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POVERTY POLICY IN HONG KONG: WESTERN MODELS AND CULTURAL DIVERGENCE

by

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Abstract

This paper aims at establishing a possible theoretical model in analysing poverty in Hong Kong. The paper begins with the review of various concepts and manifestations of poverty from western literature, and how these have translated into a variety of poverty policies in western societies. The central section of the paper discusses in detail the nature and extent of poverty in Hong Kong, its changing patterns and causes. This section also provide descriptions of past and present poverty alleviating policies in Hong Kong. The final section of the paper provides a analytical framework, drawing from European experiences, in terms of policy formulation and development that could be applied to the experiences from Hong Kong. The paper concludes that the European experience may provide some useful pointers for the wayt in which Hong Kong policy might develop in the future.
POVERTY POLICY IN HONG KONG: WESTERN MODELS AND CULTURAL DIVERGENCE

William Lee and John Edwards

CONCEPTS AND CAUSES

Measured poverty in Hong Kong has increased over the last twenty years and continues to do so. Because of a number of cultural and economic assumptions however, the development of policy to combat poverty remains relatively unsophisticated both in its conceptualisation of the nature and causes of poverty and in practical strategies for delivering assistance to the poor. Such policy as has existed has derived almost directly from British experience (Jones 1990, Chow 1986) but this has been strongly modified by adjustment to perceived ideas of Chinese tradition and culture. In consequence, such policy will be ill-adapted to the pattern of poverty in the Special Administrative Region if the nature and causes of poverty there (as well as its magnitude) have changed. In short, a little altered inheritance from Britain, based on British assumptions about Chinese tradition may be proving too inflexible and ill-suited to the task of alleviating poverty today.

The theme of this article then is poverty in Hong Kong but we shall approach it by considering three linked topics. We begin with a review of concepts of poverty, its components, manifestations and causes and how, in the West, these have translated into a variety of poverty policies. The central and main section of the paper discusses in detail the nature and extent of poverty in Hong Kong, its changing patterns and causes (including economic and demographic changes) and describes past and present policies to alleviate poverty. In the final part of the article, attention focuses on the potential value - both analytically and in terms of policy development - of applying British ideas, concepts and policy experience to the situation in Hong Kong and includes consideration of the impact of attitudes and preconceptions of poverty and its causes on policy development again, drawing on British experience. We conclude with some comments about how recent British (and European) thinking might provide pointers for the way in which Hong Kong poverty policy might develop in order to generate a more effective response to what clearly is a changing pattern of need.
There is one further strand of thought that informs our treatment of poverty as a broader concept than simply lack of money. It is, in its simplest form, a consideration of what lack of money does to people. Poverty de-moralises people; it prevents them being full participating members of society; it damages children brought up in ‘poverty households’; it denies people their status as citizens by excluding them from involvement, and it denies them a stake in the future. These are dimensions of poverty just as much as lack of money.

**Poverties: Simple and Complex**

Current anti-poverty policy in Hong Kong is premised on the simplest (and most common) interpretation of poverty - that it describes a condition of insufficient resource for normal subsistence living where ‘subsistence’ is taken to be only a little more than physical adequacy. The policy response that naturally follows from this is to provide financial assistance to those identified by some form of means test as being in poverty in order to raise their income to ‘adequacy’ for a basic living standard. In this respect, Hong Kong policy in the form of the Comprehensive Social Security Assistance Scheme\(^1\) is one that is common to most countries that have some form of provision for the poor. Indeed, at the simplest level of policy response, it is difficult to think of any logical alternative. If the problem is lack of resource (for whatever reason) and the continuation of the problem would lead to harm or even death, then the response (if not the answer) must be to give more resource - from public funds if it cannot be obtained in the private sector.

But this is poverty conceived at its simplest and a policy response at its most basic. It is ungenerous in what it gives, sometimes stigmatising in how it identifies potential beneficiaries and seemingly indifferent to the causes of poverty. It is a logical, understandable and uncomplex (if somewhat parsimonious) response that in its simplicity is easily prey to assumptions about, and moral judgements of, the poor and the reasons for their poverty. It is direct but uncurious.

