

For discussion  
on 11 December 2000

LegCo Panel on Welfare Services  
Mid Term Evaluation Report of  
Support for Self-reliance Scheme

**PURPOSE**

To brief members on the findings of the mid-term evaluation report of the Support for Self-reliance 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 (SFS) 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 put in place since June 1999.

3. Members requested at the meeting on 16 June 2000 that the relevant departments should conduct a review of the effectiveness of the Scheme and report in due course.

## **EVALUATION REPORT**

### **Objective**

4. The evaluation study is conducted by the Social Welfare Department (SWD) to assess the effectiveness of the Scheme in helping the participants in the following aspects:

- Success in regaining employment
- Improved awareness of social responsibilities
- Improved awareness of the need to re-establish self-reliance
- Understanding 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 after its first 12 months of operation together with a longitudinal study covering a group of CSSA unemployed recipients during the first six months of implementation of the Scheme. Statistical analysis has been conducted on the administrative records of the period between June 1999 to May 2000. Surveys have been conducted on samples of CW participants to collect their opinions on the programme from October 1999 to April 2000 every two months. For the longitudinal study, the Research Team from the Department of Psychology of the Chinese University of Hong Kong is responsible for drawing up the questionnaire and subsequent statistical analysis of the data. Three interviews have been conducted on the same group of respondents throughout the period from June 1999 to Nov 1999.

6. The second phase of the Study covers 18 months (i.e. up to November 2000) since the implementation of the Scheme together with the full-year results (i.e. up to May 2000) of the longitudinal study.

### **Analysis of Administrative Records**

7. From June 1999 to May 2000, there were a total of 18 936 enrolments in the Scheme. 7 232 of them were subsequently de-registered from the Scheme. Among the reasons, “having secured gainful employment” and “loss of contact” account for the largest percentages of de-registration (each representing around 25%).

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

- (a) The proportion of AEA participants finding employment per month is 6 times higher than the proportion of CSSA recipients before introduction of the SFS Scheme when they were just required to register with Labour D.
- (b) Number of unemployed CSSA cases has dropped by 23%.
- (c) Number of new applications and re-applications received decreased by 39%.
- (d) Number of authorized cases closed per month increased by 67.5%.

9. Statistical analysis suggests that the Scheme has been effective in assisting participants to find work and containing the growth in unemployment CSSA caseloads.

### **Survey on Community Work (CW) Programme**

10. From June 1999 to May 2000, there were a total of 4 632 enrolments in the CW programme. Among them, 79% took part in environment-related projects while 21% participated in community service. Among the 2 350 de-registrations, 32% failed to comply with the CW obligations or behaved unsatisfactorily.

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

- (a) The percentages of CW participants who are satisfied with the programme range from 40% to 60% throughout the surveying period.
- (b) At the end of the surveying period, 56% of CW participants responded that the CW programme has made them realize their responsibility to serve the community.
- (c) Respondents reporting that they were not satisfied with the CW programme decreased from 13% in October 1999 to 7-8% in April 2000.

## **Longitudinal Study of CSSA Unemployed Recipients**

12. The study covers the first six months of the Scheme since its implementation in June 1999. It was found that –

- (a) Overtime, respondents have shown increased appreciation of the AEA and CW programmes, made more efforts in job search and enjoyed a better psychological state.
- (b) Participants in both AEA and CW programmes have higher job seeking intention than those participating in AEA only and those not participating in either programmes.
- (c) Proportion of participants considered the AEA, CW and DE components of the Scheme worth implementing are 65%, 65% and 79% respectively.

A copy of the executive summary of the report prepared by SWD is attached.

## **CONCLUSION**

13. The Scheme has been well received by participants generally. The report also suggests that the SFS Scheme has been effective in helping the participants on the four aspects mentioned in para. 4. It is further estimated that around \$450 million of CSSA expenditure might have been saved because of the decrease in unemployment caseloads and other reasons resulting from the implementation of the Scheme.

14. Additional funding has been secured from the Finance

Committee in June 2000 to employ 103 Employment Assistance Coordinators to assist in extending the AEA programme to cover all unemployed able-bodied CSSA recipients and to offer special employment assistance to low income, unemployed and single-parent CSSA recipients. These additional assistance programmes are meant to help employable CSSA recipients and other disadvantaged groups to overcome barrier to work and become self-reliant.

15. The final evaluation report of the Scheme will cover six more months, i.e. up to November 2000, and the second phase of the longitudinal study will cover one full-year since its implementation. A more comprehensive review of the Scheme will then be provided.

