

**Legislative Council Subcommittee  
to Study the Subject of Combating Poverty**

**Support to Children and Family**

Enclosed please find two papers submitted to the Commission on Poverty (CoP) relevant to the agenda item on “Support to Children and Family”.

**CoP Paper 5/2007 - Strengthening Support to Children and Families – An Update**

2. The paper updates Members on the various initiatives to strengthen our support to children and their families, including subsidising and upgrading the quality of early childhood education, implementing the Comprehensive Child Development Service (CCDS), strengthening quality parent education, providing children with quality education and developmental opportunities, implementing the School-based After-school Learning and Support Programmes, and assisting unemployed youth. Members are invited to note the initiatives in strengthening support to children and their families at different stages of a child’s development. The CoP did not manage to cover this paper at its meeting on 8 January 2007, and will discuss the subject at its next meeting.

**CoP Paper 20/2006 - Promoting Child Development – Way Forward**

3. At the CoP meeting held on 20 November 2006, Members were in general supportive of the initiative to explore the asset-building approach as a way to help promote child development and to tackle intergenerational poverty, and that this should be viewed as an additional measure on top of the existing services for children and youth. There were divergent views on the different models, in particular on the policy objectives concerning the long-term savings model. The Task Force will gather more community views and consider the most suitable approach that would best suit the local needs. In the meantime, the Government would consider supporting some pilots in the short-term.

Secretariat to the Commission on Poverty  
Financial Secretary’s Office  
12 January 2007

## **Commission on Poverty**

### **Strengthening Support to Children and Families – An Update**

#### **PURPOSE**

The paper updates Members on the initiatives to strengthen our support to children and their families.

#### **BACKGROUND**

2. Since its establishment in May 2005, the Task Force on Children and Youth (“the Task Force”) has examined the existing policies and measures in relation to children and youth development, particularly those targeting at children from a disadvantaged background. Members noted that the Government has in place a wide range of universal health, education and other support services to children and their families. Children from needy families also receive additional support so that their family background would not prevent them from accessing to various developmental opportunities.

3. In terms of financial resources, the Government invests around 30% of the Government’s operating expenditure on services and programmes for children and youth, with a quarter targeted specifically at disadvantaged children and youth. Since 2005/06, the government has invested some additional \$200 million for strengthening child and family services.

#### **TACKLING INTERGENERATIONAL POVERTY**

4. Against the background, Members considered that the following directions are important to improve the existing policies and measures: -

- (a) More emphasis should be placed on a *preventive approach*, through strengthened services for early childhood as well as screening mechanisms to identify high-risk children and families for early intervention.

- (b) Children from disadvantaged background may have relatively less *developmental opportunities*, and more targeted efforts should be made inside and outside schools to facilitate their development and growth, bearing in mind the need to avoid negative labeling.
- (c) Our policies in assisting children and youth should have a clear *family perspective*. Some families have fewer resources to deploy and networks to depend on in taking care of their children, and need special attention and support.
- (d) There is room for *better coordination and collaboration* across the health, education and social service sectors in order to provide more holistic support to children and parents, especially to those from a disadvantaged background at different stages of development.

## 0 - 5 YEARS

5. Prevention is better than cure. To tackle intergenerational poverty, it is important to cater for the developmental needs of children at an early stage. As announced in the Policy Address, the Government will invest additional resources to subsidise and upgrade the quality of *early childhood education*.

6. In order to identify and meet the varied needs of pre-primary children and their families, the Government introduced the pilot *Comprehensive Child Development Service (CCDS)* in 2005. The programme aims to identify children and families at risk, including children with physical, developmental and behavioral problems. A formal referral system was established between Maternal and Child Health Centers, public hospitals, Integrated Family Services Centers and pre-primary institutions at the pilot districts to provide the necessary interventions. The programme has received positive feedback from the community so far. A full review of the pilot programme will be completed in January 2007 and the Task Force would be briefed on the outcome. Pending the outcome of the full review, the Government will consider extending the programme to other communities in Hong Kong in phases.

