



Research Office
Legislative Council Secretariat

Fact Sheet

Poverty of ethnic minorities in Hong Kong

FS08/16-17

1. Introduction

1.1 In spite of public concerns over the livelihood of ethnic minorities ("EMs") in Hong Kong in recent years, there are very limited statistics showing the socio-economic characteristics of EMs. As EMs account for just about 4% of local population after excluding foreign domestic helpers ("FDHs"), the sample size of the quarterly General Household Survey conducted by the Census and Statistics Department ("C&SD") is too small for compilation of dedicated statistics on EMs.¹ At present, the livelihood of EMs can only be gauged from two major data sources, namely Population Census/By-census which was most recently conducted in 2016 and a special survey on "Households with School Children of South Asian Ethnicities" conducted by C&SD in 2014.²

1.2 The Subcommittee on Rights of Ethnic Minorities formed under the House Committee is scheduled to discuss the subject of poverty problem of EMs at its meeting on 12 June 2017. The Research Office is thus requested to provide a quick study on the poverty situation of EM families in Hong Kong. Based on limited information available and in very broad terms, this fact sheet has summarized (a) the profile of EM population in Hong Kong in 2016; (b) the number of EMs falling below the official poverty line and their major socio-economic characteristics in 2011; (c) the specific poverty problem faced by South Asian families in 2014; and (d) major views and concerns expressed by Members in the past deliberations.

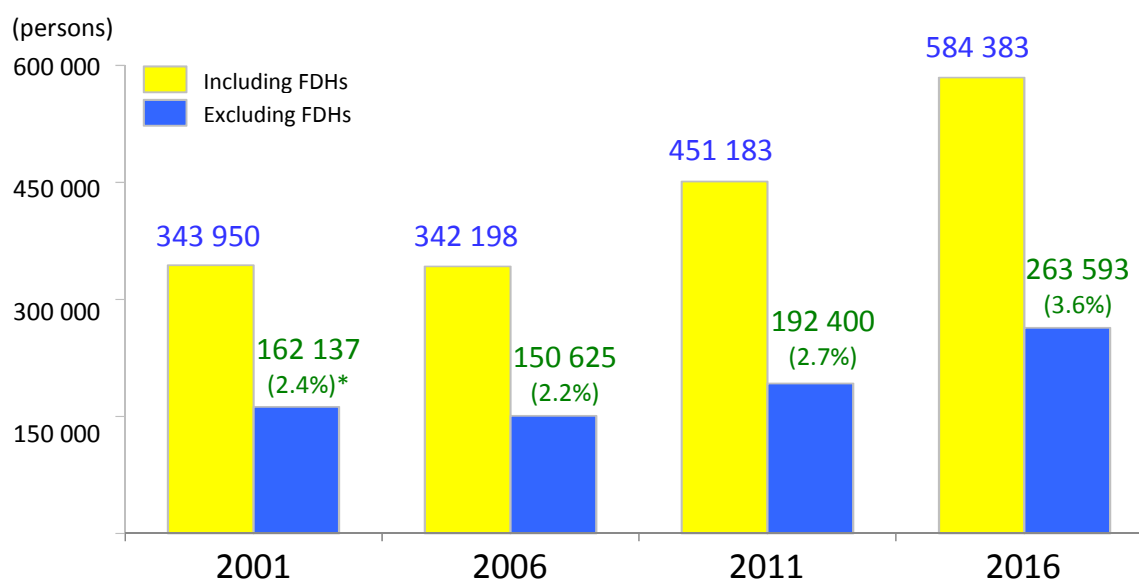
¹ See Commission on Poverty (2015).

² In December 2012, C&SD released a thematic report on EMs after the Population Census 2011. While C&SD has already completed the 2016 Population By-census, it is expected that similar thematic report on EMs will be available in the second half of 2017 at the earliest. As to the dedicated survey on South Asian families with children, it was conducted by C&SD between May 2014 and June 2015, with samples selection based on student information collated by the Education Bureau.