### **ADVICE SOUGHT**

16. Members are invited to comment on the findings of the report and the initial results of the Scheme.

**Health and Welfare Bureau**

**December 2000**

**Mid-term 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 Background**

1.1.1 In December 1998, the Administration released the Report on Review of the Comprehensive Social Security Assistance (CSSA) Scheme. A major recommendation in the Review is the introduction of the “Support for Self-reliance (SFS)” Scheme, with the objective to encourage and assist CSSA unemployed recipients to regain employment and move towards self-reliance. The SFS Scheme together with other measures arising from the review was implemented in June 1999.

**1.2 The Evaluation**

1.2.1 The SFS Scheme (comprising Active Employment Assistance (AEA) Programme, Community Work (CW) Programme and enhanced Disregarded Earnings (DE)) is an innovative programme in the administration of social security in Hong Kong. To measure its effectiveness, a comprehensive evaluation is conducted.

1.2.2 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

1.2.3 A two-phase approach was adopted for the evaluation which started in June 1999. The first phase measures effects of the SFS Scheme after its first 12 months of operation together with a longitudinal study which measures changes in views, attitude and behaviour of CSSA unemployed recipients during the first six months of implementation of the Scheme. The second phase covers the 18-month period since implementation together with the full-year results of the Longitudinal Study.

1.2.4 The mid-term evaluation report presents the results of the first phase

evaluation which include :

- detailed studies on data series from key administrative records and newly established databases,
- analysis of survey data, and
- assessment on possible savings derived from the SFS Scheme.

### **1.3 Limitations**

1.3.1 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.

1.3.2 The effectiveness of the SFS Scheme will be better measured if a longer observation period is adopted. It is recommended that the results presented in the mid-term evaluation report should be regarded as “preliminary”. More reliable and valid conclusions can likely be drawn from the findings of the final evaluation.

## **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 12-month period since June 1999. The number of unemployment cases dropped by 23% from the peak of 32 435 in May 1999 to 24 998 in May 2000.
- Such a phenomenon had not been previously observed in the history of CSSA Scheme where continuous increases were the rules rather than the exception. We believe that the reduced caseload of CSSA due to unemployment is the combined effect of various factors (viz. SFS Scheme, various tightening measures, external economic environment, etc.).

#### **2.1.2 *New Applications and Re-applications***

- Since the introduction of CSSA Scheme in July 1993, the number



of new applications and re-applications for CSSA on the basis of unemployment increased continuously. 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.

- It appears that potential applicants now think twice before coming forward to apply for CSSA.

### **2.1.3 *Authorized Cases Closed***

- During the period from the introduction of CSSA Scheme to end of 1998/99, the number of authorized unemployment cases closed in a month remained below 1 000, with an average of 328. The monthly average for 1999/2000 increased to 1 067, representing an increase of 67.5% over 1998/99.
- 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). This may imply that unemployed recipients are 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 May 2000, there were 18 936 CSSA unemployed recipients who have ever enrolled with AEA. Among them, 11 704 remained active.

### **2.2.2 *Drop-outs of Potential AEA Participants***

- Up to May 2000, Social Security Field Units (SSFUs) have handled 25 324 enquiries about AEA from unemployed new applicants/re-applicants.
- Among those enquirers, 14 367 finally decided not to join the AEA, representing a drop-out rate of 56.7%. 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 May 2000, the number of job seekers having de-registered from AEA has accumulated to 7 232. Among them, 1 794 (24.8%) withdrew because they got gainful employment (i.e. a job

with monthly earnings of at least \$1,610). This represents 9.5% of the cumulative enrolments.

- Statistics up to May 2000 indicate that the performance of the AEA Programme has been quite stable in the first year of its implementation. After the initial period of adaptation in June and July 1999, the proportion of successful job seekers to cumulative enrolments has been increasing steadily throughout the subsequent period.
- 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. According to the records of Labour Department, the success rate (i.e. the proportion of recipients having secured employment out of the recipients registered with Labour Department) in both 1998/99 and 1999/2000 were 0.3% per month. The average success rate per month of the AEA Programme during June 1999 to May 2000 at 2.2% is 6 times higher.

## **2.3 Statistics on CW Programme**

### **2.3.1 *Participants***

- As at end May 2000, there were 2 282 target participants under the CW Programme. 1 296 (56.8%) of the target participants were actually placed in CW projects.

### **2.3.2 *De-registrations***

- There were 2 350 de-registrations from CW during the period from June 1999 to May 2000. Among them, 749 (31.9%) had failed to comply with the CW obligations or behaved unsatisfactorily.

