

立法會
Legislative Council

LegCo Panel on Welfare Services

Background paper prepared by Legislative Council Secretariat

Measures to alleviate poverty

Purpose

This paper gives an account of past discussions on measures to alleviate poverty held by Members since October 1997.

Chronological account of past discussions

Discussions held by the Panel on Welfare Services

Meeting of the Panel on 3 October 1997

2. The Panel discussed the issue of people living below the poverty line on 3 October 1997. To safeguard people's right to an adequate standard of living, members considered it necessary to establish a poverty line in Hong Kong. The Administration disagreed with the need for establishing an official poverty line in Hong Kong as there was no objective definition of "poverty". The Administration was of the view that a relative poverty line could not be drawn because it would vary from economy to economy and would tend to change over time in line with economic growth. The Administration also did not consider it appropriate to use median household income levels, which were constantly moving, for analysis of poverty or for drawing a poverty line. In addition, to make comparison of the same income level in two different periods, adjustment for inflation should be made.

3. The Administration further explained that if the concept of relative poverty was applied, there would always be a group of people, in any society, who earned relatively less and be regarded as poor. The Administration considered that the existing policy of providing Comprehensive Social Security Assistance (CSSA) was preferable to constructing an arbitrary poverty line. Moreover, if a poverty

line was too leniently drawn, it would only affect fair allocation of resources.

4. In the light of the Administration's response to the matter, members requested the Research and Library Services Division (R&LSD) of the Legislative Council Secretariat to conduct a research on the experience of constructing poverty line in an international context, covering international organisations and overseas communities, and also on the studies conducted in Hong Kong on poverty measurement.

5. Members may wish to refer to the Administration's paper prepared for the Panel meeting (PLC Paper No. CB(2)379(01)) and minutes of the meeting (PLC Paper No. CB(2)560) for details.

Meeting of the Panel on 24 March 1998

6. The Panel discussed the research report entitled "The measurement of poverty" prepared by R&LSD on 24 March 1998. Members may wish to refer to the report (RP 07/PLC) and the minutes of the Panel meeting (PLC Paper No. CB(2)1476) for details.

Meeting of the Panel on 13 December 1999

7. In October 1997, an inter-departmental Steering Group chaired by the Director of Social Welfare was set up to review the operation of the CSSA Scheme and to make recommendations on how those on CSSA could be encouraged and helped to rejoin the workforce. Following the publication of the review report in 1998, the Panel discussed the issues arising from the review on 13 December 1999. As there were many points of disagreement in the views between members and the Administration over the issues discussed, members agreed to set up a subcommittee to follow up the issues. Members may wish to refer to the Administration's paper prepared for the Panel meeting (LC Paper No. CB(2)579/99-00(03)) and minutes of the meeting (LC Paper No. CB(2)1762/99-00) for details.

Meetings of the "Subcommittee on the issues arising from the review of CSSA"

8. The "Subcommittee on the issues arising from the review of CSSA" held a total of five closed door meetings with the Administration to discuss the following issues -

- (a) Persons living with family members had to apply for CSSA on a household basis;
- (b) Relaxation of the eligibility criteria for disregarded earnings;
- (c) New arrivals being unable to apply for CSSA due to failure to meet the requirement of one-year residence period in Hong Kong;
- (d) Special grant for rental deposits;
- (e) Special grant for after-school-care services;
- (f) Special grants for purchase of spectacles, furniture, dentures, telephone fees, relocation fees, etc.;
- (g) Long-term Supplement;
- (h) Asset test - ownership of properties on the Mainland;
- (i) The Support for Self-reliance (SFS) Scheme;
- (j) The need to improve clarity of the guidelines issued to the frontline staff on discretionary powers;
- (k) Effect of the tightening measures on recipients who were chronically ill; and
- (l) Special grants to meet schooling expenses (e.g. expenses on textbooks, stationery and fees for reserving school places).

9. Members were particularly concerned about the requirement that persons living with families had to apply for CSSA on a household basis. They were worried that the policy would make it necessary for more and more elderly CSSA recipients to move out in order to retain their eligibility and avoid being a burden to their children. They urged the Administration to allow flexibility in respect of elderly recipients taking into account the fact there was no old age pension scheme in Hong Kong.

10. The Administration was, however, of the view that members of the same family should support their family members who had no financial means. Where the total income of a family was assessed to be insufficient to meet its total recognised needs, financial needs would be provided to bridge the gap. The Administration considered that the system was fair and equitable. If it was found

that there was a poor relationship between the elderly person and his/her family members, special consideration could be given on an individual basis and discretion could be exercised by the Social Welfare Department to exempt individual applicants from the requirement where necessary.

Meeting of the Panel on 12 June 2000

11. The Panel discussed the report of the "Subcommittee on the issues arising from the review of CSSA "(LC Paper No. CB(2)2256/99-00(07)) on 12 June 2000. Members may wish to refer to the Administration's paper prepared for the Panel meeting (LC Paper No. CB(2)2256/99-00(12)) and minutes of the meeting (LC Paper No. CB(2)2524/99-00) for details.

