



The Lion Rock Institute

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Legislative Council
Hong Kong Special Administrative Region
c/o Legislative Council Secretariat

**Submission to the Legislative Council
Panel on Welfare Services
General Public's Perception of Comprehensive Social Security Assistance (CSSA) Recipients
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Preventing the Next Wong Kwai Heung, 黃葵香

The Lion Rock Institute (Lion Rock) does not oppose the Comprehensive Social Security Assistance (CSSA), and *even an increase* in the standard payout if necessary, but at the same time, Lion Rock believes that the distribution of CSSA should be altered to provide a fairer and better incentivized system.

Lion Rock recommends that for *able-bodied CSSA recipients*:

1. **The entrance barrier is removed** so that *any* individual in need may qualify, and
2. **Institute a 250 week time limit** on each *able-bodied* recipient's payments.

Lion Rock and the Public's Perception

Lion Rock does not oppose the perception of some Hong Kong residents that the government should provide minimum welfare – designed to both facilitate employment and allow for temporary basic needs for those residents who seriously suffer financial hardship. CSSA distribution to the elderly and disabled groups is not Lion Rock's main concern; Lion Rock's focus is only on those able-bodied CSSA recipients and people that fall from the safety net.

The public's perception of CSSA recipients is mostly targeted at the unemployed able-bodied workers. The public's understanding of the system is a reflection of the system itself. However, people are not born to be defrauders – the system provides the incentive. We must ensure we have the right system in place.

Stopping CSSA Tragedies

Lion Rock recalls the tragedy of Wong Kwai Heung, 黃葵香, a young man who found it so difficult to manage when the Social Welfare Department requested that he repay HK\$20,000 he received through Comprehensive Social Security Assistance scheme. Hong Kong people were alarmed that such a tragedy could happen and that he had no last resort to turn to. This is, indeed, a matter of great concern.

Lion Rock is concerned with how we keep this tragedy from happening again.

Like the public, Lion Rock worries that the CSSA system will morph from that of a safety net into a spider web. Lion Rock's suggestion to remove the barriers to entry and impose a time limit on payments received for those able-bodied persons will ensure the system remains with the correct incentives in place, abuse-free and fair for all.

Hong Kong attitudes towards CSSA are not generally negative except towards those able-bodied recipients. Hong Kong people generally do not have negative perceptions of CSSA elderly and disabled recipients. That said, the CSSA recipients who are either elderly or disabled may not be comfortable with being linked to the CSSA negative perception. With Lion Rock's suggestions, a static CSSA moves to a flexible one, with lower entrance to entry and a timed limit on payment received.

It is not acceptable to force all problems into one-size-fit-all when the problems are of different makes and sizes. We cannot continue to solve problems in this complicated world with just one equation. The Lion Rock Institute believes that under the noted suggestions to the structure of the CSSA for able-bodied recipients, the public's perception of those able-bodied, elderly and disabled will be improved, and subsequently, the perception of all CSSA recipients of themselves.

Instituting a Fairer and All-Encompassing CSSA

Allowing every able-bodied individual CSSA payments creates a more flexible and fair system for those able-bodied recipients and ensures tragedies like the above don't happen again. Allowing all individuals to receive payments removes the discriminatory process in receiving CSSA and fixes the existing problems in the incentive structure and the distribution of payments. Those able-bodied recipients who choose to take CSSA payments may do so, but with a time limit imposed, thus removing any threat to CSSA becoming a dependency model.

Implementation Matters

Installing the above suggested changes to the CSSA structure may take time. While removing the barriers to entry must occur at the same time that time limits are imposed on able-bodied recipient's payments, those currently in the system may need extra time to adapt to the new instalment and concept of a time-limit. Therefore, the movement of CSSA able-bodied recipients to the adjusted schedule will need to be done in stages and tiers.

In the meantime that such adjustments are made to the CSSA, the current CSSA system will still be exposing abuses to those able-bodied recipients. While lacking a strong focus on facilitating self-reliance and employment, and only paying attention to allow for basic needs, the CSSA does a great disservice to the Hong Kong public and CSSA recipients.