Thinking and conceptualising about poverty has, not surprisingly, been more extensive and of

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\(^1\) This is described in a subsequent section of this paper.
longer duration in America, the United Kingdom and in Europe. Not all of this thinking has been productive or helpful for policy but it has at least opened the way to a broader conceptualisation of poverty (including ideas of multiple deprivation, intergenerational continuities in poverty, dependency, ‘exclusion’ and so on) and to a more thorough analysis of the causes of poverty (from individual ‘fecklessness’ and ‘inadequacy’, to the collapse of communities, the changing structure and function of the family, ageing populations, increasing dependency ratios and economic change both nationally and at the level of local economies).\(^2\)

The basic forms of poverty relief in Britain - and the ones most analogous to CSSA in Hong Kong - are Income Support, Family Credit, the Job Seekers Allowance (a form of unemployment benefit), Housing Benefit and the Council Tax Benefit (a form of relief from local taxes). More than 30% of all households in Britain are in receipt of one or more of these benefits (see Baldwin and Falkingham 1994; Hill 1996).

Notwithstanding that these measures taken together constitute the cutting edge and the most immediate part of provisions to lift people out of poverty, they make up only a small part of the totality of measures that have an impact on the poor, and - more importantly for the current argument - they contribute but little to the corpus of thinking about poverty and its causes that developed over the past two decades. It is to this body of thinking (in the United Kingdom in particular) that we must turn our attention. Our purpose is not to provide a detailed account but rather to identify ideas, conceptions and theories about poverty and its causes that could help to

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\(^2\) Thinking about poverty has, of course, generated a huge literature particularly in the United Kingdom and America. Apart from empirical studies as exemplified by Townsend’s Poverty in the United Kingdom (Townsend 1979), useful discursive treatment of a variety of conceptions of poverty in the UK can be found in Holman 1978, Rutter and Madge 1976, Higgins et al 1983 and Taylor-Gooby 1991, and for the American picture, in Jencks and Peterson 1991. As the focus moves from statistical measures of poverty on some absolute or (numerically) relative scale, towards interpretations of its causes and manifestations, so does the ideological component of the debate increase.
widen the debate (or at least, raise some different questions) in the Hong Kong context. Nor is it the intention to attempt anything like a comprehensive account of thinking and theorising about poverty in the UK over the past twenty years. Only those ideas and conceptions that may contribute to any future debate in Hong Kong are included.

One of the first departures from conceiving poverty as an absolute or relative lack of money was the idea of ‘multiple deprivation’ which in the 1970s and 1980s came to be applied to conditions found in the run down ‘inner city’ areas of Britain’s large towns (Edwards and Batley 1978, Edwards 1984). What was manifest in such areas was not just the financial poverty of many of their inhabitants but also the compounding effects on their poverty of a multiplicity of other ‘deprivations’ such as unfit and overcrowded housing, a polluted and shabby environment, high levels of morbidity and infant mortality, poor education, high levels of crime, high unemployment rates and a sense of hopelessness. Financial poverty it was argued, could not be isolated from these other debilitating effects on people’s lives and simply responding to their condition by giving them financial benefits to bring them above subsistence poverty, would do little to improve their lot. The logic of this conception of poverty as a multiplicity of problems demanded a policy response that was itself multiplex and comprehensive in its approach. However, it was clear that any policy that attempted to tackle all (or even some) of the components of multiple deprivation would be impossible on a national scale and was conceivable only if targeted at those small areas in cities where the problem was most acute. It was this diagnosis that led to the first of a series of ‘inner city policies’ predicated on the idea that multiple deprivation was a residual problem and relatively isolated in small geographic pockets in cities. Unfortunately, the diagnosis was only partially true in that for many of the components of multiple deprivation, spatial concentration was not nearly as strong as had been assumed. Deprivation was not confined to ‘small pockets in cities’ and far more people living in conditions of multiple deprivation were located outside the targeted areas than within them (Holtermann 1975, 1978).

