

For discussion
on 11 June 2001

LegCo Panel on Welfare Services

Final Evaluation Report on the Support for Self-reliance Scheme

PURPOSE

To brief members on the findings of the final evaluation report of the Support for Self-reliance (SFS) Scheme.

BACKGROUND

2. A major recommendation of the 1998 review of the Comprehensive Social Security Assistance (CSSA) Scheme was to implement a Support for Self-reliance Scheme which aimed at encouraging and assisting CSSA unemployed recipients to regain employment and move towards self-reliance. The Scheme, comprising the Active Employment Assistance (AEA) Programme, Community Work (CW) Programme and enhanced Disregarded Earnings (DE), has been in place since June 1999.

3. Members were already briefed at the meeting on 11 December 2000 on the findings of the mid-term evaluation report.

EVALUATION REPORT

Objective

4. The evaluation has been conducted by the Social Welfare Department (SWD) to assess the effectiveness of the Scheme in helping the participants to:

- regain employment
- improve awareness of social responsibilities

- improve awareness of the need to re-establish self-reliance
- understand the importance of employment

Methodology

5. A two-phase approach has been adopted for the Study. The first phase measures the effects of the Scheme from June 1999 to May 2000 together with a longitudinal study covering a group of CSSA unemployed recipients during the first six months of the Scheme. First phase results have been incorporated in the mid-term evaluation report.

6. The second phase of the Study covers the first 18 months (i.e. from June 1999 to November 2000) of the Scheme together with the full-year results (i.e. from June 1999 to June 2000) of the longitudinal study and a follow-up survey on successful job searchers. Results of the second phase are incorporated in the final evaluation report.

7. Statistical analysis has been conducted on the administrative records of the period between June 1999 and November 2000. Bi-monthly surveys have been conducted on samples of CW participants to collect their opinions on the programme from October 1999 to October 2000. The Research Team from the Department of Psychology of the Chinese University of Hong Kong was responsible for drawing up the questionnaire and subsequent statistical analysis of the data for the longitudinal study. A series of five interviews have been conducted with the same group of respondents during the period from June 1999 to June 2000. The follow-up survey on successful job searchers was conducted from September to October 2000 to ascertain the latest employment situation of unemployed recipients who had reported having taken up paid employment in the first year since the implementation of SFS Scheme.

Analysis of Administrative Records

8. From June 1999 to November 2000, there were a total of 29 714 enrolments in the SFS Scheme. 12 334 of them were subsequently de-registered from the Scheme. Among the reasons, “having secured gainful employment” (26%), “withdrawal from applying

for CSSA” (24%) and “loss of contact” (24%) account for the largest shares of de-registrations.

9. Findings from administrative records covering the period between June 1999 and November 2000 are summarized below:

- (a) The proportion of AEA participants finding employment per month is **five times** higher than the proportion of CSSA recipients finding employment before introduction of the SFS Scheme when they were just required to register with Labour Department. This suggests that the Scheme has been effective in assisting participants to find work.
- (b) The number of unemployed CSSA cases has dropped by 27%.
- (c) Compared with 1998-1999, the number of new applications and re-applications received in 1999-2000 decreased by 39%. For applications received from April to November 2000, a decrease of 28% over the same period in the previous year was recorded.
- (d) Out of 36 653 enquiries about AEA from potential unemployed new applicants/re-applicants, 20 347 finally decided not to apply for CSSA. This represents a drop-out rate of 55.5%. Before the implementation of SFS Scheme, practically all who enquired at the Social Security Field Units (SSFUs) would subsequently submit an application.

10. To help answer a question raised by Members during earlier discussion on the evaluation of the SFS Scheme, SWD has planned to make an attempt, by means of an exploratory study, to find out as far as possible underlying reasons why some potential applicants did not pursue their applications for CSSA after initial enquiries at SSFUs, and why some existing recipients withdrew from receiving CSSA. The results of the study will be available later this year.

