may affect different individuals very differently. Indicators can be suggestive of both the symptoms and the causes. In fact, symptoms and causes can be interactive and, at times, defy clear distinction. Care must be taken in drawing conclusions from the indicators.

5. In selecting the indicators, we note that at its first meeting, the Commission also agreed on the need to focus on preventive work. Indicators relating to children and youth are in this connection particularly relevant, and the focus is on them having access to opportunities so that their current socio-economic background would not jeopardise their future upward economic and social mobility.

6. Taking into account the Commission's discussions at its first meeting on 18 February, we propose presenting the indicators under the following four social groups:

- Children/youths;
- Working people/adults;
- Older people; and
- Community.

The first three groups are age-specific, while the last one on community poverty is expected to shed light on people's well-being either on a district-by-district basis or in aggregate for the community as a whole.

7. In some overseas jurisdictions, poverty indicators cover specific groups such as gender or ethnicity. But the generally harmonious social atmosphere of Hong Kong is very different from the contexts that other countries are grappling with (e.g. blacks in inner cities or a very sizeable minority of Mexicans in the US). On the basis of the proposed framework, the needs of these specific groups would be covered by the age-specific indicators and by the district-based community indicators along with those of the others. Furthermore, details of the needs of specific groups (e.g. women, ethnic minorities or new immigrants) are more appropriately analysed through dedicated, periodic studies.

8. Technically, the indicators must be measurable in a quantitative manner and statistically robust. They must also be available on a regular basis and up-to-date to facilitate monitoring over time. The set of indicators to be developed is expected to come primarily from the existing data base of the Census and Statistics Department (C&SD) and the administrative records of relevant departments. Where necessary and feasible, we shall collate statistics considered to be important but not currently available.

9. Indicators are useful only insofar as they are meaningful in the context of Hong Kong, regularly collected and updated. The burden of collection on both the sources (i.e., the general public/specific groups) and the collecting agencies must not be overly onerous. The indicators should be purposefully selected and their number should be kept within a manageable limit. After all, their utility hinges on the quality of data and the thoughts behind the selection rather than their mere numbers.

Proposed indicators

10. There are six broad categories of indicators, viz. earnings/income support, education/training, employment, health, living conditions and community/family support. They are of varying degrees of importance to the four broad social groups listed in paragraph 6 above.

	Children /youth	Working people/ adults	Older people	Community
Earnings/income support	X	X	X	X
Education/training	X			
Employment	X	X		X
Health	X	X	X	X
Living conditions	X		X	X
Community/family support	X		X	

11. Of all possible indicators, we consider “earnings/income support” the most relevant. A reasonable level of income is essential for an individual to lead a decent standard of living. In the context of Hong Kong, recipients under the Comprehensive Social Security Assistance Scheme (CSSA) are commonly regarded as poor people needing and are provided with financial assistance, as the CSSA is a means-tested mechanism. But there are also people who are non-CSSA recipients whose household income falls below the CSSA assistance level, or there are some household members not eligible for CSSA assistance in a CSSA-recipient household. Therefore, we propose to use the average CSSA payment analysed by number of eligible members as the benchmark for delineating whether an individual is living in poverty. This reflects the fact that the level of CSSA payment, including both the standard rates and special grants, has been set based upon detailed assessment on the basic needs of different types of people.

12. In addition to CSSA, there are different types of means-tested financial assistance schemes administered by the Government for helping those in need, and basically CSSA recipients are not entitled to such assistance to avoid double benefit. The idea is that no one would be deprived of basic needs due to lack of financial means. It follows that a tracking of the number of recipients under the relevant assistance schemes for groups of similar income levels as the CSSA recipients would also be indicative of the poverty situation.

13. Health is another set of indicators to be developed which cuts across all the four social groups. This is an area where useful indicators are desired, in view of the fundamental importance of health in contributing to study, work and living in general, with consequential implications for present and future income. Yet this is also an area where useful indicators are most difficult to come by, for two main reasons. First, as distinct from the developing world, it is difficult to identify any sickness or health deficiency in Hong Kong that is widespread among the poor. Second, it has been the Government’s policy that our healthcare systems are of quality, equitable, efficient, cost effective and accessible to the public. Apart from the heavily subsidized and high standard of public medical and health services, there is a medical fee waiver mechanism of public hospitals and clinics to cater for the poor needing help. So at best the number of recipients under the fee waiver mechanism may serve as a poverty indicator in relation to health.