Notwithstanding this policy failure, the conception of poverty that was its basis, was a valuable one. Most people who suffer financial poverty also suffer a number of other deprivations - in

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3 Nothing of what is included in this discussion of poverty presupposes any particular cultural context - though a good deal does assume that culture and tradition play a crucial role in attitudes to, and conceptions of the causes of, poverty.
housing, environment, health, education and uncertainty - which will not be alleviated by financial benefits alone. The policy failure owed much to a (convenient) belief in the degree of spatial concentration of deprivations (a necessary belief if any policy response was to appear at all plausible) but the conception of poverty itself as consisting of a multiplicity of components was a considerable step forward. Not only did it evidence the multiform nature of poverty, it also demonstrated that for some people, lack of money itself might not be what concerns them most. Indeed, some studies of deprived urban areas have shown that fear of crime is a greater concern for many residents than other components of deprivation - including money poverty (see Department of the Environment 1977a, 1977b, 1977c, 1977d). The idea of multiple deprivation therefore, pulls financial poverty into perspective. The quality of life of the poor is damaged by lack of money but lack of money is only one component, and alleviating it will not necessarily by itself create a satisfactory quality of life.

A quite different interpretation of the ‘poverty complex’ gained some recognition during the 1970s and 1980s in Britain though its apparent provenance in Conservative government circles led almost immediately to critical attention. This was the idea of ‘inter-generational continuities’ in deprivation (of which, money poverty was again seen as one component), though it went under a variety of names and became inseparable from the idea of a ‘culture of poverty’ then seeing something of a renaissance in the United States (see Murray 1984, Macnicol 1987).

The claim that this conception made was that those characteristics of deprivation that attach to individuals and families (as opposed to housing and environmental components) tend to carry through the generations. The children of deprived parents therefore, are likely themselves to be deprived (to be in financial poverty, have low educational attainments, poor health, low ambitions and so on). Whilst it was true that research carried out under a programme to investigate intergenerational continuities did find some evidence to support (what was after all an uncontentious) assertion that deprivation ‘ran in families’, the mechanisms by which intergenerational transferral took place remained disputable. And it was over this part of the theory that assertions of ideological (or at least, political) bias developed (see Fuller and Stevenson 1983). Disagreement tended to revolve around the role that personal as opposed to structural factors played in transferring deprivation. It was relatively uncontentious to assert that families locked into unemployment, poverty, poor schools and a decayed environment found it
very difficult to break out. The same economic and structural factors that deprived poor families of a decent living, (and of any hope that things would get better) would impact on the children in the same way. It was hardly surprising therefore (on this interpretation) that children of poor families grow up poor. But this was not the interpretation that the originators of the idea of 'transmitted deprivation' had in mind. Theirs was an explanation that identified the character and personalities of family members as the agents of intergenerational transmission of deprivation. Children of deprived parents were themselves deprived on this interpretation because of 'poor parenting' - parents who were 'inadequate' and lacked the 'personality' to provide their children with the upbringing that would lift them out of their deprived circumstances (see Rutter and Madge 1976).

It is not difficult to see the close affinities between this 'personality' based explanation on the one hand and the idea of a 'culture of poverty' on the other. This latter idea has enjoyed some credence in the United States in one form or another for many years but its normative overtones and appearance of 'blaming the victims' have made it the subject of fierce criticism. In a sense, the culture of poverty concept is a generalisation to a whole class of people of the attribution of 'inadequacy' to individuals and families that characterises the idea of intergenerational transmission. What is being asserted in general terms is that the existence of relatively large numbers of individuals and families who are unable to break through the intergenerational cycle of deprivation, will generate a distinctive culture (or more realistically, sub-culture) of poverty - but one in which the 'poverty' denotes not only (or even mainly) money poverty, but all those other personal characteristics that allegedly make up 'deprivation'.

It is possible, at one level, to see a 'culture of poverty' as a reaction to the privations imposed by an inequitable (and unequal) economic system. In this sense it is a mechanism for survival on the part of those whom market economies consign to the bottom of the pile. But this is not how the concept has been articulated by most commentators - particularly those in America. Like 'intergenerational continuities', of which it is an evolution, the culture of poverty thesis finds its roots in the supposed inadequacy of the poor rather than in their reaction to inequality. The

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4 Descriptions and critiques of the culture of poverty can be found in Holman 1978, Rutter and Madge 1976, Greenstone 1991.)
culture, in other words is viewed in negative terms rather than as productive of anything of value. It is, above all, a culture that narrows horizons, stifles initiative, imposes ‘short-termism’ and promotes dependency (usually on state handouts) from which derives its synonym - the ‘dependency culture’ (see Dean and Taylor-Gooby 1992).