7. *Parent education* is considered to be one of the ways to assist parents to take better care of their children. In order to have more understanding of the needs of poor and needy families in this regard and to facilitate better policy formulation, a Consultancy Study on the Promotion of Parent Education for Economically

Disadvantaged and Hard-to-reach Families in Hong Kong has been conducted to identify the special needs of disadvantaged parents and make recommendations on how to strengthen parenting support to them. The preliminary findings suggest that a “family policy” should be adopted to guide the long-term development of strategies for strengthening families. The Study Report would be completed in January 2007 and would be presented to the Task Force.

8. Parent education should not be limited to the teaching of skills and values, but the whole-person development of parents which are important to the effective performance of their parenting role. In this regard, the Women’s Commission (WoC) has promoted the *Capacity Building Mileage Programme* (CBMP) which encourages continued learning of women, helps broaden their perspectives and equips them with a positive mindset which in turn has a positive impact on their children and family members. The WoC plans to expand the CBMP and helps more women enhance their capacity, including strengthening quality parent education programme.

## **6 - 14 YEARS**

9. The Government aims to provide children with quality education and developmental opportunities during their growth years so that they can be prepared for their future. All children enjoy 9 years of basic universal education. Children from needy families can apply for financial assistance to meet their schooling expenses in the form of fee remission, textbook allowance and travel subsidies. Small class teaching has also been introduced in primary schools with a high concentration of students from disadvantaged families since September 2005.

10. The Government has also committed a lot of resources to providing different kinds of developmental programmes for children and youth inside and outside schools. A recurrent \$75 million has been allocated from 2005 – 06 to implement the *School-based After-school Learning and Support Programmes* to enable schools and non-governmental organisations (NGOs) to organise after school developmental activities for the disadvantaged students. The Task Force has been briefed on the progress of the Programmes and the adjustment made for 2006 – 07.

## **15 - 24 YEARS**

11. The Government has in place different programmes to facilitate youths who no longer continue with mainstream education to pursue a career. Particular attention is

given to *youths not in education, employment and training*. The Labour Department will continue to strengthen the Youth Pre-employment Training Programme (YPTP) and Youth Work Experience and Training Scheme (YWETS). Two new youth resources centers will be established to provide a “one-stop” integrated employment service including career counseling, training and self-employment support to young people from 15 to 29 years old. The trial Transport Support Scheme to be launched in 2006/07 will also provide transport subsidies to encourage youth to participate in YPTP and YWETS. The Youth Sustainable Development and Engagement Fund has also been financing training, placement and employment projects targeted at the youths not in education, employment and training.

12. The Task Force has also recommended launching more targeted and intensive assistance to unemployed youths who have been on Comprehensive Social Security Assistance (CSSA) for a long time. The pilot “*My STEP*” project has been launched since October 2006, and a study on the profile of the participants is being conducted on the reasons of the prolonged stay on CSSA. The Task Force will be updated on progress at its next meeting.

## **CHILD DEVELOPMENT FUND**

13. It is noted that there are different funding schemes<sup>1</sup> which can be tapped by NGOs and voluntary organisations to organise developmental programmes for children and youth. Nevertheless, the Task Force has also looked into the overseas experience in promoting child development, particularly the child development fund model which focused on the long-term personal development of children. At the CoP meeting held on 20 November 2006, Members were in general supportive of the initiative to explore the asset-building approach as a way to help promote child development and to tackle intergenerational poverty, and that this should be viewed as an additional measure on top of the existing services for children and youth. Given the divergent views on the different models, the Task Force will gather more community views on the subject in order to come up with the most suitable approach that would best suit the local needs. In the meantime, the Government would consider supporting some pilots in the short-term.

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<sup>1</sup> Such include the Community Investment and Inclusion Fund, the Partnership Fund for the Disadvantaged, funding administered by the Commission on Youth and the Summer Youth Programme Committee etc.

**ADVICE SOUGHT**

14. Members are invited to note the initiatives in strengthening support to children and their families at different stages of a child's development.

