

For discussion on
9 December 2004

SUBCOMMITTEE TO STUDY THE SUBJECT OF COMBATING POVERTY

Measures to Alleviate Poverty

PURPOSE

This paper informs Members of the policies, strategies and measures to address to the needs of the vulnerable groups under the Health, Welfare and Food Bureau (HWFB).

BACKGROUND

2. Poverty is a complicated issue. Neither the academic circle nor the international community has reached any consensus on the definition of poverty. Poverty is not only about social welfare, but economic development, education and manpower training, etc. The purpose of this paper is to outline measures undertaken by HWFB to assist the needy.

POLICIES, STRATEGIES AND MEASURES

3. The vision of the Bureau in respect of health and social welfare is to build a 'Caring and Healthy Society' and our mission is to enhance the adaptability, revitalize the resilience and rekindle the ingenuity of each individual, each family and our society.

4. We consider that a multi-pronged approach of fostering economic growth, facilitating investment in human capital and increasing social investment together will provide the best environment for people to

enhance their capabilities and elevate themselves.

5. While it is important to support the vulnerable to achieve upward mobility, we provide support and assistance to the socially vulnerable, especially the elders, people with disabilities and deprived families. Our social security system provides a safety net to ensure that no one is deprived of basic needs. At the same time, we encourage mutual help and cross-sectoral collaboration. We also strive to build capacity of individuals, families and local communities to help themselves and each other to tackle life problems, and cope with adversities in a more effective manner.

6. All along, we have been allocating substantial resources for improving the livelihood of those in need. In the fiscal year 2003-04, public expenditure on the welfare sector amounted to over \$32 billion, accounting for 14.7% of the recurrent public expenditure. Of the 32 billion, over \$22 billion was expenditure on the Comprehensive Social Security Assistance and Social Security Allowance which were non-cash limited and \$7.9 billion was subvented expenditure.

7. Measures are in place to actualise our approach to assist those in need. The key measures are set out below.

(A) Social Security System

Objective and Principle of the Comprehensive Social Security Assistance (CSSA) Scheme

8. The CSSA Scheme is set up to provide a safety net of last resort for those who cannot support themselves financially. It is non-contributory, cash-based and funded by public revenue. It has evolved from a rudimentary welfare assistance programme to become a social protection scheme with comprehensive coverage.

9. The objective of the scheme is to target resources to assist those most in need and tailor-made assistance is rendered to different categories of recipients. For the elderly and people with disabilities or in ill health, we provide financial aid to meet their basic and special needs.

For the able-bodied individuals in financial difficulties, we meet their basic needs and help them move towards self-reliance. However, the scheme should be financially sustainable taking into account the health of public finances and our low tax regime.

Coverage of the CSSA Scheme

10. To provide recipients with comprehensive basic protection, the CSSA Scheme comprises two key elements, namely the standard rates and special grants.

11. The standard rates serve to help broad categories of recipients meet their normal day-to-day basic needs (food, clothing and footwear, fuel and light, durable goods, etc.), with higher rates going to children, the elderly and people with disabilities or in ill health. On the other hand, a wide range of special grants are available to meet recipients' needs on an individual basis. These special grants cover items such as rent, water/sewage charge, schooling expenses, childcare centre fees and burial expenses. Recipients who are old, disabled or medically certified to be in ill health are entitled to other special grants to meet such needs as glasses, dentures, medically recommended diets, removal expenses, medical and surgical appliances. Most of the special grants are made on a reimbursement basis to meet actual costs while others are paid on a flat-rate basis or up to the prescribed ceilings.

12. In addition, a monthly single parent supplement is payable to single parents and an annual long-term supplement to cases involving the elderly, people with disabilities and those medically certified to be in ill health.

Government's CSSA Commitment

13. The Government has been providing a basic safety net through the CSSA Scheme for those in financial difficulties. As at September 2004, the total number of CSSA cases amounted to 295 703, representing an increase of about 182% from 1994. Among the 295 703 cases as at September 2004, there were 534 217 recipients, representing an increase of 327% from 1994. An amount of over \$17 billion has

been allocated for CSSA in 2004-05, accounting for 8.8% of total recurrent government expenditure. It has constituted a marked growth when compared with the 3.2% a decade ago. This has clearly manifested the Government's commitment to help those in need through social protection.

Support for Self-reliance Scheme

14. On top of cash assistance, our social security system has also been providing services and opportunities for people to equip them to be off benefits and lead a more fulfilling life. The Social Welfare Department (SWD) introduced the Support for Self-reliance Scheme in June 1999 and implemented enhanced measures in June 2003 to provide active employment assistance for unemployed able-bodied recipients to seek gainful jobs. By involving recipients in unpaid community work, SWD also tries to help them develop a working habit, build up self-esteem and self-confidence, and prepare for employment. SWD has also commissioned NGOs to run intensive employment assistance projects which aim at helping CSSA recipients move off benefits and rejoin the workforce. Since the introduction of the Support for Self-reliance Scheme in 1999, we have successfully turned 45 162 unemployed recipients into income earners.