There can be little doubt that for some people or families, for some of the time, long periods of poverty and associated patterns of deprivation will generate feelings of hopelessness and will sap the will energetically to seek work (if they are of the age to do so). Indeed, it would be surprising if this were not so but it is a quantum leap unsupported by sound evidence to conjure out of this a culture of poverty with all the implications it shares with that other contestable notion ‘the underclass’ of a permanent or semi-permanent class of the population who will always inhabit this sub-culture.

A third configuration of poverty that has been developed in Europe and more recently gained ground in the United Kingdom puts far more emphasis on what states do to their poor (and their ethnic minorities). The stress here is not so much on the characteristics of the poor or whether they constitute an underclass or have succumbed to a ‘culture of poverty’, but rather on the effects of poverty and deprivation. There are groups in the population, so this argument goes, who by virtue of their poverty and deprivation in its multiplicity of components, or for other, and often overlapping, reasons such as their membership of minority ethnic or racial groups, become cut off or excluded from mainstream society. They do not participate (or at least not fully) in the education system; they are relegated to unemployment or cheap labour; they do not participate in democratic processes, and, whatever their formal status, they are not engaged in participative citizenship. They are, in short, ‘excluded’.5

To say that the signal feature of the poor is that they are ‘the excluded’ is not necessarily or entirely incompatible with other ways of depicting them - indeed it may be quite compatible to say that the poor live in a culture of poverty and to say that they are excluded from participative citizenship - but it is the emphasis that is significant. The culture of poverty thesis (and the

intergenerational continuity thesis) lay considerable stress on individual and family characteristics and - implicitly at least - attach some fault to these characteristics. The 'exclusion' formulation is less normative in its treatment of the poor and lays greater stress on what has happened to them and what position they have been placed in vis-a-vis the state. To be excluded from effective citizenship is, on this reading, a condition more serious than poverty itself. It is not surprising therefore that it is in France with its strong culture of individual citizenship that the idea of exclusion has gained most ground as an alternative descriptor for 'poverty' (Révauger 1998).

Causes of poverty

There is a number of levels at which factors causal of poverty (and deprivation more generally) might operate. In countries where socio-economic inequalities are very large, the inequality itself will be a constant underlying cause of poverty (though it is possible of course for widespread poverty to exist in countries that do not exhibit gross inequalities). There is a sense however, in which poverty is symptomatic of inequality. Closely allied to this would be an explanation that said that market economies from which any redistributive mechanism such as a welfare state are absent, are likely to create poverty conditions for some of their citizens. Poverty may therefore be endemic in capitalist societies (though ameliorated in varying degrees by welfare redistribution). Still at the macro level of explanation, it will sometimes be the case that the extent of poverty in a country will fluctuate with economic changes as may now be the case in China and other Pacific Rim countries such as South Korea.

Economic effects may also be felt (and caused) at the local level. We have seen in Britain that spatial concentrations of people suffering from a range of deprivations have been attributed to the collapse of local economic infrastructures brought about by the flight of economic activity from the inner cities sometimes in response to government policies of urban containment that provide incentives for companies to relocate in new and expanded towns and development areas (see Hall et al 1973, Robson 1988, Deakin and Edwards 1993).

The resulting situation is made worse when the exodus of economic activity is accompanied by selective population emigration whereby the young and economically active move out to preferred
locations leaving behind relatively large proportions of the inactive and those more susceptible to poverty.

There are causes other than the economic ones, and one in particular is worthy of note because it appears to be one to which increasing poverty and vulnerability in Hong Kong at present may be attributed. In the absence of a welfare state, the wellbeing of the poor - and particularly the elderly poor - has depended on the Chinese tradition of care by, and within, the family (see Baker 1979, Phillips (ed) 1992). Two factors seem at present to be at work in this context which are leading to an increase in poverty. The first is the demographic ageing of the population so that there are far more old (and very old) people to be cared for. This is compounded by the second factor which is the decline in the tradition of family care. The breakdown of both the nuclear and the extended family in the West is well documented but even in China and SAR Hong Kong, the Chinese tradition of the supremacy of the family as the caring unit seems to be breaking down. In the absence of alternative welfare provision both in terms of financial support, accommodation and other forms of care, this may then lead to increasing numbers of the elderly and others at risk, remaining uncared for. They may become the increasingly visible manifestation of poverty. We shall have more to say about this in subsequent paragraphs.