Survey on Community Work (CW) Programme

11. From June 1999 to November 2000, there were a total of 7 446 enrolments in the CW programme. Of these, 82% took part in environment-related projects while 18% participated in community service.

12. Seven rounds of bi-monthly survey have been conducted to collect views and opinions of CW participants between October 1999 and October 2000. It was found that:

- (a) The proportions of CW participants who are satisfied with the programme arrangements ranged from 40% to 60% throughout the surveying period.
- (b) In October 2000, 61% of CW participants responded that the CW programme had made them realize their responsibility to serve the community.
- (c) Proportion of respondents reporting not satisfied with the CW programme decreased from 13% in October 1999 to 4% in October 2000.

Longitudinal Study of CSSA Unemployed Recipients

13. The study covers the first year of the Scheme since its implementation in June 1999. It was found that:

- (a) Over time, respondents have become less inclined to perceive receiving CSSA as a basic right.
- (b) Participants in both AEA and CW programmes have become more optimistic and more receptive to the expectations from persons with whom they have intimate relationship to continue with their job searching efforts than those participating in AEA only and those not participating in either programmes.

- (c) Proportions of participants considering the AEA, CW and DE components of the Scheme worth implementing are 60%, 55% and 68% respectively.

Follow-up Survey on successful Job Searchers

14. Job searchers who have successfully secured paid employment in the first year since the implementation of SFS Scheme were interviewed by telephone from September to October 2000 to ascertain their latest employment situation. It was found that:

- (a) 77% were still employed at the survey moment. Of these 55% were still with their original jobs while 21% were occupying a new job.
- (b) Of the successful job searchers, 64% and 48% were still with the original job after they had taken up their job for 6-8 months and for 15-17 months respectively.
- (c) The average duration of employment of those who were still with the original job was 10.4 months.

Executive Summary

15. An executive summary of the report, prepared by SWD, is attached at Annex.

CONCLUSION

16. The SFS Scheme has been well received by participants generally. The report also indicates that the Scheme has been effective in helping the participants in respect of the four aspects mentioned in para. (4). We are particularly encouraged by the relatively high job retention rates of those who have secured paid employment since the implementation of the SFS scheme. It is estimated that around \$880 million of CSSA expenditure may have been saved because of the decrease in unemployment caseload and other factors resulting from the implementation of the Scheme.

17. Additional funding was approved by the Finance Committee in June 2000 to implement a Promoting Self-reliance Strategy to provide targeted assistance to help unemployed, low-income and single-parent CSSA recipients overcome barriers to work and become more self-reliant, and to strengthen support services for socially disadvantaged families to help prevent the problems that result in their turning to social security in the first place.

18. Among the initiatives, Special Job Attachment Programme (SJAP) and projects under Intensive Employment Assistance Fund (IEAF) should be particularly useful for the long-term unemployed or “hard core” cases who experience particular difficulty in returning to employment. A total of 13 SJAP projects organized on a district basis have been implemented by non-governmental organizations (NGOs) since January 2001. As at the end of March 2001, some 400 AEA participants have been referred to these programmes. Initial feedback from the NGOs is encouraging. According to their observations, the participants are generally enthusiastic and satisfied with the training and job attachment arrangements. In addition, 14 innovative projects, some tailor-made for special target groups such as ex-drug abusers, ex-prisoners and single parents, have been approved from the IEAF, with grants ranging from \$0.5 million to \$3.4 million. These projects provide an even greater variety of job opportunities for AEA participants. We will invite a second batch of IEAF projects later this year. We are putting in place arrangements to evaluate the effectiveness of these further measures.