Indeed, a great number of CSSA recipients are in need of assistance and believe, like the majority of the Hong Kong public, that self-reliance is an honourable attribute. The CSSA must reflect the values of the Hong Kong people and better facilitate able-bodied recipients to find work and become self-reliant. Discussed below are suggestions for change on the CSSA structure to best help Hong Kong people in need.

The changes Lion Rock suggests towards a more flexible CSSA system with open barriers and time limits will take time to implement, but the current system, wrought with structural problems, shouldn't be left to fester.

Lion Rock does suggest that the public perceptions be taken into account and changes to CSSA be made:

Public Perception towards CSSA

The fact that the public view of CSSA differs widely from the Administration's findings does not mean the public perception is wrong. It could be that the public may know more than the government does. Hong Kong people in general do not have a negative perception on recipients in elderly and disabled groups, or for those able-bodied recipients. Recipients within this group also hold self-reliance as a core value. While some surveys have made a point that the public's perceptions might be negative, as each survey is relative, regardless the state of the perception, the outcome of the perceptions' themselves are positive ones. In other words, the perceptions: self-reliance, pride in working and non reliance on government, assist as the gatekeeper, ensuring that only those who are truly in need receive CSSA and that it will remain a last resort.

By contrast, cultures that consider welfare acceptable and are tolerant of fraud or negligent systems only encounter more fraud cases and inefficiencies. The public perception of CSSA is indeed a positive attribute of Hong Kong society and productive attitude. With it, Hong Kong continues to thrive, stymies any possible development of a dependency class and stays strong to its core values of self-reliance.

Public Perception towards Self-Reliance

It is a Hong Kong core value to help others, but that assistance must have a time limit in which assistance doesn't create a system of dependency or permanent income generation or expectancy. It is also a core value to be self-reliant and non-dependent of government. However, that is not what has yet been accomplished, nor what seems to be the end goal of the Administration. This is an understanding that must be accepted in the government's culture of responsibility, not only in rhetoric but engaged in practice. Establishing a time limit will promote the notion and attitude of self-reliance.

The CSSA must be altered in its structure and purpose to reflect the people of Hong Kong's attitudes concerning work and welfare.

Suggestions for the Improvement of the CSSA Structure: Facilitating Employment

The basic policy aim of CSSA at the start of this century was to assist the employable to become self-reliant and gainfully employed. To achieve this, CSSA adopted a more proactive approach towards unemployed CSSA recipients with staff supporting their individualized job search plans and ensuring a better information flow about available resources. The results were outstanding: "between 1 June 1999 when the scheme was implemented and the end of December 1999 the "unemployed" component of the CSSA caseload registered a 13 percent drop."¹

Allowing for greater focus on employment is in the interest of the CSSA recipients, the public and the Administration of Hong Kong. Incentives to work, skewed by the disregarded income level, should be increased so that the more recipients work, the more income retained. Otherwise, the incentive structure, as it is currently, penalizes working recipients and demotes incentives to be self-reliant,

¹ Rachel Cartland, JP, Assistant Director, Social Welfare Department, HKSAR Government. "A More Integrated Approach to CSSA." The Chinese University of HK, "Financing the CSSA System." The Symposium for the Comprehensive Social Security Assistance, HKU. March/April 2000.

going against the grain of the Hong Kong culture. As Dr. Liu has suggested, CSSA support can continue up to a cutoff point, from which recipients will be self-reliant.²

Lion Rock goes further to suggest that CSSA payments are made to anyone which seeks them, and for able-bodied recipients, the implementation of an exact time limit, providing incentives to focus on employment and self-reliance.

In the past, the lack of correlation between unemployment and increase in number of CSSA cases caused serious worries that a dependency culture was arising in Hong Kong. Thus far, the public perception reflects a different attitude than that of a dependency class. However, the CSSA, by its current lack in dedication to self-reliance, may be indirectly promoting such a dependency attitude. By implementing a time frame, for example, up to 5 years or 250 weeks of CSSA payments, individuals have the expectation that they must continue their search for betterment of skills and self-reliance. Only in this way will productivity of the Hong Kong people and skill levels be bettered, allowing Hong Kong an edge on international competition and a locally improved lifestyle.