The policy implications of some of these conceptions and causes of poverty are clear - income supplementation for absolute money poverty, spatially targeted resources for urban deprivation and (possibly) some form of educational support for those deemed to be ‘poor parenters’ and liable therefore, to perpetuate intergenerational deprivation (though it has to be said that such educational attempts have always failed to show any marked results). Other conceptions of poverty such as the culture of poverty thesis and poverty as exclusion are less prescriptive of any particular kind of policy response. If there were a ‘culture of poverty’ for example, it is not immediately clear what sort of policy would be appropriate in order to change it or break it down. So, in the case of exclusion, it is not self-evident what kind of policy would best effect the re-inclusion of the excluded into full participative citizenship (though we might reasonably suppose that if ethnic, racial or religious minorities are prominent among them, policies of antidiscrimination and affirmative action would constitute valuable antidotes (see Edwards 1987, Edwards 1995)). In general therefore, it can be said that in the wider European context, developments in thinking about poverty and the illuminating concepts to which they have given
rise, have not (so far) led to the formulation of policies that reflect them.

We shall return in the third section to a consideration of how these conceptual developments in the United Kingdom and elsewhere in Europe might help in illuminating the changes in the nature of poverty and inequality in the S.A.R. of Hong Kong. And a key concern here must be whether some, at least, of the recent thinking in Europe can assist policy development in Hong Kong notwithstanding the very different cultural contexts. Before that however, we examine the changing nature of poverty in S.A.R. Hong Kong in more detail.

THE POOR IN HONG KONG

Hong Kong is a modern industrialized society. According to World Bank figures, Hong Kong’s per capita GDP ranked fourth in the world in 1995.\(^6\) Starvation and gross under-nourishment have long been eradicated. However, like other industrialized and affluent societies, poverty persists and certain groups (and particularly the working poor) are left out of the benefits of economic prosperity and success, and in this Hong Kong is no exception. The poor have become an underprivileged class struggling to survive in a society where the cost of living has skyrocketed (Pong 1992, Lui and Suen 1993, Lee 1997). Despite Hong Kong’s wealth, poverty is not difficult to spot; indeed the street-sleepers and the old ladies collecting cardboard to supplement their meagre incomes are there for all to see. Perhaps, more disturbing, is the hidden poverty behind public flats that goes unnoticed. As Hong Kong’s population ages, the poor will include new groups, such as the elderly, with inadequate financial resources due to the weakness of the present social security schemes. The past colonial government and the new SAR government\(^7\) prescribe to the ideology of non-intervention, concentrating on providing education and training opportunities for its citizens to achieve in society. Failure to do so is not rewarded. Hence, individual welfare, economic well-being and success or failure are entirely dependent upon individuals’ efforts. Consequently, compared to some other affluent societies, Hong Kong has


\(^7\) Hong Kong became a Special Administrative Region (SAR) of China under the one country two systems arrangement on July 1, 1997.
very little to offer in terms of social assistance to those living in poverty and for that matter to any others who might need assistance.

Unlike its success story that has been frequently told and marvelled at, little is known of how the poor live in Hong Kong or for that matter how Hong Kong deals with its poor. The following sections will focus on the conditions of and policies dealing with poverty. Firstly we shall examine who the poor are, and provide an account of the causes and consequences of this underprivileged class. Then we shall describe the present social security system and policies and examine the extent to which they deal with poverty, income maintenance and social support in Hong Kong.

A profile of the poor in Hong Kong

The data used in the following discussion are based on the published figures from the 1991 Census. Table 1 shows that the overall income gap between monthly household incomes in the period from 1981 to 1992 has been widening, with an increase in the Gini coefficient from 0.451 in 1981 to 0.476 in 1991. The data show that the total household income of households with the lowest income has not improved over this period. Further, there is no sign of any increase in income for low-income households. The twenty per cent of households with the lowest income in 1981 earned about 4.6% of total household income. By 1991, this had decreased to 4.3 per cent of total household income.

Table 2 shows that in 1991 the median income of the 20 per cent of households with the lowest income was HK$3,460 while the top 20 per cent earned HK$27,965. Using HK$3,999 or less as the cut-off point to identify poor households, the 1991 Census reports that there were 190,788 households (12 per cent of all households) in this category (see Table 3). Although the picture has improved over the past decade, the proportion still represents a very significant number of families living in poverty.

