

## AGENDA 2

### Poverty

The problem of poverty has always been a persistent issue in Hong Kong without an adequate solution. Over the past twenty years, the problem remains unresolved and even gets exacerbated when more and more people are excluded from economic production and social participation. Although the society has become aware of the existence of poverty, there are still endless arguments over the understanding of this problem and the ways to solve it. It is foreseeable that poverty will continue to be an important agenda in Hong Kong's development over the next ten years.

### Major Trends

1. The problem of social exclusion and poverty will remain. There will persistently be a large number of low-income earners and the gap between the rich and the poor will be widening.
2. Discrimination against and exclusion of the poor exist in the society.
3. The problem of working poor, without income protection, will remain and the problem of women in poverty (especially middle and old-aged women) will be more serious.
4. In economic aspect, inequality of wealth, income and rights will be further accentuated, which will aggravate economic injustice, making it more difficult to alleviate and prevent poverty.
5. The increasing risk of unemployment results in the lack of income protection and the more widespread influences of unemployment to different strata.
6. The continuous development of population policy (the daily 150 quotas of One Way Permit and the Quality Migrant Admission Scheme) will lead to an increase of social resistance to accepting the new arrivals.
7. Small producers and community networks are collapsing, which leads to a negative impact on sustainable livelihood and an increasing disparity between the rich and the poor.
8. Lack of social mobility is an issue. Education will no longer be a viable means for upward movement. The lack of social mobility will tend to perpetuate inter-generational poverty.
9. Social conflicts are growing.

### Concerns and Challenges

- 1 General Problems of Poverty
  - .Government has demonstrated no commitment, objectives or strategies in tackling poverty problems. Instead of having long-term/sustainable planning, only some minor adjustments were made to the original policies.
  - Government has been playing a passive role in promoting tripartite partnership.
  - Society lacks thorough research into the culture of poverty.
  - Society places too much emphasis on the economic qualities of the talents while ignoring other social qualities.
- 2 Related Issues

## 2.1 Working Poor

- ◆ The absence of proactive government policy support has prolonged the low employment rate of the disadvantaged.
- ◆ The lack of collective bargaining power has given rise to the exploitation of some workers who are forced to be employed under a wage level below the local minimum wage standard.
- ◆ Even the minimum wage is put in place, a significant proportion of the working poor will still live below the poverty line because of the absence of other coordinated measures.
- ◆ The lack of diversification of local industries gives rise to the increasing sectoral concentration on a few leading industries and the shortage of employment opportunities for a majority of able-bodied workers, especially part-time employment opportunities for housewives.

## 2.2 Economic Concentration

- ◆ Major industries are in the hand of a few large conglomerates or family business groups. Small enterprises and producers become their dependents. Economic and social mobility become uncommon and Hong Kong relies more on the mainland (economic and social policies/strategies).
- ◆ Due to lack of employment policy, jobs for some social groups are inadequate.

## 2.3 Social Demography

- ◆ The population policy leads to an increase in number of households relying on social services.
- ◆ With the faster pace of urban renewal and the implementation of major infrastructure projects as well as the reallocation of spatial capital, the percentage of households who live in complete and self-contained apartments may only have slight improvement. Besides, the high rental lowers the quality of life of the people.
- ◆ The number of working hours of workers has not decreased. Working hours remain very long.
- ◆ Outsourcing or oligopoly is common in different industries which hinders economic mobility. Workers lack collective bargaining power. Wages and working conditions for workers have descended to their lowest point. Violation of labour laws will increase and become more serious.
- ◆ Social welfare does not properly respond to the policy allowing 150 new immigrants from the Mainland. Some of these families face the problem of poverty. Women in these families face problems of child care and employment.
- ◆ Hong Kong residents previously migrated to overseas come back and they face poverty problems. They need to adjust to a life of the poor from having been an affluent when they were overseas. They do not have strong social networks. Over time, they have quite a lot of grievances about their new life in Hong Kong.

## 2.4 The problem of poverty in different groups

- ◆ Children grow in an environment of poverty, suffering from multiple deprivations. Their lagging behind is worrying.
- ◆ The problem of old-age poverty is serious and the current Mandatory Provident Fund is insufficient. More and more elderly women are in poverty.
- ◆ The low-income individuals without CSSA payments are still in poverty and unable to benefit from the current safety net.
- ◆ The middle-aged unemployed workers face difficulties to re-join the labour market and their unemployment status is affecting their families.
- ◆ A number of working youth with insufficient income or limited choices of work are unable to meet daily expenses or support themselves. They also find it hard to have further learning and self-development. High qualification, low income and job security constitutes a typical life situation of this group of people
- ◆ The disadvantaged feels no hope or opportunity.
- ◆ Our society does not recognize the contribution of unpaid work. Many women engage in full time housework, but their contributions are neglected and not recognized.

## 2.5 Poverty at District Level

- ◆ Poverty problems manifest differently in different geographical locations. This deserves special attention.
- ◆ At the district level, we should consider creating decent jobs for people.

## 2.6 Personal Factors

- ◆ Personal factors, like mindset and lifestyle, may also play a role in explaining individual situations of poverty.

### **Possible Actions**

1. Advocating for the rejuvenation of mechanism for poverty alleviation to plan for long-term poverty reduction work. Mobilizing the strength of civil society in an attempt to urge the Government to formulate strategies and objectives for the prevention and alleviation of poverty.
2. In view of the complexity of poverty problem, forming platform for following up on related issues and consolidation of programme ideas and experiences in combating poverty.
3. Formulating other measures with no labeling effect to provide potential assistance like negative income tax and the second helping hand for the low-income households
4. Developing active labour market policy on the basis of sustainable employment as well as creating employment opportunities for the elderly, disabled and ethnic minority groups
5. Developing diversified economic productions and consumption patterns so as to provide small producers with opportunities to become self-reliant

6. Strengthening concessive and sustainable measures to assist the employment of the disabled, single-parent family and ethnic minority groups
7. Developing (large scale) social enterprises, which should have their own branding and market, to create job opportunities.
8. Developing new industries in response to dynamic lifestyles (use of ICT/multi-media etc) of the young people.
9. Setting maximum working hours comparable to that of the civil servants
10. Empowering workers with the rights of collective bargaining
11. Mobilizing the society to recognize the need of income protection for the elderly and before new measure is put in place, the current structure and the eligibility of the Comprehensive Social Security Assistance Scheme for the elderly has to be reformed
12. Increasing the public renting house flats and resuming the Home Ownership Scheme flats so as to enable residents to buy their own houses.
13. Infusing hope for children in poverty to prevent inter-generational poverty.
14. Setting up specialized service centres for the New Arrivals and the single parents to provide necessary supports.
15. Conducting research on the culture of poverty

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