Commission Secretariat  
January 2007

## **Commission on Poverty**

### **Promoting Child Development – Way Forward**

#### **PURPOSE**

This paper reports on the discussions held at the Child Development Forum (“the Forum”) on 10 November 2006<sup>1</sup> (paragraphs 5 – 12), and seeks Members’ views on the way forward in strengthening our efforts to promote child development, particularly for children from a disadvantaged background (paragraphs 13 – 21).

#### **BACKGROUND**

2. The CoP Task Force on Children and Youth has been tasked to examine the overseas experience in developing child development funds<sup>2</sup>, and to consider how best we could further strengthen our existing support to children and their families, particularly those from a disadvantaged background. In order to facilitate deliberations, the Task Force organised the Forum to gauge the views from the key stakeholders (NGOs, schools, academia, business and policy makers).

#### **MAJOR OBSERVATIONS**

3. One of the main objectives of the Forum was to enhance the understanding among the key stakeholders and the public on the overseas experience in implementing child development funds, and to initiate a public discussion on the relevance of the overseas experience and the asset-building approach in Hong Kong. Participants had a good discussion of what child development fund is – it is not just about money; rather, it represents a progressive approach in helping our children to plan and prepare for their future.

4. Observations on the main discussions among participants in the Forum are summarised in paragraphs 5 to 12 below.

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<sup>1</sup> Details of the Child Development Forum are at the Forum website [www.cdf.gov.hk](http://www.cdf.gov.hk).

<sup>2</sup> Please refer to CoP TFCY Paper 3/2006 for details.

### ***(I) The Approach : Asset-building***

5. While the concept of building assets among the poor was relatively new to most participants, they felt that it was a useful approach for us to re-think our policy in alleviating poverty, particularly in preventing intergenerational poverty. There was general consensus that the policy to prevent intergenerational poverty should focus on increasing the capacities and resilience of the children themselves. While income support and passive assistance could help alleviate and prevent poverty to a certain degree, participants agreed that the asset-building approach should be explored as an ***additional measure*** to motivate children and their families from disadvantaged background to build up their own assets and plan for their own future.

### ***(II) Assets – Financial Vs Non-financial***

6. Participants expressed that assets should include both tangible financial assets as well as intangible non-financial assets such as a positive mindset, human capital, social capital etc. Participants noted that from overseas experience, building up financial assets could change how the poor think and behave, reduce the sense of powerlessness, encourage more positive long-term thinking, and thus ***stimulate other types of asset building activities*** e.g. developing human and social capital. In other words, child development funds can serve ***multiple purposes***, viz. as an end (e.g. to encourage savings, to cater for costs of education, buying houses or business start-ups), or as a means to stimulate development of other assets e.g. human and social capital.

### ***(III) Policy Objectives***

7. Participants noted that the institutional arrangement and design of the child development funds depended on the underlying purposes and policy objectives in setting up such funds. It was important to have a clear community consensus on the purposes in setting up a child development fund in Hong Kong before we proceed to decide on the detailed design of such a fund (e.g. the amount of savings, restriction on withdrawals and uses etc.).



8. At the Forum, participants discussed the following possible purposes for setting up a child development fund in Hong Kong, (i) promote a saving habit; (ii) promote education and other developmental opportunities, and (iii) promote mindset change and build social capital. Participants tended to agree that (ii) and (iii) were more important objectives as compared to (i). They considered that a child development fund in Hong Kong should be used to support education and development opportunities of children, with multiple exit points for withdrawing the funds during a child's growth and development. Participants also considered that proper training and guidance were essential in helping the children and their families to make the best use of the funds available.

9. Participants noted that in the U.K. and Canada where the national savings rates are low, child development funds are used to achieve the economic policy of encouraging savings as well as the social policy to promote child development. The majority of the participants did not consider that the child development fund model which locked savings until the children turned 18 fit Hong Kong's present needs. Given the high savings rate in Asia, some participants expressed the view that Hong Kong should not set up a child development fund for the purpose of encouraging savings, otherwise it would become a *de facto* extension of the Mandatory Provident Fund Schemes. On the other hand, some participants noted that the high savings rate in Hong Kong might only apply to the non-poor and that we should also provide incentives to encourage the poor to save.