2. Profile of ethnic minorities in Hong Kong in 2001-2016

2.1 According to the 2016 Population By-census, EMs including FDHs in Hong Kong has grown at an annual average rate of 3.6% over the past 15 years to reach 580 000 in 2016, almost five times faster than the respective growth in the overall population. Excluding FDHs, EMs increased at a similar fast pace of 3.3% per annum on average over the same period, to a total of 264 000 in 2016. The relative proportion of EMs in local population thus increased from 2.4% in 2001 to 3.6% in 2016 (**Figure 1**).³

Figure 1 – Population of ethnic minorities, 2001-2016



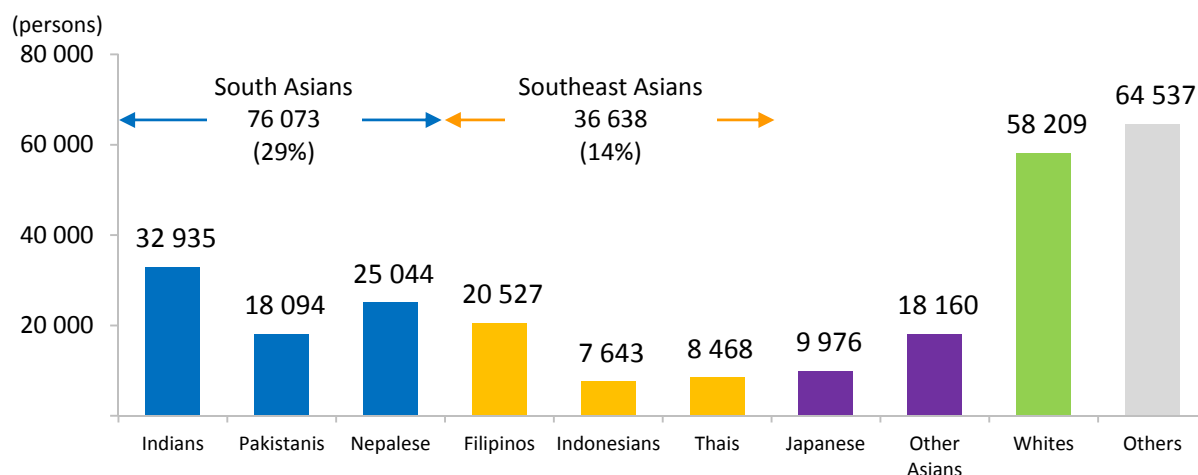
Note: (*) Figures in brackets represent the percentages of EMs to the whole population.

Source: C&SD.

2.2 The ethnic composition of the EM population generally held stable over the past 15 years. In 2016, **South Asians** (comprising Indians, Pakistanis and Nepalese) was the largest group of EMs in Hong Kong, with some 76 000 persons and taking up 29% of EM population. **Whites** took the second position, with some 58 000 persons and a share of 22%. **Southeast Asians** (comprising Filipinos, Indonesians and Thais) took the third position, with some 37 000 persons and a share of 14% (**Figure 2**).

³ FDHs are required to return to their countries of origin upon expiry of employment contract, without the right of abode in Hong Kong. By its nature, FDHs are different from other EMs, and hence, they are excluded from the statistics and discussion of poverty of EMs in the coming sections.

Figure 2 – Population structure by major ethnic group in 2016



Source: C&SD.

2.3 Based on the results of the 2011 Population Census⁴, EMs displayed certain socio-economic characteristics which are considered to have implications for their economic situation. Analyzed by **age**, EMs were relatively young, with a median age of 34.5, compared with 41.9 for the overall population. In particular, the median age of South Asians was even younger, at 30.9. Analyzed by **marital status**, EMs are more likely to get married early, with 64.2% of those aged 25-34 being married. The respective proportion of South Asian was even higher at 81.9%. This was more than doubled the respective proportion of all residents in Hong Kong. Analyzed by **household size**, South Asians tend to have more children and higher dependency ratio, probably due to early marriage and other cultural reasons. For instance, the average household size was 3.3 for South Asian families, compared with 2.7 for EM households and 2.8 for all households in Hong Kong. As such, the breadwinners of South Asian families generally face a greater burden in raising their children (**Table 1**).