Review of the CSSA Scheme

15. The CSSA Scheme has generally served us well over the years with on-going fine-tuning. We will keep the CSSA Scheme under regular review to ensure that the Scheme can provide a sustainable and effective safety net to those in financial difficulties. We are now revisiting some specific issues: intensive employment assistance projects, arrangements for single parent families on CSSA and the provision of disregarded earnings, etc. We have also set up a working group under the Social Welfare Advisory Committee to follow up on the findings.

(B) Services provided by SWD/Non-governmental Organisations (NGOs)

16. Apart from social security services, SWD has put in place a wide range of welfare services to help those in need. The objectives of

these services are to strengthen the capability of the socially disadvantaged in lifting themselves out of adversities and to provide them with opportunity to participate in all sorts of economic and social activities. It is hoped that through these services, their inner strength, self-reliance and self-confidence can be enhanced. All those in need including low-income earners and CSSA recipients have access to these services by direct approach, on referral basis or through outreaching network of the Department. The following are some key examples of the services provided –

Low-income Families

17. Family is the vital component of our society. A family which functions well in discharging its responsibility contributes to the stability and well being of the society. We have developed a comprehensive network of welfare services to cater for family needs through the provision of a continuum of preventive, supportive and remedial services. To cater for the needs of low-income families, we offer them assistance to ensure that they can maintain a basic living standard. In this way, it helps to prevent them from falling into the CSSA safety net.

18. There is an extensive network of Family Services Centres/Integrated Family Service Centres (FSCs/IFSCs) operated by SWD or non-governmental organizations over the territory to provide family support services to the needy. Services include counselling service, supportive groups and programmes, aiming at assisting individuals and families build up self-confidence and develop proper values, enhance parents' parenting skills and strengthen their skills in problem solving and stress management.

19. To encourage parents of low-income families to seek jobs so as to attain self-reliance, aided day nurseries and crèches are set up to serve families in need of child care support for their children aged under six. Ancillary services such as extended hours service and occasional child care services are available to cater for the special needs of the parents, for example, parents working long hours or parents having sudden commitment. Mutual help child care centres are also developed

to provide occasional care and supervision for children on a mutual help basis.

20. Low-income families with a social need to place their children in full day care can also receive financial assistance through the Fee Assistance Scheme for Child Care Centres. Applicant must pass the means test and satisfy the social need criteria, such as both parents working, single-parent families or parents who are chronically ill or disabled. The amount of assistance payable is determined by the number of the applicant's family members, the family's total income and the recognized rent. The maximum amount of assistance payable will be based on the fees charged in the aided child care centre.

Children & Youth

21. Children and youth are the masters of our future. They should be given opportunities and motivations to develop themselves and to move up the social ladder. Assistance are provided to help the less-privileged children and youth to lead a normal and healthy lifestyle. In this connection, after school services and other recreational and extra-curricular activities are provided to them.

22. The target beneficiary of young people services under the schedule of SWD is children and youth aged six to twenty-four. NGOs are subvented to provide core young people services, namely children and youth centre services, outreaching social work services and school social work services for the above target groups. Since 1994-95, the above services are pooled together and operated in the form of an Integrated Children and Youth Services Centre with a view to providing holistic services for contemporary young people. These include guidance and counselling services, supportive service for young people in disadvantageous circumstances, socialization programmes and programme of developing their social responsibility and competence. We aim at training up our young people to become responsible and contributing members of the society.

23. After School Care Programme (ACSP) provides supportive services for primary pupils aged six to twelve whose parents are unable to

provide proper care for them after school hours due to work or other reasons. Services of ACSP include homework guidance, parents guidance, education, meal service, skill learning and other social activities. With effect from September 2000, the SWD has been allocating subsidy to ASCP centres to help working parents who are unable to take care of their children after school as a result of being engaged in low income jobs and/or attending employment-related retraining/attachment programme. Eligible parents would be granted full fee waiving or half-fee reduction places for the service according to their family household income with reference to the Median Monthly Domestic Household Income (MMDHI).

Women with Low-income

24. To address to the needs of the low-income women, the Women's Commission has initiated a Capacity Building Mileage Programme (CBMP) in collaboration with other organisations. CBMP seeks to encourage active learning and facilitate the enhancement of all round abilities and life skills of women as individuals so that they could be better equipped to face life's challenges and develop their potentials more fully. The Programme promotes positive values and mindset.

Elderly

25. To facilitate active and healthy ageing, we have set up more than 100 elderly centres throughout the territory to provide a full range of services and activities to cater for the psycho-social and developmental needs of elders and their carers. Also, we have set up Support Teams for the Elderly, which are based in the district elderly community centres and are made up of volunteers, to outreach to vulnerable elders and provide care, counseling and support to them.

26. For elders who have functional disabilities and require subsidized long term care (LTC) services, we provide them with a range of subsidized home-based community care services to facilitate them to stay in the community as long as possible, including Day Care Centres for the Elder, Integrated Home and Care Services and Enhanced Home and Community Care Services. As of end September 2004, there were

more than 22,300 elders using our subsidized community care services.