ADVICE SOUGHT

19. Members are invited to comment on the findings of the report.

**Health and Welfare Bureau
June 2001**

**Final Evaluation Report on
“Support for Self-reliance” Scheme
(comprising Active Employment Assistance Programme,
Community Work Programme and Enhanced Disregarded Earnings)
for Comprehensive Social Security Assistance
Unemployed Recipients**

EXECUTIVE SUMMARY

1. INTRODUCTION

1.1 The Scheme is evaluated according to its effectiveness in assisting the CSSA unemployed recipients in respect of :

- Success in regaining employment
- Improved awareness of “social responsibilities”
- Improved awareness of need to re-establish self-reliance
- Understanding importance of employment

1.2 This full evaluation covers the 18-month period since implementation together with the full-year results of a longitudinal study of a group of unemployed CSSA recipients.

1.3 **Limitations** : The purpose of the evaluation is to measure the effectiveness of the SFS Scheme alone. However, it should be noted that the outcome indicators of the evaluation are also likely to be affected by external economic changes and various tightening measures implemented since June 1999. It is not the purpose of this evaluation to quantify the extent to which the SFS Scheme has contributed to the various outcomes observed.

2. OBSERVATIONS FROM ADMINISTRATIVE RECORDS

2.1 Statistics on CSSA Scheme – Unemployment Cases

2.1.1 Caseload

- The unemployment caseload, which is the target of the SFS Scheme, recorded consecutive month-to-month decreases ranging from 1.0% to 3.0% during the first 16-month period from June 1999 to September 2000.
- The number of unemployment cases dropped by 27% from the peak of 32 435 in May 1999 to 23 672 in November 2000. Such an unprecedented decrease was believed to be the combined effect of various factors (viz. SFS Scheme, various tightening measures, external economic environment, etc.).

2.1.2 New Applications and Re-applications

- An average annual growth rate of 57% was recorded during 1993/94 to 1998/99. The rising trend halted in 1999/2000. The number decreased by 39% to 17 487 in 1999/2000 when compared with 1998/99. During the period from April to November 2000, a drop of 28% is recorded over the same period of the previous year. It appears that potential applicants now think twice before coming forward to apply for CSSA.

2.1.3 Authorized Cases Closed

- The monthly average for 1999/2000 increased to 1 067, representing an increase of 67.5% over 1998/99 (637 in number). The average dropped to 817 during the period from April to September 2000 and further down to 576 during the period from October to November 2000.
- Further analysing the reason of closure, it is

noted that the share of “withdrawal” shows a significant increase (viz. from 39% in 1998/99 to 56% in 1999/2000 and further to 58% during the period from April 1999 to November 2000). This may imply that unemployed recipients become more inclined to leave the net and become independent of public assistance.

2.2 Statistics on AEA Programme

2.2.1 AEA Enrolments

- Up to November 2000, there were 29 714 CSSA unemployed recipients who have ever enrolled with AEA. Among them, 17 380 remained active.

2.2.2 Drop-outs of Potential AEA Participants

- Among the 36 653 enquirers about AEA up to November 2000, 20 347 finally decided not to apply for CSSA, representing a drop-out rate of 55.5%. Before June 1999, it is noted that practically all who inquired would subsequently submit their applications. This indicates that potential applicants will now think more carefully before they decide to rely on public assistance.

2.2.3 Cancellations

- Up to November 2000, the number of job seekers having de-registered from AEA has accumulated to 12 334. Among them, 3 159 (25.6%) withdrew because they got gainful employment (i.e. a job with monthly earnings of at least \$1,610). This represents 10.6% of the cumulative enrolments.
- The SFS Scheme is considered to be more effective in assisting the CSSA unemployed recipients than the declaration arrangements before the implementation of the AEA

Programme. This is illustrated by the higher success rate of the AEA Programme. The success rate of the declaration arrangement (i.e. the proportion of recipients having secured employment out of the recipients registered with Labour Department) from June 1999 to November 2000 was 0.3% per month. The average for AEA Programme during the same period at 1.8% is 5 times higher.

2.3 Statistics on CW Programme

2.3.1 Participants

- As at end November 2000, there were 2 786 target participants under the CW Programme. 1 857 (66.7%) of the target participants were actually placed in CW projects.