⁴ As at the publication date of this fact sheet, the thematic report on ethnic minorities compiled from the data of the 2016 Population By-census had not yet been publicly available. Therefore, the statistics in 2011 was used to depict the profile of ethnic minorities.

Table 1 – Summary of characteristics of EMs in 2011

		All South Asians	All EMs	Whole population
Demographic characteristics				
Place of birth	Hong Kong	33.1%	30.8%	63.2%
	Outside Hong Kong	66.9%	69.2%	36.8%
Median age (years)		30.9	34.5	41.9
Duration of residence	Less than 7 years	31.2%	33.4%	4.5%
	7 years or above	68.8%	66.6%	95.5%
Marital status	Married	79.2%	71.0%	60.9%
	Proportion of married persons aged 25-34	81.9%	64.2%	38.3%
Educational attainment	Secondary or below	61.1%	44.6%	67.2%
	Post-secondary	38.9%	55.4%	32.8%
School attendance rate (among aged 19-24)		26.4%	31.4%	44.4%
Employment status and income				
Labour force participation rate		62.7%	65.9%	59.0%
Occupation	Managers and professionals ⁽¹⁾	41.7%	60.3%	38.7%
	Clerical support	16.4%	13.3%	17.6%
	Service and sales	9.6%	8.6%	16.9%
	Elementary occupations ⁽¹⁾	32.3%	17.8%	26.9%
Median monthly personal earnings ⁽²⁾		HK\$12,500	HK\$20,000	HK\$12,000
Median monthly household income		HK\$23,300	HK\$35,000	HK\$20,200
Household characteristics				
Households	with children	53.2%	38.1%	31.8%
	without children	46.8%	61.9%	68.2%
	Average size	3.3 persons	2.7 persons	2.8 persons
Number of working members		1.6 persons	1.5 persons	1.7 persons
Housing	Private – owner-occupier	14.7%	21.0%	36.2%
	Private – rental	57.2%	49.7%	13.1%
	Public rental	19.6%	14.4%	30.5%

Notes: (1) A large proportion of Whites (86.7%), Japanese and Koreans (83.1%), and Indians (70.3%) worked as managers, administrators, professionals or associate professions. By comparison, many Pakistanis (56.4%) and Nepalese (52.9%) engaged in elementary occupations.

(2) Whites, Japanese and Koreans, and Indians had higher median monthly personal earnings, amounting to HK\$46,000, HK\$36,300 and HK\$22,500 respectively. By comparison, the median monthly personal earnings among Pakistanis and Nepalese were lower, at HK\$10,000 respectively.

Source: C&SD.

2.4 Analyzed by **educational attainment**, South Asian youngsters aged 19-24 registered a school attendance rate of 26.4% in 2011, much lower than the respective rate of 44.4% in Hong Kong. It is noted that 38.9% of South Asian had attained post-secondary education, higher than 32.8% in Hong Kong. Nevertheless, higher educational attainment of South Asians was entirely attributable to Indians, as 63.4% of whom had received post-secondary education, contrasted against 18.2% for Pakistanis and 17.3% for Nepalese. Analyzed by **status of economic activity**, 62.7% of South Asian participated in the labour market, higher than 59.0% in overall population. However, a larger proportion of South Asians ended up in **lower-skill occupations**, as manifested in 32.3% of South Asians working in elementary occupations in 2011, compared with 26.9% in overall population. As to **median monthly employment earnings**, it was HK\$12,500 for South Asians in 2011, compared with HK\$12,000 for all workforce in Hong Kong.

