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23 July 2019

Council Business Division 2  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn: Miss Connie AU)

Dear Miss AU,

**Evaluation report of the Community Care Fund assistance programme**

At the meeting of the Home Affairs Panel of the Legislative Council held on 21 December 2016, Members noted that the Community Care Fund would provide the evaluation reports of programmes to the Panel. The evaluation report of the “Incentive Scheme to Further Encourage CSSA Recipients of the Integrated Employment Assistance Programme for Self-reliance to Secure Employment” is attached for Members’ information.

For enquiries, please feel free to contact the undersigned. Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Iris Wong'.

(Ms Iris WONG)

for Secretary for Home Affairs

c.c.

Director of Social Welfare (Attn: Ms Celia CHIU)

**Community Care Fund**  
**Evaluation report of the “Incentive Scheme**  
**to Further Encourage CSSA Recipients of the Integrated Employment**  
**Assistance Programme for Self-reliance (IEAPS) to Secure Employment”**

## **Purpose**

This paper reports on the results of the Evaluation Study on the effectiveness of the Community Care Fund (CCF) Assistance Programme “The Incentive Scheme to Further Encourage CSSA Recipients of the Integrated Employment Assistance Programme for Self-reliance (IEAPS) to Secure Employment (Incentive Scheme)”.

## **Background**

2. The Commission on Poverty (CoP) endorsed on 13 September 2013 a funding proposal to implement a three-year pilot programme as funded by CCF<sup>1</sup>, namely Incentive Scheme from April 2014 to March 2017. The Social Welfare Department (SWD) was responsible for the Incentive Scheme and commissioned the non-governmental organisations currently operating 41 Integrated Employment Assistance Programme for Self-reliance (IEAPS) projects to assist on the implementation of the Incentive Scheme, with a view to exploring the feasibility and effectiveness of the Incentive Scheme as a means to further encourage Comprehensive Social Security Assistance (CSSA) recipients to work and ultimately to leave the CSSA net.

3. The target number of participants of the Incentive Scheme was 2 050. The SWD randomly selected able-bodied CSSA recipients of the IEAPS to participate in the Incentive Scheme. If participants of the Incentive Scheme secured employment successfully with working hours not less than 120 and earnings more than \$4,200 in a month, their incomes in excess of \$2,500 (i.e. earnings above the prescribed disregarded earnings (DE)<sup>2</sup> limit which are not disregarded under the CSSA Scheme) were accumulated and recorded by the operating agencies. An incentive payment was subsequently provided by CCF if participants’ accumulative earnings reach the incentive target (i.e. two times the asset limit of the household). The recipients

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<sup>1</sup> The Incentive Scheme has ceased to operate after completion of the trial period in March 2017.

<sup>2</sup> There is an arrangement of disregarded earnings (DE) under the CSSA Scheme under which the first \$800 of a recipient’s monthly earnings from employment is totally disregarded, while up to half of the next \$3,400 earnings (i.e. \$1,700) is also disregarded, adding up to a total DE of \$2,500 per month at the maximum. If the monthly earnings of a recipient reaches \$4,200, he/she will benefit from the maximum level of DE at \$2,500 (i.e. \$800 plus \$1,700).

would then leave the CSSA net upon receipt of the full incentive payment from the CCF in one go<sup>3</sup>.

## **Evaluation on the Effectiveness**

4. The SWD commissioned the Chinese University of Hong Kong (the Project Team) to study and evaluate the effectiveness of the Incentive Scheme from 2014 to mid-2018. The objectives of the Evaluation Study include the below –

- (i) to analyse the characteristics, socio-economic background, psychological profiles, intrinsic and extrinsic motivating factors and views of the participants of the Incentive Scheme, as well as impacts of the Incentive Scheme on the participants;
- (ii) to analyse the data by comparing the participants of the Incentive Scheme, IEAPS participants selected but opting not to join the Incentive Scheme and suitable comparison group of those not joining the Incentive Scheme;
- (iii) to evaluate and analyse the effectiveness of the Incentive Scheme based on the results of the following targets –
  - Short-term target – whether the Incentive Scheme is able to motivate more able-bodied CSSA recipients to participate in the labour market
  - Medium-term target – whether the Incentive Scheme provides further impetus to the participants to work to their fullest capacity
  - Long-term target – whether the Incentive Scheme is able to increase the off CSSA rate and lower the re-application rate of the participants during the three-year implementation period and the one-year period after completion of the Incentive Scheme
- (iv) to compare the effectiveness of the Incentive Scheme with other employment assistance measures for encouraging CSSA recipients to work;
- (v) to review the implementation of the Incentive Scheme and propose areas of improvement as well as work out cost implications in implementing employment assistance programmes for able-bodied CSSA recipients similar to the Incentive Scheme; and

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<sup>3</sup> Under the Incentive Scheme, apart from those participants who had accumulated the target amount of incentive payment for receiving incentive grant, those participants who had accumulated 75% or above of the target amount at the end of the implementation period and those who took up employment with income equal to/exceeding their CSSA recognized needs and subsequently left the CSSA net, also received incentive payment.

(vi) to review the effectiveness of similar overseas programmes with a view to identifying success factors that can be of useful reference for local adaption.