Meetings of the Panel on 12 May 2000 and 11 December 2000

12. The Panel discussed the Administration's "promoting self-reliance strategy" which aimed at helping the unemployed CSSA recipients to re-enter the labour market and arousing their initiatives to work on 12 May 2000. Findings of the mid-term evaluation report of the SFS Scheme were discussed by members at the Panel meeting on 11 December 2000.

13. Members may wish to refer to the Administration's paper prepared for the Panel meeting on 12 May 2000 (LC Paper No. CB(2)1943/99-00(03)), minutes of Panel meeting on 12 May 2000 (LC Paper No. CB(2)2255/99-00), Administration's paper prepared for the Panel meeting on 11 December 2000 (LC Paper No. CB(2)413/00-01(05)) and minutes of the meeting on 11 December 2000 (LC Paper No. CB(2)576/00-01) for details.

Meeting of the Panel on 13 October 2000

14. The Panel discussed the measures to help the poor and the needy as proposed in the Chief Executive's 2000 Policy Address on 13 October 2000. For details of the discussions, members may wish to refer to minutes of the meeting (LC Paper No. CB(2)225/00-01).

Joint meeting with the Panel on Manpower on 27 February 2001

15. The Panel on Welfare Services and the Panel on Manpower held a joint meeting on 27 February 2001 to discuss the various initiatives introduced by the

Administration to help the unemployed find employment. Members may wish to refer to the Administration's paper prepared for the joint meeting (LC Paper No. CB(2)950/00-01(01)) and minutes of the joint meeting (LC Paper No. CB(2)1271/00-01) for details.

Meeting of the Panel on 9 July 2001

16. The Panel discussed the issue of financial support for older persons on 9 July 2001. Most members were in favour of an increase in the Old Age Allowance, but had reservations about putting in place complicated means testing of applicants. A member was of the view that re-consideration should be given to the introduction of an old age pension scheme whereby all elders regardless of their means would receive a basic amount. Members may wish to refer to the Administration's paper prepared for the Panel meeting (LC Paper No. CB(2)2022/00-01(03)) and minutes of the meeting (LC Paper No. CB(2)2154/00-01) for details.

Council questions and motion debates held at Council meetings

17. Members may wish to note that questions relating to the subject matter of measures to alleviate poverty have been raised by Members at Council meetings. Details are as follows -

| <u>Date of meeting</u> | <u>Raised by</u> | <u>Main points of question</u> |
|------------------------|------------------|--|
| 17 January 2001 | Hon Albert CHAN | What measures, apart from CSSA, have been put in place to assist people with financial problems. |
| 13 June 2001 | Hon Michael MAK | Whether consideration could be given to the setting up of an inter-departmental unit or anti-poverty unit to address the problem of poverty and to establish a poverty line Hong Kong. |
| 27 June 2001 | Hon Ambrose LAU | Whether the existing policies on education, welfare, culture and recreation and other relevant areas have specifically catered for the needs of impoverished children by |

| | | |
|--|--|--|
| | | providing them with additional support; and whether long-term strategies have been formulated for enhancing the support for impoverished children. |
|--|--|--|

18. A number of motion debates without legislative effect relating to measures to alleviate poverty were also held at Council meetings. Details are as follows -

| <u>Date of meeting</u> | <u>Subject</u> | <u>Motion moved by</u> |
|------------------------|---|--|
| 8 July 1998 | Alleviating the hardship of people's livelihood | Hon CHAN Kam-lam |
| | | Amendment to the motion moved by Hon Mrs Selina CHOW |
| 8 July 1998 | Unemployment | Hon LEUNG Yiu-chung |
| 13 January 1999 | Review of CSSA | Dr Hon YEUNG Sum |
| | | Amendment to the motion moved by Hon CHAN Kam-lam |
| 1 March 2000 | Alleviating the disparity between the rich and the poor | Hon CHAN Wing-chan |
| | | Amendment to the motion moved by Hon LAW Chi-kwong |
| 17 May 2000 | Minimum wage | Hon LEE Cheuk-yan |
| 18 October 2000 | Impoverishment of marginal workers | Hon CHAN Yuen-han |
| 18 October 2000 | Creating employment opportunities | Hon Fred LI |
| 8 November 2000 | Enhancing welfare for the elderly | Hon YEUNG Yiu-chung |

Relevant Papers

19. With the exception of the Administration's paper prepared for the Panel meeting on 3 October 1997 (PLC Paper No. CB(2)379(01) - paragraph 5 above refers) and the research report entitled "The measurement of poverty" (RP 07/PLC - paragraph 6 above refers) which are only available on the Research and Library Information System (RLIS), the remaining papers referred to in paragraphs 5 to 7, 11 and 13 to 16 above are available both on RLIS and the web site of the Legislative Council (<http://www.legco.gov.hk>).

Council Business Division 2
Legislative Council Secretariat
9 November 2001