3. Overall poverty situation of ethnic minorities in 2011

3.1 According to the Commission on Poverty, the official poverty line is stipulated at "50% of median monthly household income". Taking a three-member household as an example, the poverty line was HK\$10,500 in 2011 and HK\$13,000 in 2014 (**Table 2**). For Hong Kong as a whole, some 1 295 000 persons in 530 300 households fell below the poverty line before policy intervention in 2011, with a poverty rate of 19.6%. After transfer of tax and social benefits (i.e. post-intervention), the corresponding figures were 1 005 400 persons, 398 800 households and 15.2%.

Table 2 – Overall poverty rate and poverty lines by household size in Hong Kong in selected years

	2011	2014	2015
Monthly household income by household size			
1-person	HK\$3,400	HK\$3,500	HK\$3,800
2-persons	HK\$7,500	HK\$8,500	HK\$8,800
3-persons	HK\$10,500	HK\$13,000	HK\$14,000
4-persons	HK\$13,000	HK\$16,400	HK\$17,600
5-persons	HK\$13,500	HK\$17,000	HK\$18,200
6-persons-and above	HK\$14,500	HK\$18,800	HK\$19,500
Poverty rate (%)			
Pre-intervention	19.6%	19.6%	19.7%
Post-intervention	15.2%	14.3%	14.3%

Source: C&SD.

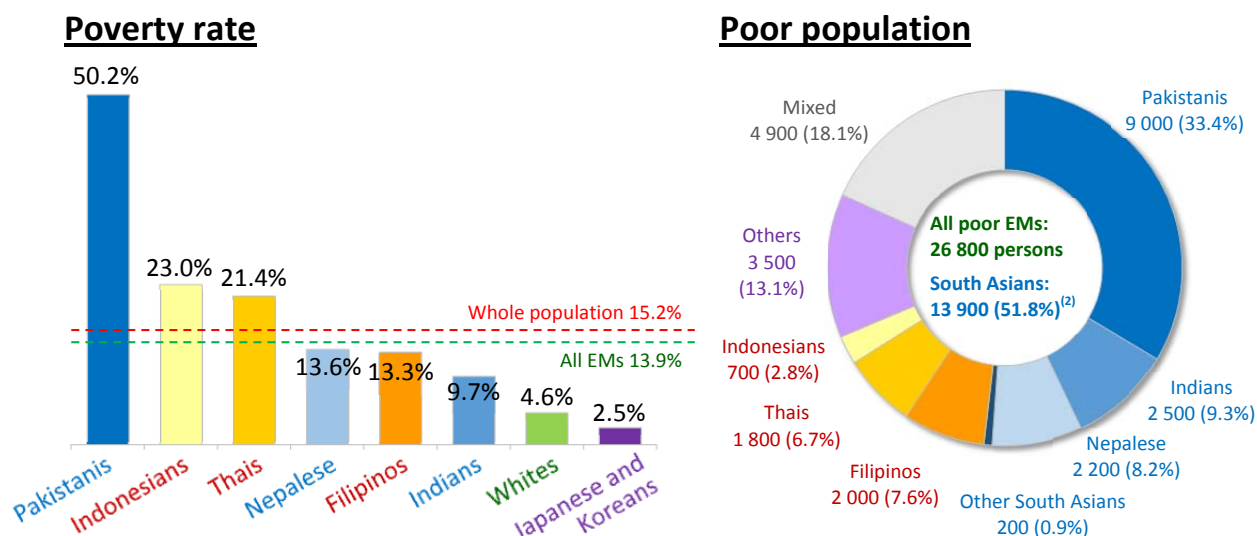
3.2 Applying the same poverty line to the data on EMs obtained from the 2011 Population Census, it is estimated that there were 30 400 poor persons in 11 200 EM households before policy intervention in 2011, with a poverty rate before intervention of 15.8%. While this poverty rate was lower than that of at 19.6% of whole population, this was partly due to inclusion of Whites and better-off Asians such as Japanese and Koreans into the EMs.