14. On the basis of this framework and the considerations discussed in the last section about choice of indicators, indicators encompassing the life-cycle plus community concept in monitoring poverty will be discussed in the following sub-sections.

15. In order to give an idea on the magnitude of poverty in both absolute and relative terms, both the number and percentage shares of the indicators in the respective totals would be compiled where appropriate. Members may wish to note that we will exclude foreign domestic helpers from all the data compilation, as there are already special conditions governing their employment in Hong Kong which compare favourably with those in other economies.

Children/youth (aged 0-14/15-19)

16. For children and young people, who are in the growing up and learning process, indicators on child care and education are particularly important. The indicators suggested in this aspect include educational attainment and school drop outs. It should be noted that these indicators may not have a direct relationship with poverty, as there are many factors other than poverty that could lead to sub-standard educational attainment or school drop-outs. Yet these indicators are related to the notion of prevention or risk, as children and youth who drop out from school and/or who have low educational attainment are susceptible to become “non-engaged” in the future and thus, falling into poverty. In addition, in social sciences and education research, socio-economic status is commonly accepted as a strong, though not decisive, predictor of learning problems.

17. As to the income-related indicators, the concern is whether the income as generated by parents would enable the children to grow up without deprivation in regard to health, education, housing, and participation in social activities. The other indicators are included to show the well-being of children and youth in general, as follows :

- (1) Children aged 0-5 and 6-14 living in workless households
- (2) Children/youth aged 0-5, 6-14 and 15-19 living in households with income not exceeding average CSSA payment
- (3) Children aged 0-5 and 6-14 with single parent and in households with income not exceeding average CSSA payment
- (4) Children aged 0-5 and 6-14 living in private temporary housing and private shared units
- (5) CSSA recipients aged 0-5 and 6-14
- (6) Children under the care of aided child care centres
- (7) Full grant recipients under the School Textbook Assistance Scheme
- (8) Number of school drop-outs
- (9) Youth (approximated by persons aged 18-20 for data compilation purpose) without Secondary 3 education
- (10) Students without five passes in the HKCEE
- (11) Youth aged 15-19 not in education, training or employment

Working people/adults (aged 15-59)

18. For people of the working age, the primary concern is whether they are in employment. If they are employed, the concern is how many of them are the working poor (i.e., engaged in jobs with very low earnings). As to the unemployed, those who are unemployed for a long duration are more likely to fall into poverty, as they would generally find greater difficulty to return to employment.

19. The situation of adults with disabilities is also an area of concern. People with disabilities are encouraged to achieve self-reliance where possible. For the disabled who cannot support their own living, they would be assisted under the CSSA. Likewise, the CSSA also provides assistance to people who are not able to work and hence without income due to ill health. Thus, for poverty monitoring purpose, it would be useful to track the number of disabled receiving rehabilitation training services, and the number of the CSSA recipients who cannot make their ends meet due to disability/ill health.

20. The following indicators are suggested for monitoring the situation of poverty among people of working age :

- (12) Persons aged 15-59 living in workless households
- (13) Persons aged 15-19 and 20-59 living in households with income not exceeding average CSSA payment
- (14) Employed persons aged 15-19, 20-24 and 25-59 working 35 hours and above per week and with monthly employment earnings less than 50% of the median
- (15) Unemployed persons aged 15-19, 20-24 and 25-59
- (16) Persons unemployed longer than 6 months, and longer than 12 months
- (17) Adult able-bodied CSSA recipients having been on CSSA for more than one year
- (18) Persons with disabilities receiving vocational rehabilitation training services
- (19) Adult recipients of permanent disability/temporary disability/ill health CSSA

Older people (aged 60 and above)

21. For elderly persons, the priority is to ensure active and healthy ageing. In order to achieve this objective, it is necessary to have a reasonable level of financial support as well as care by family members and the community. Yet admittedly there is difficulty in tracking the financial position of retired persons, as they could live on personal savings, investment income, pension, and/or family support, and all these are more prone to be under-reported than income/earnings of the employed persons. So it might be advisable to look directly at the number of elderly persons receiving financial assistance from the Government as an indication of poverty. For a more general indication of elderly persons' well-being, an indicator relating to their living conditions is also added.