According to the 1991 census data, the median monthly income of a single person household was

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8 The Hong Kong dollar is pegged to the US dollar. The exchange rate is US$1 = HK$7.8.
HK$4,800, while that of a two-person household was HK$9,000. Using the public assistance standard and taking into account the effect of household size on household resources, it is estimated that about 100,000 or 6.4% of total households (250,000 people) can be classified as low-income in Hong Kong (see Table 4). The problems of low-income households however are not confined to a lack of economic resources. Table 5 shows the geographical distribution of low-income households in Hong Kong. In urban Hong Kong, it is found that low-income households tend to reside in the old and densely populated districts of Mongkok, Sham Sui Po, and Yau Tsim. The urban poor in Hong Kong therefore have their financial poverty compounded by poor environments and low quality and overcrowded housing. This is far from unique of course - as we have seen - in the United Kingdom, a prominent conceptualization of poverty has treated it as one component of many factors that make up urban deprivation.

This is further evidenced by Table 6 which shows households’ median monthly income according to types of living quarters. Median incomes are lower for households in the Housing Authority Group B rental blocks, roof-top structures, temporary housing facilities, simple stone structures, and non-self-contained private housing. Both tables 5 and 6 demonstrate that low-income households also face difficulties in other aspects of life due to their lack of economic resources. Furthermore, owing to a lack of economic resources, living conditions are often less satisfactory. At the same time, the impact of urban redevelopment and the demolition of old urban buildings will continue to exert great pressure on low-income households.

In a recent study of poverty, the Hong Kong Council of Social Services (HKCSS) defined poverty as ‘the income of a household being not adequate to pay for basis and necessary food expenditure’ (HKCSS 1996: xi). The study, applying secondary analysis of the 1994/95 Household Expenditure Survey conducted by the Census and Statistics Department of the Hong Kong Government, reported that the average income for the absolute poor was HK$3,415 for a single-person household, HK$7,294 for a two-person household, HK$10,764 for three, HK$11,895 for four, and HK$13,931 for a five person household. The average monthly food expenditure for one person was HK$525, HK$274 less than the minimum set by government. Based on these estimates, it was concluded that there are 141,000 households (or 486,000 people) living below the absolute poverty line. Together with 150,000 people kept out of poverty only by the Comprehensive Social Security Allowance (CSSA), it is estimated that there are now almost
650,000 people (250,000 households or 15.5 per cent of all households) living under the poverty line, representing more than one in ten of Hong Kong's 6.3 million people. In general, the study found that the livelihood of poor households deteriorated between 1984/85 and 1994/95 and that increasing housing costs were a main contributing factor. In this context, for example, in 1984, a four-person family spent 9 per cent of their income on housing, but in 1994 it was 21 percent. In the same period, housing expenditure rose from 15 per cent to 40 per cent for a single person.\textsuperscript{9}

Similarly, based on the median income of the poorest 20 per cent of families in the territories, Tsang estimated that the approximate income of a person who belonged to the poorest 20 per cent families was about HK$1,400 a month in 1995. This represents about 15 per cent of the median income of an ordinary worker, and it was estimated that there were at least 600,000 people in Hong Kong whose income was lower than this.\textsuperscript{10}

Poor households can be characterized by factors other than their poverty. They are likely, for example, to include the elderly; single parents with women as the sole breadwinner; and the working poor. A large proportion were living in overcrowded public housing. The working poor tend to have relatively poor educational attainment and a high incidence of unemployment and irregular employment. Wage earners, because of their poor educational attainment, cannot keep up with the shifting economy and if they are employed, they are often found in low paying manual or service jobs. Further, due to high cost of child care, women in these households have to look after their children and are unable to seek gainful employment to supplement family income. Hence, working poor households tend to have only one income recipient, which in part accounts for their poverty.

In the 1990s new groups of poor have become evident. Poverty among the single parent households, the elderly and recent immigrants has been increasing. Single parent families headed by women are particularly vulnerable. Lacking family and social support, women from these households are usually prevented from finding jobs because they have to look after their children. The social problems experienced by female-headed single families reflect the constraints posed

\textsuperscript{9} South China Morning Post, 18 October 1996.