3.3 Taking into account policy intervention in terms of recurrent cash assistance such as Comprehensive Social Security Assistance ("CSSA"), Old Age Allowance ("OAA") and Disability Allowance ("DA"), it was estimated that the number of poor EM households would be reduced by 13% to 9 800, and the poor EM population by 12% to 26 800 in 2011.⁵ The poverty rate of EMs would also be reduced from 15.8% to 13.9% accordingly.

3.4 Analyzed by ethnicity group, South Asians accounted for half of poor population amongst EMs, with its post-intervention poverty rate standing at 22.6% in 2011. To a certain extent, this poverty risk could be attributable to higher children dependency ratio of South Asian families. For instance, it is noted that the poverty rate of South Asian families with children was 29.0%, tripled those without children (9.5%). In particular, Pakistanis registered the highest poverty rate of 50.2%, followed by Indonesians (23.0%), Thais (21.4%), Nepalese (13.6%), Filipinos (13.3%) and Indians (9.7%) (**Figure 3**).

⁵ As the assessment excluded education cash allowance and other social benefits in cash, the Government stated that the assessment would over-estimate the poverty rate of EM population after policy intervention.

Figure 3 – Poverty rate and poor population by ethnic group in 2011 after policy intervention⁽¹⁾



Notes: (1) The policy intervention covered only major recurrent cash social security payments including CSSA, OAA and DA but not education cash allowance and other social benefits in cash.

(2) Figures in brackets represent the percentage share to the population of all poor EMs.

Source: C&SD.

4. Poverty situation of South Asian families with children in 2014

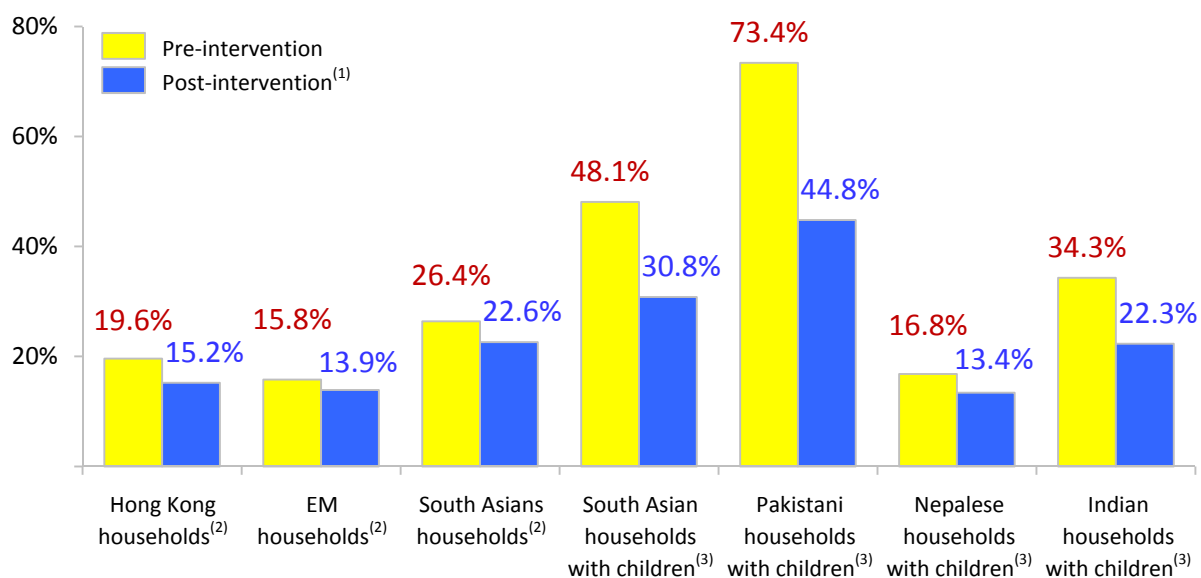
4.1 In view of the higher poverty risk faced by South Asian families with children, the Government conducted a dedicated survey on poverty situation of these households during 2014-2015.⁶ For the reference year of 2014, about half of the population who lived in South Asian households with children were Pakistanis (47.2%), followed by Nepalese (29.2%) and Indians (20.9%).