#### *(IV) Universal or Targeted*

10. There were divergent views on whether Hong Kong should consider setting up a child development fund covering all children, or whether we should target our efforts only at the most disadvantaged. Overseas experience demonstrates that a universal programme, with higher incentives for the poor, can avoid the labelling effect and is more comprehensive from an institutional point of view compared to community or programme-based initiatives. Some participants however considered that children from well-off families did not need such Government intervention measures, and resources might be better utilised using a more targeted approach.

### *(V) Role of Various Parties*

11. In exploring the possible model of child development fund, participants considered that there was a need to carefully consider the role of the Government, NGOs, business, and the children and their families themselves. Their views were as follows :

***Government*** - Participants in general considered that the Government should take the lead in exploring and developing such an initiative, in providing initial funding, and perhaps matching fund (say dollar for dollar) for children from a disadvantaged background. Nevertheless, participants were concerned that too much Government involvement might give a strong welfare flavour and defeat the original purpose of a child development fund – to encourage the poor to build their own capacities and plan for their own future.

***NGOs*** - Participants considered that the NGO sector had an important role to play, through providing proper guidance and support programmes to encourage making the best use of the funds. While building community consensus on the issue would take time, the NGO sector should be encouraged to conduct more pilot projects in order to demonstrate to the community the positive impact of the asset-building approach.

***Private sector*** – Participants considered that the private sector should play an important role in the initiative, as they also shared an important stake in developing our human capital. Child development fund could serve as an institutional platform to attract additional private sector donations to support child development in the future, e.g. through matching fund to encourage savings. The financial services sector would have a role to play in managing accounts, and to provide financial education as a complementary feature of the fund.

***Children and their families*** - Some participants had expressed concern that the poor might be too poor to save. While this is no easy task, overseas experience has demonstrated that with proper incentives and guidance, even the poor could accumulate some assets, which in turn could change their consumption pattern and lead to progressive improvements in their livelihood. Active participation by the children and their families is an essential element of the child development fund model, viz. to change the mindset as passive recipients of assistance to

active participants in building their own assets and future.

### *(VI) Strengthening support to the family*

12. Participants noted that child development fund was but one possible measure to tackle intergenerational poverty. In considering how best to promote child development, they supported the view that we should not simply focus on children, but should consider the needs and challenges of families. They also expressed support to the Government's policy direction to set up an integrated, holistic and high-level Family Commission and to take a family perspective in considering policies and initiatives relating to family support.

### **WAY FORWARD**

13. Preventing intergenerational poverty depends on a host of factors – fulfilling daily living needs, having stable and nurturing relationships and a caring environment, as well as developmental opportunities for the children to thrive and grow up. Children need to be motivated to plan for their own future, and to take the initiative to grasp the opportunities available in the society. However, for children living in families from a disadvantaged background, particularly in an affluent society like Hong Kong, they and their families may feel marginalised and powerless in adjusting to the rapidly changing needs of the society. Besides the traditional approach in providing passive assistance, it may be worthwhile to explore whether the asset-building approach can help enhance the effectiveness of our efforts in preventing intergenerational poverty.

14. The asset-building approach, especially when used to assist the poor, is a relatively new concept in Hong Kong. In order to facilitate more public discussion on the policy objectives and possible design in setting up such a fund in Hong Kong, we propose to invite more views from the public based on three broad models -

- (a) Child Personal Development Fund
- (b) Child Targeted Savings Fund
- (c) Child Trust Fund

***(a) Child Personal Development Fund***

15. The Fund would be used to support voluntary community-based programmes to promote the personal development of children. Children and families would not be required to save money to build up financial assets. Rather, children from disadvantaged background would be encouraged to submit their own personal development plans, to set targets in achieving their plans, and in turn they could participate in activities and courses related to capacity enhancement. This model emphasises on the accumulation of non-financial assets, and encourages a bottom-up approach by encouraging NGOs and community organisations to try out different personal development projects.

***(b) Child Targeted Savings Fund***

16. The Child Targeted Savings Fund is quite similar to the Child Personal Development Fund, viz. both would be used to support voluntary community-based programmes to promote personal development of children from disadvantaged background. This model however would involve accumulation of financial assets (savings) from the children and their families, for some targeted personal development purposes. In order to encourage saving by poor families, incentives (e.g. matching funds from the Government and/or the private sector) should be introduced.

