

THE HONG KONG COUNCIL OF SOCIAL SERVICE

Help the Community Chest to Help People in Need

1. Mismatch between economic cycle and social welfare needs

At a time when there is economic downturn, resources for social welfare will most likely drop while the need for social welfare services will ever increase. The case in point is the Community Chest. Fund-raising efforts cannot meet the fund-raising target of the Chest, hence creating a shortfall in meeting the needs of its Member Agencies (MAs) who in turn will not be able to meet the needs of all their clients. When the economy is booming, more funds are likely to be raised for social welfare and more needs will be met. The mismatch between resources during economic downturn and increasing needs is particularly acute in the case of the Chest. Effective measures must be taken to overcome the current difficulties and Government has a definite role to play.

2. Special nature of Chest membership

2.1 By joining the Chest, MAs must give up their right to do public fund-raising, except in one or two cases and except for agencies' special events having Chest's permission. Most of the agencies now lack the manpower, know-how, experience, connection and other resources in raising funds themselves.

2.2 Going back to history, it was an NGO initiative in the 1960's to set up the Chest (In 1965, the Council set up a Commission of Inquiry to study the feasibility of a Community Chest for combined fund-raising purpose. In 1967, an independent Planning Committee for the Community Chest was set up). Having entrusted the Chest to raise funds collectively for them, MAs could concentrate on providing services to clients and carrying out activities and programmes to fulfil their mission and vision.

2.3 MAs use the Chest allocations in a great variety of ways, e.g. improving quality of service, in provision of services to meet gaps, in experimenting on new ways of doing things and pioneering new services. These efforts are important to nurture the spirit of the voluntary agencies in better serving people with changing needs.

2.4 Chest allocations can only be used for recurrent expenses (Not for capital expenses) The 20% cut in Chest allocations forecasted for 1999/2000 is very drastic when compared to the Government's 5% reduction in the Enhanced Productivity Programme to be achieved in a 3-year period. Worst still, many agencies will be hit by both Chest and Government's cuts mentioned above. It will definitely affect

service delivery of agencies, either in terms of quality or quantity, or both.

3. The Way Forward

3.1 Existing services must not be affected by the economic cycles, at least the effect should be minimized. Injection of more resources for social welfare should be done during economic downturn to help the vulnerable groups who will be hard hit.

3.2 Immediate measures must be taken to augment Chest funds so that there need not be a 20% cut. Suggestions are as follows:

(a) Government to deploy funds from the central government, departmental, trust funds, foundations etc. to meet the Chest's shortfall for 3 years. Currently, the Chest is supporting some services which should rightly be the responsibility of the Government.

- A stark example is the subvention for Social Centre for the Elderly and Multi-Service Centre for the elderly which the Government has long agreed to give 100% support instead of the current 80%. It is a mockery of the Government to delay this further in this International Year of Older Persons.
- Another example is Central Administration support which is still catching up with the shortfall in subvention provisions dating back to 1994.

(b) The Jockey Club to provide special grants to the Chest

(c) The Chest MAs to undertake an enhanced productivity exercise within 3 years.

3.3 The above measures will allow a 3-year period for the Chest and its MAs to do a major review of its role and functions, fund-raising strategies, as well as allocation principles. During that period, the Chest can also explore and implement effective fund-raising efforts, including the search for new sources of income from new opportunities in the government, private sector and the community. Indeed, long-term solutions should be put in place for the Chest within the 3-year period.

3.4 We look to the members of the Panel on Welfare Services to help the Chest, its MAs and clients to extricate themselves from the current difficulties.

HKCSS

March 1, 1999