4.2 Before policy intervention, it was estimated that some 11 600 poor South Asians lived in 2 200 poor households with children in 2014, with a high poverty rate of 48.1%. Taking into account recurrent cash assistance, the respective number of poor South Asians was reduced by 36% to 7 400, and the number of poor South Asian households by 32% to 1 500. While the

⁶ Respondents of the survey were sampled according to the information provided by the Education Bureau on South Asian school children attending publicly funded primary and secondary schools, including those under Direct Subsidy Scheme ("DSS"). As the survey did not cover the households without school children or with school children but none of them attended public or DSS schools (i.e. they might attend private schools, international schools, or studying overseas), the coverage of South Asian households was not very comprehensive. That said, the target respondents of the survey were still collectively referred to as South Asian households with children for simplicity of reporting the survey findings.

post-intervention poverty rate of South Asian families with children was lowered to 30.8%, it still doubled that of 15.2% for overall households in Hong Kong (**Figure 4**).

Figure 4 – Poverty rate of selected household groups



Notes: (1) The policy intervention covered only major recurrent cash social security payments including CSSA, OAA and DA but not education cash allowance and other social benefits in cash.

(2) 2011 figures.

(3) 2014 figures.

Source: C&SD.

4.3 Analysed by ethnic group, the following distinctive attributes of poor South Asians households with children are summarized below (**Table 3**):

- (a) **Poor Pakistani families with children:** Over 80% of these families had five members or above, with an average household size of 5.6 persons. Although two-thirds of these families resided in public rental housing, they usually had only one breadwinner (1.0) in the family, due to an extremely low labour force participation rate of female Pakistani (4%). Coupled with low educational attainment of the working members (35.5% just attained primary education or below) and high proportion of them (68.5%) engaging in elementary occupations, median monthly household income of these families was only HK\$8,000 in 2014.

- (b) **Poor Indian families with children:** Over 80% of these Indian families had at least four members, with an average household size of 4.4. Similar to their Pakistani counterparts, two-thirds of Indian poor families with children live in public rental housing. The average number of working members per family was higher (1.2), along with higher labour force participation rate of female Indian (19.6%). Due to relatively better education background, some of the working Indians from these poor families worked in occupations requiring slightly more skill level such as clerical support (11.3%) and service and sales workers. As such, they had slightly higher median monthly household income of HK\$10,000 in 2014.
- (c) **Poor Nepalese families with children:** Half of these Nepalese families (50.2%) were four-person households, with an average household size of 4.0 persons. Unlike Indians and Pakistanis, housing was the key challenge faced by these poor Nepalese families, as two-thirds (69.9%) of them were tenants of private housing. With an average of just 1.1 working member per household and a median monthly household income of only HK\$11,000, these Nepalese needed to devote quite a significant proportion of their monthly income for rental payment.

Table 3 – Characteristics of poor South Asians from families with children before policy intervention in 2014

		South Asians	Pakistanis	Indians	Nepalese
Housing	Public rental	60.9%	67.7%	69.8%	22.5%
	Private rental	34.5%	29.2%	22.8%	69.9%
Average household size		5.1 persons	5.6 persons	4.4 persons	4.0 persons
Average number of working members		1.1 persons	1.0 persons	1.2 persons	1.1 persons
Labour force participation rate	Overall	31.4%	29.0%	35.2%	38.3%
	<i>Male</i>	53.0%	53.7%	52.2%	47.9%
	<i>Female</i>	10.9%	4.0%	19.6%	30.9%
Median monthly household income		HK\$9,000	HK\$8,000	HK\$10,000	HK\$11,000

Source: C&SD.