While individuals are on CSSA, there must be more dedication to facilitating employment. The lack of dedication to employment in the current CSSA scheme is a problem. The two job interview minimum per month does not reflect a value of self-reliance. Not only does it create a false understanding that there may be a lack of interest in reemployment of the CSSA able-bodied recipients, misleading the public, but a lack of support for those able-bodied recipients that do want to find work. If the minimum amount under the Support for Self-Reliance Scheme (SFS) is two job interviews per month, there may not be enough support for those individuals seeking more than the minimum number of interviews.

As the time limit is imposed, it is very important for the SWD and CSSA staff to ensure that those able-bodied recipients that seek greater attention for facilitation for employment receive those services.

Inherent Obstacles to Employment under CSSA

The employment of these CSSA recipients must be productive, and certainly, as Hong Kong people with Hong Kong attitudes, those able-bodied CSSA recipients would rather have such a job that is productive – creating stepping stones to move beyond in the future. How to best enable an environment for productive job creation is beyond the scope of this submission and panel, but Lion Rock would like to identify the existing problems with the CSSAs employment efforts.

The foundation lies within the system of self-reliance, which a time frame will address. The first of three problems is an explicit problem with the lack of focus, skills and manpower to effectively aid job seekers to find employment as cited and addressed above. The second and third: the distance to work and the incentive to work.

Removing Obstacles to Employment

For some CSSA recipients living in a location in which the market for jobs is non-existent or not favourable, they must travel to other districts in order to work. For those living in Tuen Mun or Tin Shui Wai, the time it takes to travel out of town severely cuts into their day. Not only are productive

² Speech by Liu Pak Wai, Pro-Vice Chancellor & Co-Director of H.K. Asia-Pacific Economies Research Program, The Chinese University of HK, "Financing the CSSA System." The Symposium for the Comprehensive Social Security Assistance, HKU. March/April 2000.

hours that could be spent working, or otherwise, wasted on excessive travel, the very distance they are located from their work is a handicap to their ability to help themselves and their family be self-reliant.

This excessive amount of travel time cuts into the amount of free time and time with family as well. It is difficult for the most financially modest family to secure basic needs for themselves, not only monetarily but to also maintain emotional ties and relationships as well. It must be equally difficult, if not greater, to maintain relationships with family and also succeed in working to become self-reliable when incomes are in the lowest income group and one is handicapped with excessive travel time just to get to work. Not only does the obstacle to travel to work remove incentives to be employed, the time travelling to work, rather than spending time with family, adds to myriad social ills.

Therefore, to ameliorate this problem, Lion Rock would like to introduce Rental Vouchers, a program that can be easily incorporated into the existing housing scheme. Under Rental Vouchers, those receiving housing aid from the government may choose with the power of the voucher, which district they would seek housing. Thus, those that actively seek work or are employed have an easier time getting to the actual place of work and have the “ball and chain” of excessive travel time removed.

Rebuilding the Work Incentive Structure

This submission has touched upon several disadvantages towards work incentives and has suggested that the disregarded income and standard rates be paid more attention. At this stage, CSSA removes incentive to work for able-bodied recipients by limiting the amount of income CSSA employed recipients may retain. Lion Rock suggests that CSSA employed recipients be allowed to retain more of their income and have set time limits on the CSSA payments that may be received.

Concluding Remarks

The Lion Rock Institute does not oppose CSSA, but suggests that the structure be changed for able-bodied recipients with more open barriers to entry and a 5 year time limit to CSSA payments. The perception of CSSA recipients by the public is very important to the well being of Hong Kong's welfare program. Problems that have arisen from the current system do affect recipients negatively, and in the worst situations, cases arise such as Wong Kwai Heung's, 黃葵香.

The Lion Rock Institute wants to ensure such tragedies don't happen again. The CSSA systematic problems need to be addressed and the system modified. The next Wong Kwai Heung, 黃葵香, will be prevented with Lion Rock's suggested changes to the CSSA structure, ensuring a working safety net.

This submission addresses The Lion Rock Institute's opinions on CSSA able-bodied recipients. Removing barriers to entry to CSSA and imposing time limits on able-bodied recipients is a fairer and less discriminative practice for CSSA to employ.

The Lion Rock Institute thanks you for your consideration and continued work serving Hong Kong.