## **3. NEWLY ESTABLISHED DATABASES**

### **3.1 Job Seekers Database**

- 3.1.1 According to information captured on 7 897 active job seekers enrolled in the AEA Programme as at end-December 1999, it is observed that typical AEA job seekers were :

- middle-aged males
- with relatively low educational attainment
- long-time residents in Hong Kong
- possessed only lower end job skills (like sam hong)
- had previously taken up lower end jobs (like labourers and construction workers)

3.1.2 Comparing 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)

In other words, 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 May 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 April 2000, four 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. During the last two weeks of the survey reference months, the CW participants were invited to complete a structured questionnaire when they finished community work.

4.2 It is observed that, over time, service and related arrangements showed improvements. The percentage of respondents not satisfied with the arrangements for CW decreased from 13% in the October 1999 round survey to 7-8% in subsequent rounds.

4.3 A considerable proportion of the respondents had positive views towards the CW Programme. In the April 2000 round survey, 56% responded that the programme was making them realize that everyone has the responsibility to serve the community and 50% found it widening their social circles. Nevertheless, there remained 26% who

opined that the programme made them lose face.

## **5. LONGITUDINAL STUDY OF CSSA UNEMPLOYED RECIPIENTS**

### **5.1 Introduction**

5.1.1 The Longitudinal 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 will be interviewed in five occasions (i.e. five waves of measurement are made) at quarterly intervals. 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.

5.1.2 A total of 2 224 CSSA unemployed recipients participated in the Wave 1 (W1) data collection which took place during July to September 1999. Upon completion of the Wave 3 (W3) Study, there remained 1 070 participants. In other words, a total of 1 154 participants left the Study. Among them, only 92 (8%) left because of refusal. The great majority (959 or 83%) left because they became inappropriate subjects of the Study. Reasons include lost contact (353 or 31%), employed (311 or 27%), change in health condition (106 or 9%), withdrawn (47 or 4%), change in family commitment (39 or 3%) and miscellaneous reasons (103 or 9%).

### **5.2 Socio-economic Profiles of W1 and W3 Participants**

5.2.1 Generally speaking, CSSA unemployed recipients :

- are mostly male (over 80%)
- are mostly middle-aged (median age : mid-40s)
- about half were born in Hong Kong and half in the Mainland
- those not born in Hong Kong are mostly long-time residents in Hong Kong (less than 10% of non-local born recipients have resided for less than 7 years)
- have relatively low educational attainment (about 60% with primary or below education)
- 60% were with work skill (mostly only lower-end skills like sam hong, cooking, driving, etc.)
- most common occupation before employment include labourer, decoration worker and construction worker
- median income before unemployment was about \$9,000
- about half applied CSSA on their own and half with family

5.2.2 Comparing the profiles of the respondents in W1 and W3, it is observed that the W3 (respondents who remain unemployed after the

first six-month study period) participants :

- are older (median age : 46 years in W3 vs 44 years in W1)
- have received less education (% with primary or below education : 63% in W3 vs 59% in W1)
- have exerted less efforts in job search (11 job searches and 3.6 interviews on average in the three months preceding W3 data collection vs 13 and 4.0 respectively for W1)

5.2.3 As success in job search is one of the major reasons for leaving the Study, the observations in the paragraph above indicates that the younger unemployed recipients with higher educational attainment should be able to regain employment more easily.

### **5.3 Views, Attitude, Behaviour and Health of W3 Participants**

Generally speaking, the W3 participants :

- seem to hold a good attitude towards the SFS Scheme, in particular the CW Programme and the provision of DE
- seem to have good job seeking support
- show positive attitude towards work
- have not shown intensive job-seeking behaviour recently
- consider living standard on CSSA as poor
- do not have high level of self-efficacy in job search
- make attribution to both internal and external factors for being unemployed
- look for jobs with good pay and stability
- find unemployment quite bothering
- behave quite positively while unemployed
- have mixed feelings on their reliance on CSSA
- object to the view that CSSA unemployed recipients do not try hard to get a job
- are disturbed by unemployment
- maintain a reasonable level of self-esteem
- believe in reward for hard work

### **5.4 Changes in Views, Attitude, Behaviour and Health of W3 Participants over Time**

5.4.1 When compared with their own responses six months ago, the W3 participants in general :

- show increased appreciation of practical assistance of AEA and acceptance of CW
- have tried a wider variety of means of job search
- have “settled down” a bit better in their unemployment
- adopt less positive coping strategy
- hold a more indifferent view towards receiving CSSA
- seem to be less disturbed by unemployment
- appear to be more optimistic
- have stronger belief in reward for hard work