***(c) Child Trust Fund***

17. This would be similar to the U.K. model, i.e. a universal programme to encourage the accumulation of longer-term financial savings and investment for all children, with additional incentives to encourage voluntary savings for children from a disadvantaged background. Detailed design of the Fund (e.g. the amount of savings, restriction on withdrawals and uses) would be subject to community discussion. There can be more than one exit point for withdrawing funds though this would affect the asset accumulation impact. The Fund can be complemented by other child development programmes which encourage accumulation of non-financial assets (mindset, building of social capital etc).

18. The key features of the three board models are set out at the *Annex*.

## **INTERIM MEASURE**

19. Building community consensus on which is the best model for Hong Kong would take time. Overseas experience shows that developing a universal programme like the Child Trust Fund which involves legislative and other necessary arrangements would take some time to develop. Implementing the Child Personal Development Fund and Child Targeted Savings Fund would be more easy administratively. Regardless of the community reactions to these three models, as a start, we propose to encourage more pilot projects using the asset-building approach. This would facilitate the Government and the community as a whole to consolidate the local experience and consider which model can best suit the needs of children and youth in Hong Kong. We will explore the appropriate funding channel to support such asset-building programmes, and to inject additional funding where appropriate.

## **OTHER MEASURES TO TACKLE INTERGENERATIONAL POVERTY**

20. The Government is committed to tackling intergenerational poverty. The child development fund models are being explored as an additional measure. Meanwhile, we would continue our heavy investment in education and other development opportunities to enhance the capacity of our children and their chances of upward socio-economic mobility<sup>3</sup>. The Administration adopts an open attitude to any relevant proposals in promoting child development and tackling intergenerational poverty. We welcome ideas and proposals to strengthen and improve our efforts to promote child development, particularly for children from a disadvantaged background.

21. For example, there are some in the community who do not share the asset-building approach, and consider that it would be more effective for the Government to give out more subsidies to children from a disadvantaged background to attend extra-curricular activities, for example by injecting more resources to the School-based After School Learning and Support Programme, or by sponsoring district-based programmes run by NGOs targeted at disadvantaged children.

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<sup>3</sup> For an overview of the current Government efforts in promoting child development, please see the background session of the Child Development Forum website [www.cdf.gov.hk](http://www.cdf.gov.hk).

## **ADVICE SOUGHT**

22. Members are invited to offer their views on -
- (a) the major observations from the discussions held at the Child Development Forum on 10 November 2006 (paragraphs 5 – 12);
  - (b) the proposed way forward to consult the public based on the three board models (paragraphs 13 to 18);
  - (c) the interim measure to encourage more asset-building programmes targeted at children from disadvantaged background (paragraph 19); and
  - (d) any other ideas to strengthen our existing efforts to promote child development (paragraphs 20 - 21).

Commission Secretariat

November 2006

**Child Development Fund –  
Possible Models To Encourage Asset-building**

***Child Personal Development Fund***

- Not universal. Voluntary community-based programmes
- Target group: Children from a disadvantaged background
- Purpose: Personal development and capacity enhancement activities
- Need to draw up personal development plans and set targets
- Duration: depends on design. Ideally one year or more.

***Child Targeted Savings Fund***

- Not universal. Voluntary community-based programmes
- Target group : Children from a disadvantaged background
- Purpose: Encouraging targeted savings for personal development and capacity enhancement activities. With a mechanism to match savings from Government and/or private sector.
- Need to draw up personal development plans and set targeted use of the savings
- Duration: depends on design. Ideally one year or more.

***Child Trust Fund***

- Universal accounts for all children, with additional incentives (e.g. matching fund) to encourage voluntary savings for children from a disadvantaged background.
- Purpose: Long-term personal development and development of a saving habit.
- Amount of savings, restriction on withdrawals and uses would be subject to community discussion. Can have multiple exit points for withdrawing money during child's growth.
- Can be complemented by other child development programmes which encourage accumulation of non-financial assets.