27. To ensure that elders whose LTC needs cannot be adequately taken care of at home will receive proper residential care services, we provide subsidized residential care services for elders. We have been enhancing the residential care services through various means, namely a mixed mode in the provision of residential care places, quality enhancement, re-engineering of services to provide continuum of care, and market facilitation.

28. The total number of subsidized residential care places for the elderly has increased from 16 000 in 1997/98 to more than 26,900 today (i.e. about 1 subsidized residential care place for every 30 elders aged 65 or above in Hong Kong). Elders staying in the subsidized residential care places only has to pay a monthly fee which is around 20% of the actual unit cost, whereas the remaining 80% is paid by the Government. Those who have financial difficulties can apply for the CSSA to cover the home fees. In addition, there are another 22 000 elders living in non-subsidised residential care homes for the elderly (RCHEs) by means of CSSA. Therefore, altogether the Government is helping about 49 000 elders (i.e. 1 in every 21 elders) to pay for RCHE services.

People with Disabilities

29. In order to encourage more people with disabilities to achieve self-reliance, we are committed to promoting employment for them and to ensuring that they enjoy equal opportunity of participating in productive and gainful employment in the open market. For those who do not have the ability or are not ready to take up open employment, we provide sheltered employment.

30. We provide a range of employment programmes and services covering both sheltered workshops and supported employment which serve to enhance the working capacity of people with disabilities. In 2001, SWD launched “On the Job Training Programme” for people with disabilities to enhance their employment through a proactive training, market-driven and placement-tied approach, and to encourage employers to create or offer job opportunities for them.

31. Through the “Enhancing Employment of people with disabilities through Small Enterprise Project”, we assist NGOs to create and run small businesses employing people with disabilities so that they can enjoy the genuine employment in a carefully planned and sympathetic working environment. Marketing Consultancy Office (Rehabilitation), a regular establishment in SWD, enhances employment opportunities for people with disabilities through innovative, effective and efficient business development and marketing strategies.

(C) Health Services for those in need

32. It is our long-held policy that no one should be denied adequate medical care because of lack of means. We understand that the provision of adequate health services is essential for a person’s well being. Measures are in place to take care of the different needs of the vulnerable groups.

Integrated Child Health & Development Programme

33. An Integrated Child Health & Development Programme, a flagship programme of Maternal & Child Health Centres (MCHCs), has been developed as a package of enhanced services integrating the three core businesses of MCHCs, namely the Comprehensive Immunization Programme, the Child Health and Developmental Surveillance Programme and the Parenting Programme. Under this integrated Programme, child development monitoring methods and equipments are upgraded and developed based on international research findings, and best practices in various aspects of family healthcare are developed through preparation of manuals and systematic training of healthcare professionals to ensure quality service delivery. Moreover, under the Parenting Programme, parents can receive advice on the specific problems they encounter through interactive individual counseling and group sessions. The aim is to equip parents with the necessary skills to bring up healthy and well-adjusted children.

Waiving Mechanism of Public Hospitals

34. To assist the vulnerable groups in the community, i.e., the low income group, chronically ill patients and elderly patients who have little income or assets, but who are not CSSA recipients, the Government has implemented an enhanced medical fee waiver mechanism to provide effective protection from undue financial burden to them. To uphold our aforementioned fundamental policy, recipients of CSSA will be waived from payment of their public health care expenses.

35. Non-CSSA recipients patients who have special difficulties may seek the assistance from the Medical Social Workers of public hospitals and clinics or the Social Workers of Family Services Centres of Social Welfare Department who will assess their situation on a case-by-case basis. The waiving mechanism and guidelines will be regularly reviewed to ensure that it serves the needy effectively.

36. Under the enhanced mechanism, eligible patients would be granted a fee waiver according to their household income (with reference to MMDHI) and household assets. As for those who do not meet such criteria, they can still provide other non-financial factors for the consideration of Medical Social Workers or Social Workers. Based on a patient's actual needs and conditions, they will exercise discretion to grant waivers and to decide the exact period of the fee waiver.

(D) Community Investment and Inclusion Fund (CIIF)

37. With a view to addressing to social needs in a more effective way, it is crucial to promote community participation and to improve people's quality of life. The CIIF was set up with an initial allocation of \$300 million following the Chief Executive's 2001 Policy Address. The Fund has a clear purpose distinct from providing ongoing support for long-term services and places emphasis on building individual and community capacity so that they can more effectively help each other to address social needs. It encourages a shift away from a conventional service provision mode to taking a social investment approach. It is expected that the return from such social investment will be (i) the enriched networks of social support, (ii) joined-up efforts between

community groups, corporate bodies or professional groups and the Government, and (iii) increased opportunities for social and economic participation that would contribute to social well-being and enhance social inclusion.

CONCLUSION

38. Members are invited to note the contents of the paper.

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