5. Major views and concerns of Members in the past deliberations

5.1 Over the past decade or so, Members have persistently raised their concerns over the economic challenges faced by EMs in Hong Kong. For instance, in the Report on Working Poverty completed in 2006, it was felt that EMs did not have "equal opportunities in finding employment and many of them are unable to find decent jobs to earn sufficient income to support their families".⁷ More recently, the subject of "poverty situation of EMs" was discussed at least on two occasions at the Subcommittee on Poverty during 2015-2016, on top of other socio-economic issues faced by EMs discussed at the Legislative Council from time to time.⁸

5.2 In a nutshell, Members' concerns primarily focused on the underlying factors leading to the poverty problems faced by the EM households, such as employment difficulties, language and education barriers, insufficient support services. Some of the salient concerns are briefly summarized below:

- (a) **Challenges in employment:** *First*, some Members felt that various employment services offered by the Labour Department could not effectively assist EMs to secure jobs on a sustainable basis, as manifested in the low success rate of job matching for EMs.⁹ *Secondly*, the Chinese language requirement in the recruitment of civil servants was considered to be a hurdle for EMs. *Thirdly*, it was felt that EMs generally encountered the problem of unequal pay for equal work in the workplace, as the alleged race discrimination in pay in Hong Kong had resulted in working poverty amongst EMs.¹⁰

⁷ See Legislative Council Secretariat (2006).

⁸ "Poverty problems of ethnic minorities" was discussed at the meeting of the Subcommittee on 17 November 2015, followed by a discussion on "Hong Kong Poverty Situation Report on Ethnic Minorities 2014" on 15 March 2016.

⁹ There have been at least three written questions on employment support services for EMs raised at the Council meetings since November 2005, with the most recent one raised on 22 February 2017. Moreover, employment difficulties of EMs were recently discussed at the meeting of the Panel on Manpower held on 15 March 2016.

¹⁰ For more detailed discussion of Members' concerns, see the background brief on "Employment difficulties encountered by ethnic minorities and related support services" prepared by the Legislative Council Secretariat in January 2017. See Legislative Council Secretariat (2017).

- (b) **Education and language barriers:** Some Members felt that the Government should take measures to promote "upward social mobility of EMs", by improving the proficiency of their Chinese language and facilitating them to pursue tertiary education. To address the issue of low attainment of the EM students in Chinese language examination, it was suggested that alternative admission criteria, in particular the Chinese proficiency requirement, be applied for non-Chinese speaking students to enrol on local education institutions.¹¹
- (c) **Challenges in welfare support:** *First*, Members were concerned about the low take-up rate of EMs in those assistance programmes offered under the Community Care Fund ("CCF"), such as the subsidies for non-school attending EMs to take language courses and sit examinations, probably due to lack of publicity.¹² *Secondly*, some needy students of EM families could not benefit from the "Subsidy to meet lunch expenses at whole-day primary schools for students from low-income families" offered by CCF, as the schools failed to provide food in line with their religious requirements. *Thirdly*, there were concerns over whether extensive publicity on new initiatives of social security schemes (e.g. Work Incentive Transport Scheme and Low-income Working Family Allowance Scheme) had been conducted for EM families to facilitate their application.

6. Concluding remarks

6.1 By and large, three ethnic groups from South Asia (i.e. Pakistani, Indian and Nepalese) are more susceptible to poverty risks in Hong Kong, partly due to fewer working members and more dependent children in the households. Their educational attainment and engagement in lower-skill jobs also affected their monthly household income.

¹¹ There have been at least 39 occasions where Members raised their concerns on education issues faced by EMs since June 2004, with the most recent written question raised on 29 March 2017.

¹² See Minutes of meeting of the Subcommittee on Poverty (2014) and Minutes of meeting of the Subcommittee on Poverty (2015a).

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