\textsuperscript{10} Tsang Shu-ki, 'Looking at the Problem of Poverty from the Economic Development Perspective', \textit{Ming Pao}, 1996.
by the existing sexual division of labor and sexual stereotyping that exist to a far greater extent in Hong Kong's labor market, than in (for example) the United Kingdom.

The elderly have been facing increasing difficulties in finding work and have been forced to exist on the lowest of incomes. The elderly have problems retaining jobs and face increasing hardship in getting new jobs. In 1996, there were 620,000 old people in the territory, representing about 10 per cent of the total population.\textsuperscript{11} According to the Social Welfare Department, in the 1995/96 financial year, there were 429,980 old people on Old Age Allowance and of the 136,201 CSSA cases the elderly and people with disability made up the majority.\textsuperscript{12} Further, about 50,000 old people continued to live in 'caged' accommodation.\textsuperscript{13} It has been projected by the government that by the year 2016, the elderly (65 years old and above) will account for 13 per cent of a projected total population of 8.2 million. Given the limited social welfare assistance it is expected that more elderly people will slip into poverty. In an economy where the average monthly income is about HK$14,000 government welfare benefits are HK$1,810 per month for a person over 65, HK$2,260 for a handicapped person, and HK$1,210 for all other welfare recipients. These provisions are clearly not enough given the high cost of living.\textsuperscript{14}

Immigration in the first half of the 1990s contributed more than half of the population growth in Hong Kong.\textsuperscript{15} In recent years, triggered by the return of sovereignty of Hong Kong to China, the influx of Chinese immigrants from mainland China has increased. These new immigrants, lacking

\textsuperscript{11} Hong Kong Population Projections, 1997-2016, Census and Statistics Department, Hong Kong.

\textsuperscript{12} The Old Age Allowance is part of the Comprehensive Social Security Assistance (CSSA) Scheme which is means-tested and non-contributory. It is intended to bring the income of needy individuals and families up to a prescribed level.

\textsuperscript{13} South China Morning Post, 2 January, 1996. Caged accommodation is rented temporary bed space, and each room may accommodate 10 to 15 individuals.

\textsuperscript{14} In 1995 a five kilogram bag of rice was about HK$37 and the rental of a small apartment in public housing cost HK$900 a month. Far Eastern Economic Review, 11 September 1995, p. 36.

social support, will find difficulties integrating into Hong Kong society. Their adjustment has been made more difficult because of prejudice and resentment that has prevented the local population from accepting and helping them adjust to Hong Kong society. In the 1970s, the government laid out a series of plans to improve social conditions in Hong Kong. Social services such as education, housing, medical and health care and social welfare, were expanded to meet the needs of a fast growing society. However, the plan did not foresee the entry of some 400,000 immigrants, most of whom relied on government social programmes, particularly that of public housing. Most could only secure low-paid jobs as a result of their disadvantaged background and because of discrimination. Given economic and social vulnerabilities, new immigrants are likely candidates to slip into poverty.

There are various reasons why households slip into poverty. In general, poor households are deprived of access to the resources to which as citizens they are entitled. There are three main types of resource that poor households lack. First, in terms of the economic component, for different reasons, some households may lack the conditions for participating in economic activities. Such households might include single parent families and families which need to take care of dependent family members and the elderly. Their situation may also be due to changes in the external economic environment which make continued economic participation with existing skills and knowledge impossible. In the Hong Kong context, the restructuring of the economy with the opening of China’s economy has displaced many manufacturing workers so increasing their economic vulnerability. Many are forced to take up lower paying service jobs which has increased their chance of slipping into poverty. In the past, Hong Kong manufacturing was characterised by labour-intensive activities but as a result of rising costs many factory owners have moved their production to South China which has resulted in deindustrialization in Hong Kong. The number of manufacturing establishments for example, decreased from 50,606 in 1988 to 39,238 in 1993, while those employed in manufacturing declined from 875,250 in 1987 to 508,313 in 1993. The result of such restructuring was that thousands of manufacturing workers were displaced and forced to find lower paid service-oriented jobs. They gradually fell into the secondary labor market and became economically vulnerable. And, since women dominate the manufacturing sector, the impact of economic restructuring has affected them the most (Lee

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16 Ibid, p. 342.
1997). For those who stay with the manufacturing industries, their incomes were also affected due to the relocation of factories to China. In some industries, such as garments and textiles, there were even cases of decrease in real wages. Hence, households slip into poverty because they cannot participate in economic activities due to time restrictions, family obligations and/or because their skills are losing market value as a result of changes in the economic environment.