2.3.2 De-registrations

- There were 4 660 de-registrations from CW during the period from June 1999 to November 2000. Among them, 1 709 (36.7%) had failed to comply with the CW obligations or behaved unsatisfactorily.

3. NEWLY ESTABLISHED DATABASES

3.1 Job Seekers Database

3.1.1 Comparing the profiles of AEA job seekers to the overall unemployed population of Hong Kong :

- there are more males among AEA job seekers (79% vs 65% of all unemployed population)
- AEA job seekers have received less education (49% are with primary education or below vs 25% among all unemployed population)

There are more “difficult” cases among AEA job seekers.

3.2 Database of Successful Job Searchers

3.2.1 Comparing the profiles of AEA and non-AEA successful job searchers who secured a job during the period from June 1999 to October 2000, the AEA successful job seekers :

- are comparatively younger
- are better educated
- record a relatively higher chance of changing into “low earnings” cases and have taken up jobs with less attractive remuneration

4. CW PARTICIPANTS’ FEEDBACK ON CW PROGRAMME

4.1 From October 1999 to October 2000, seven rounds of bi-monthly survey on CW participants’ opinions on the arrangements for the CW Programme and their personal feelings about performing CW were conducted. The percentage of respondents not satisfied with the arrangements for CW decreased from 13% in Round 1 survey to 6-8% in subsequent five rounds and down to 4% in the Round 7 survey

4.2 A considerable proportion of the respondents had positive views towards the CW Programme. In Round 7 survey, 61% responded that the programme was making them realize that everyone has the responsibility to serve the community and 51% found it widening their social circles.

5. LONGITUDINAL STUDY OF CSSA UNEMPLOYED RECIPIENTS

5.1 Introduction

5.1.1 The purpose of the Study is to gauge respondents’ changes in views, attitude and behaviour over time during their period of exposure to the SFS Scheme. The Study follows the same group of CSSA unemployed recipients, which was randomly selected at the beginning of the Study, throughout the one-year study period. During this one-year

period, the respondents were interviewed on five occasions (i.e. five waves of measurement are made) at quarterly intervals.

5.2 Comparing Socio-economic Profiles of W1 and W5 Participants

5.2.1 Comparing the profiles of the respondents in W1 and W5, it is observed that the W5 participants :

- are older (median age : 48 years in W5 vs 44 years in W1);
- have received less education (% with primary or below education : 66% in W5 vs 59% in W1); and
- have exerted slightly less efforts in job search (12.6 job searches and 3.8 interviews on average in the three months preceding W5 data collection vs 12.7 and 4.0 respectively for W1)

5.3 Difference between Successful and Unsuccessful Job Searchers

5.3.1 When compared with the respondents who remain unemployed after the one-year study period, the re-employed participants :

- are younger
- have received more training
- have a less positive view on the effectiveness of SFS Scheme
- have more job seeking support
- hold a better attitude towards work
- have a higher job seeking intention
- are less demanding in their expected income level
- are more inclined to rate living standard on CSSA as poor
- have a higher level of self-efficacy in job search
- are less likely to make attributions or excuses for being unemployed
- are more inclined to feel that receiving CSSA is a shame under any circumstances
- are more inclined to feel that unemployed CSSA recipients generally do not try hard to get a job.

5.4 Programme Effect on the Unemployed

5.4.1 In general, it was found that AEA and CW together produced significant effect on the participants, while AEA alone could not produce significant effect.