5. A longitudinal study comprising of telephone/face-to-face surveys, in-depth and focus group interviews, and administrative record reviews was conducted. The Project Team randomly classified CSSA recipients into three groups, including a study group (SG) of respondents who were invited and joined the Incentive Scheme, a non-participating group (NPG) of respondents who were invited and opted not to join the Incentive Scheme; and a comparison group (CG) of respondents who had not been invited to join the Incentive Scheme. Administrative records of the SWD were used to monitor changes in the status (such as from being unemployed to employed or off CSSA net) of the selected CSSA recipients of these groups on a monthly basis. After the completion of the Incentive Scheme, the Project Team measured the recipients' rates of re-application for CSSA as well as compared and analysed the data and administrative records of different groups to evaluate the overall effectiveness of the Incentive Scheme through examining SWD's information.

6. Besides, the Project Team made use of questionnaires for evaluating psychological status of interviewees including their self-esteem, motivation and mental health condition, as well as other key indicators such as job seeking frequency, monthly salary and working hours. Furthermore, in-depth and focus group interviews provided opportunities for Incentive Scheme participants (e.g. those who successfully had received the incentive payment) and relevant stakeholders (e.g. staff of operating agencies) to express their views on the Incentive Scheme.

## **Result and Findings**

7. The Project Team had randomly selected a total of 3 315 CSSA recipients, including 2 050 recipients of the SG, 650 recipients of the NPG and 615 recipients of the CG. Among these participants, 53 recipients had participated in the in-depth interviews and focus groups. Key findings are as follows –

(I) Number of participants received the incentive payment

8. Upon the completion of the Incentive Scheme, only 100 out of 2 050 SG participants were awarded the incentive payment<sup>4</sup> which was less than 5% of the total SG participants. In terms of the background of these SG members, Project Team found that those with higher level of education (but not up to degree level) and three dependent members in the family had slightly higher chance to get the incentive payment.

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<sup>4</sup> Until 30 April 2019, 100 individual participants of SG received incentive payment. Among the 100 participants, 24 participants had accumulated the target amount, 16 had accumulated 75% or above of the target amount and 60 participants took up employment with income equal to/exceeding their CSSA recognized needs and subsequently left the CSSA net.

(II) Impact of the Incentive Scheme on recipients

9. The impact of the Incentive Scheme on changing recipients' status (i.e. the status of being employed, unemployed, no-need-to-join IEAPS and off CSSA net) of CSSA recipients **was not significant**. This may be due to the fact that the changes of CSSA recipients' status were affected by many factors such as age, length of unemployment, duration of receiving CSSA, number of eligible member(s) and case nature, etc at the same time.

(III) Impact of income on the rate of off CSSA net

10. It was observed that the probability of being off CSSA net was inelastic to monthly income. There was no solid evidence to support that a fixed level of monthly money return was an effective way to motivate CSSA recipients to leave CSSA net.

(IV) Effectiveness on achieving the short, medium and long-term targets

11. For short, medium and long-term targets, there was no solid evidence that the Incentive Scheme could encourage the employment of the unemployed CSSA recipients, or motivate them to increase the hours of work. Despite its insignificant impact on the mental health of recipients, the Incentive Scheme had some positive effects on some respondents' mental condition including life satisfaction, happiness, self-esteem and family life from a psychological point of view.

(V) Findings from in-depth and focus group interviews

12. After several rounds of in-depth and focus group interviews, it was found that –

(i) **The impact of the Incentive Scheme on the recipients' work motivation and willingness to leave CSSA was minimal;**

(ii) The incentive payment could provide a sense of security to the participants although such sense of security could be undermined by the possibility of those CSSA recipients leaving the CSSA net;

(iii) To a few recipients who were awarded the incentive payment, the continuous support of frontline staff and social workers was considered to be a significant factor contributing to the participants' completion of the Incentive Scheme.

## **Discussion and Recommendations**

13. During the study period, Hong Kong maintained a strong economy and very low unemployment rates. Not only was the desirable economic condition conducive to reducing the number of new CSSA applications due to financial difficulties (e.g.

CSSA unemployment and low-earnings cases), it also provided more working opportunities to unemployed persons (including unemployed CSSA recipients). According to the administrative records of SWD, about half of the participants in all groups left CSSA net at the end of the study period.

14. Even though nearly half of the SG members had left CSSA during the study period, only a small quantity (100) of them had received the incentive payment. This implied that most of them left CSSA when they or their family members found a job at the first instance.

15. To sum up, the Project Team found no evidence to support the effectiveness and the continuation of the Incentive Scheme, which is based on providing financial incentives. Nevertheless, some of the following elements of the Incentive Scheme and international evidence related to encouraging unemployed and low-earnings CSSA recipients to work could be of reference for the review of the IEAPS in future –

- (i) The effect of financial incentives alone on encouraging CSSA recipients (especially for those with very strong or very low motivation to work, and those families with dependents) to find jobs and remain in the employment so as to assist them to leave the CSSA net was limited.
- (ii) Assisting in participants' long-term goals setting could boost their motivations to remain in employment and helped them leave CSSA net.
- (iii) It is also found that CSSA recipients who were unemployed demonstrated poorer mental health conditions. The frontline staff could pay more attention to the mental health conditions of unemployed CSSA recipients and provide appropriate assistance when needed.

16. In conclusion, the effectiveness of Incentive Scheme is limited. Separately, the Government undertook to conduct a review of the relevant measures under the CSSA Scheme to encourage employment by end-2019. The above elements and findings of the study could serve as a reference.

Labour and Welfare Bureau  
Social Welfare Department  
July 2019