5.4.2 Further analysis was done on subgroups (viz. AEA-only participants, AEA-and-CW participants and participants without programme) of W3 respondents. Significant changes observed over time for the individual sub-groups of respondents are given as follows :

- ***AEA-and-CW participants***
  - exhibit more job seeking behaviour
  - show higher job seeking intention
  - become less bothered while unemployed
  - have a less positive social image
  - make more job searches
  
- ***AEA-only participants***
  - hold a less positive view towards DE
  - have a less positive attitude towards work
  - have lowered their expectations about an “ideal job”
  - have a lower level of self esteem
  
- ***Participants without programme***
  - hold a more positive view towards AEA
  - have less job seeking support
  - become less inclined to rate living standard on CSSA as poor
  - become less bothered while unemployed
  - are less likely to report health problems

## **5.5 Difference in Changes over Time among Sub-groups of W3 Respondents**

5.5.1 Analysis of changes over the first six-month period of the Study shows that the three sub-groups (i.e. AEA-and-CW, AEA-only and without programme) of W3 respondents only differ in their extent of change in one aspect - **“job seeking intention”**. Participants of AEA-and-CW programmes showed a significant increase in their intention to look for job while the other two groups practically showed no change during the same six-month period. It seems that, with more attention given by SSFUs, the unemployed recipients who have been on CSSA for a longer duration could be motivated to plan ahead for job search.

## **5.6 Difference between Successful and Unsuccessful Job Searchers**

5.6.1 When compared with the respondents who remain unemployed after

the first six-month study period, the re-employed participants :

- are younger
- are better educated
- have been unemployed for a shorter duration
- have a more positive overall view on SFS Scheme
- have more job seeking support
- hold a better attitude towards work
- have a higher job seeking intention
- 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 optimistic

## **5.7 Preliminary Observations on Effectiveness of SFS Scheme**

5.7.1 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 are seen to have improved in their job seeking intention which should have positive impacts on the chance of success in job search among this group of participants.
- ***improving awareness of social responsibilities***
  - 67% of respondents agree/strongly agree that SFS Scheme makes them realize that people should not waste societal resources.
  - 66% 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***
  - 68% of respondents agree/strongly agree that SFS Scheme makes them understand the importance of self-reliance.
- ***understanding importance of employment***
  - 83% of respondents agree/strongly agree that having a job is very important to them.

## **5.8 Preliminary Observations on Perceived Worthiness of SFS Scheme**

5.8.1 SFS Scheme appears to be highly recognized by the CSSA

unemployed recipients. The proportion of W3 respondents considering the AEA, CW and enhanced DE components of SFS Scheme worth implementing are 65%, 65% and 79% respectively.

## **5.9 Insight for Service Planning**

- 5.9.1 As time passes, the unemployed recipients will likely become more settled with their state of unemployment. This may make it more difficult for them to regain self-reliance. Changes in employment assistance strategy may be necessary especially when dealing with the “hard-core” cases.
- 5.9.2 Characteristics of successful job searchers provide good background information for planning of re-training and further employment assistance programme.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 It is estimated that a total of **\$447 million** of CSSA expenditure could have been saved from target cases of SFS Scheme during the first year of implementation (i.e. from June 1999 to May 2000). This is made up of \$104 million from existing CSSA recipients leaving CSSA or changing to the low earnings category and \$343 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.

## **7. CONCLUSION AND INITIAL RECOMMENDATIONS**

- 7.1 Based on the analyses done in the mid-term evaluation, we can reasonably conclude that the SFS Scheme 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.
- 7.2 In consideration of the success achieved so far, we intend to strengthen our services and extend these to more customers in need of



employment assistance. The SFS Scheme will be extended progressively to cover all unemployment cases and low-income cases where able-bodied adult recipients are not working full-time. Meanwhile, with the assistance of NGOs, we are putting in place new special programmes for able-bodied CSSA recipients.

## **8. PREVIEW - FINAL EVALUATION**

- 8.1 In the mid-term evaluation, we have examined the effectiveness of the SFS Scheme in the initial period of implementation of the Scheme. As it takes time for the full effect to be felt, we shall continue performing appropriate analyses on various aspects of the Scheme and prepare the final evaluation report around the end of 2000. An additional survey will be conducted to capture information on job retention for the successful job searchers identified in the early period of implementation of the Scheme.

**24.11.00**

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