5.4.2 AEA-and-CW is significant in producing the following effect on the unemployed participants :

- become more optimistic
- become more receptive to the expectations from persons with whom they have intimate relationships to continue their job searching efforts
- become more inclined to find that receiving CSSA is a shame

- make more attribution to their unemployment
- become more inclined to find that receiving CSSA is a norm

5.4.3 The unemployed participants as a whole also show the following changes over the one-year study period :

- less inclined to perceive receiving CSSA is a basic right
- hold a less positive attitude towards work
- decline in confidence in re-employment
- less bothered about being unemployed
- less inclined to perceive living standard on CSSA as poor
- decline in job seeking support

5.5 Programme Effects on the Re-employed

5.5.1 There is no significant programme effect found among AEA participants. Only a few programme effects are found among the AEA-and-CW participants :

- AEA-and-CW participants are less positive about SFS
- AEA-and-CW participants are more demanding in their perception of an ideal job.
- AEA-and-CW participants are more inclined to report that most of their relatives/friends are now receiving CSSA

5.5.2 It is possible that for participants who are able to get re-employment, their psychological and social profiles were favourable, leaving little room for the various SFS programmes to further improve on these factors.

5.6 Accomplishing the Objectives

5.6.1 Effectiveness of SFS Scheme

Based on the findings from the Study, SFS Scheme

seems to be effective in assisting the participants in respect of the following aspects :

- **Regaining employment**
 - Participants of AEA-and-CW seem to become more optimistic and feel increasing pressure from persons with intimate relationship with them that they should try hard to get a job.

- **Improving awareness of social responsibilities**
 - 62% of respondents agree/strongly agree that SFS Scheme makes them realize that people should not waste societal resources.
 - 53% of respondents agree/strongly agree that CW makes them realize that everyone has the responsibility to serve the community.

- **Improving awareness of need to re-establish self-reliance**
 - 60% of respondents agree/strongly agree that SFS Scheme makes them understand the importance of self-reliance

- **Understanding importance of employment**
 - 76% of respondents agree/strongly agree that having a job is very important to them.

5.6.2 Perceived Worth of SFS Scheme

SFS Scheme appears to be highly recognized by the CSSA unemployed recipients. The proportion of W5 respondents considering the AEA, CW and enhanced DE components of SFS Scheme worth implementing are 60%, 55% and 68% respectively.

6. FOLLOW UP SURVEY ON RE-EMPLOYED JOB SEARCHERS

6.1 The survey

6.1.1 A specially designed survey was conducted in September to October 2000 to gauge the latest employment situation on those unemployed CSSA recipients who had reported to SWD from June 1999 to May 2000 to have taken up a job.

6.2 Latest employment situation

6.2.1 As at the survey moment, 77% of the successful job searchers were still engaged in their job. Of them 55% were staying with the original job while 21% were occupying a new job.

6.2.2 As time passes, the proportion of successful job searchers that could stay with the original job decreases. It falls from 64% for those who have taken up employment for 6 to 8 months to 48% for those who had taken up employment for 15 to 17 months.

6.2.3 For those who were still with their original job, the average stay with their job is 10.4 months

7. FINANCIAL IMPLICATIONS

7.1 It is estimated that a total of **\$882 million** of CSSA expenditure could have been saved from target cases of SFS Scheme during the first 18 months of SFS implementation (i.e. from June 1999 to November 2000). This is made up of \$194 million from existing CSSA recipients leaving CSSA or changing to the low earnings category and \$688 million from potential CSSA recipients staying out of the CSSA net. However, this estimate is based on several assumptions; it serves as a reference, and not an outcome indicator for the purpose of evaluating the effectiveness of the SFS Scheme.

8. CONCLUSION AND RECOMMENDATIONS

8.1 Conclusion

Based on the analyses done in the final evaluation, we can reasonably conclude that the SFS has played a useful role in assisting the unemployed recipients in job search. Feedback from participants of the Longitudinal Study regarding both the effectiveness and level of satisfaction on various arrangements of the Scheme is also encouraging.

8.2 Recommendations

8.2.1 In view of the success of AEA and CW, it is recommended that these programmes (together with other arrangements such as DE etc under the SFS Scheme) be continued to provide general re-employment assistance to the recipients.

8.2.2 To provide targeted assistance for the long-term unemployed and those with special problems in order to help them become more self-reliant, it is useful to launch further programmes. These include the IEAF and SJAP under the Promoting Self-reliance Strategy.