22. Bearing these limitations in mind, the indicators below are suggested for monitoring elderly poverty :

- (20) Recipients of different types of old age CSSA
- (21) Number of elderly patients under the waiving mechanism of public hospitals and clinics
- (22) Elderly persons living in private temporary housing and private shared units

Community

23. On a district-by-district and a community-wide basis, the poverty indicators involve basically a recapitulation of the key indicators in the above categories. Moreover, district-based indicators would be useful for indicating which geographical areas are relatively more deprived than the others, while the community-wide indicators would help to size the poverty problem for Hong Kong as a whole. The following are the indicators suggested :

- (23) Persons aged 0-14, 15-59 and 60 and above living in workless households by district
- (24) Persons aged 0-14, 15-59 and 60 and above living in households with income not exceeding average CSSA payment by district
- (25) Children aged 0-5 and 6-14 with single parent and in households with income not exceeding average CSSA payment by district
- (26) Employed persons working 35 hours and above per week and with monthly employment earnings less than 50% of the overall median by district
- (27) Median monthly household income by district
- (28) Median monthly employment earnings by district
- (29) CSSA recipients aged 0-14, and 60 and above by district
- (30) Persons living in private temporary housing and in private shared units by district

Concluding remarks

24. The above indicators represent the first step in putting together a basket of indicators reflecting the poverty situation in Hong Kong. A full list of the indicators is given at the **Annex**. Along with an enhanced understanding of the problem and evolving priorities of the Commission's work, other relevant indicators could be added to the list. Similarly, indicators which are not technically feasible to be collected may need to be deleted from the list, or else be replaced by other relevant indicators.

25. Members are invited to comment on the relevance and adequacy of the indicators, taking into account the considerations and limitations discussed in the above paragraphs, and to consider the way forward for this area of work.

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Financial Secretary's Office
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Summary of the proposed indicators

Children/youth (aged 0-14/15-19)	
1.	Children aged 0-5 and 6-14 living in workless households
2.	Children/youth aged 0-5, 6-14 and 15-19 living in households with income not exceeding average CSSA payment
3.	Children/youth aged 0-5 and 6-14 with single parent and in households with income not exceeding average CSSA payment
4.	Children aged 0-5 and 6-14 living in private temporary housing and private shared units
5.	CSSA recipients aged 0-5 and 6-14
6.	Children under the care of aided child care centres
7.	Full grant recipients under the School Textbook Assistance Scheme
8.	Number of school drop outs
9.	Youth (approximated by persons aged 18-20 for data compilation purpose) without Secondary 3 education
10.	Students without five passes in the HKCEE
11.	Youth aged 15-19 not in education, training or employment
Working people/adults (aged 15-59)	
12.	Persons aged 15-59 living in workless households
13.	Persons aged 15-19 and 20-59 living in households with income not exceeding average CSSA payment
14.	Employed persons aged 15-19, 20-24 and 25-59 working 35 hours and above per week and with monthly employment earnings less than 50% of the median
15.	Unemployed persons aged 15-19, 20-24 and 25-59
16.	Persons unemployed longer than 6 months, and longer than 12 months
17.	Adult able-bodied CSSA recipients having been on CSSA for more than one year
18.	Persons with disabilities receiving vocational rehabilitation training services
19.	Adult recipients of permanent disability/temporary disability/ill health CSSA
Older people (aged 60 and above)	
20.	Recipients of different types of old age CSSA
21.	Number of elderly patients under the waiving mechanism of public hospitals and clinics
22.	Elderly persons living in private temporary housing and private shared units
Community	
23.	Persons aged 0-14, 15-59 and 60 and above living in workless households by district
24.	Persons aged 0-14, 15-59 and 60 and above living in households with income not exceeding average CSSA payment by district

25. Children aged 0-5 and 6-14 with single parent and in households with income not exceeding average CSSA payment by district
26. Employed persons working 35 hours and above per week and with monthly employment earnings less than 50% of the overall median by district
27. Median monthly household income by district
28. Median monthly employment earnings by district
29. CSSA recipients aged 0-14 and 60 and above by district
30. Persons living in private temporary housing and in private shared units by district