Another reason why households slip into poverty is that they lack social resources. Such resources include housing, family or social support networks and access to information. In Hong Kong, most poor households need to resolve their housing problems in order to maintain their independence in participating in economic activities. Today, individuals who face serious housing problems are those on the housing waiting list whose incomes are too large to qualify for public assistance, but too small to allow them to rent private property. These families, earning about HK$5,000 per month, often cannot make ends meet and they struggle between feeding and clothing their families against rising costs. Meeting housing costs on top of this is almost impossible. There are about 149,000 families on the waiting list and given the bleak performance of past governments to resolve the housing needs of Hong Kong, many of these families will become and remain victims of the poverty gap. Further, the poor also lack resource in the form of access to information (such as job information), social services, and support from family, relatives and friends in times of difficulties. Finally, the poor lack political resources. Most poor households have difficulties in participating in political activities as a result of their economic burden. As a consequence, it is difficult for them to rally public support for their causes and exert political pressure. Hence, as the poor lack resources to organise political support, they often feel (and are) helpless in facing the many social problems that confront them, such as housing, urban resettlement, social security, discrimination and an uncertain future.

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18 South China Morning Post, 1 August 1997.

19 On 14 January 1997, 40,000 residents from the ‘Walled City’, an enclave for illegal immigrants and the poor, discovered that their world will be levelled and replaced by a park. Far Eastern Economic Review, 24 January 1997.
Social Security Provisions in Hong Kong

In response to high levels of poverty and destitution the Hong Kong government established the Social Welfare Office in 1948. Public assistance, based on strict criteria, was introduced. The colonial policy was to ‘maintain the Chinese tradition’, which treated poverty, infirmity and natural disaster as personal matters to be dealt with by the family system (MacPherson, 1993). These provisions, given out for ‘emergency relief’, were in kind rather than cash. Things did not change much until the late 1960s. In 1966, under mounting pressure to deal with the increasing problems of poverty, the British government sent a working group on social services to advise the Hong Kong government.

The working group related that the capacity of the extended family system had deteriorated, and that it was no longer capable of carrying out its traditional functions of caring for the old, the young, the disabled and the unemployed as it had in the past. There was, the working group argued, a need for social insurance, even if only on a limited basis (Jones, 1990). However, for various reasons (and fear of cost was one of them) the recommendation was not implemented. Instead, in 1971, the Hong Kong government introduced a means-tested and non-contributory Public Assistance Scheme which delivered benefits in cash. The scheme, modelled on the UK National Assistance Scheme was set up in such a way as to minimise cost and was intended to bring the income of needy individuals and families up to a government prescribed level.

Hence, from the very beginning, the scheme would include a family means-test. Support was assumed to come from family members or close relatives unless proved otherwise. In 1972, there were about 18,000 recipients and by 1975 the numbers swelled to 56,000. Most were elderly with inadequate or no support from their families (Hong Kong Government 1977). The scheme had some of the features of the Poor Law which made it a place of last resort. To apply for the scheme was an admission of failure, and for the application to succeed was a public statement of the greater failure of the family to provide. Hong Kong therefore moved into the 1970s, a period of unparalleled economic growth and rapid modernisation, with an undeveloped social security system based on the British Poor Law (MacPherson, 1993).

Essentially, the scheme has not changed since its inception in 1971. In 1990/91, total expenditure
on public assistance under the scheme was HK$950.12 million, and there were about 67,000 recipients. By 1995/96 expenditure had risen to HK$9,831 million, and there were about 136,700 recipients, more than double the 1990/91 figures. The basic rate in 1995/96 was HK$1,210 per month for those up to age 59; HK$1,810 per month for those aged 60-69, and HK$1,810 per month for those over 70. The basic rates are intended to cover all essential requirements and are increased periodically, in line with the movement of the Social Security Assistance Index of Prices. They are consciously and deliberately low. In principle, all those in financial need are eligible, including those in low paying jobs, but the recipients of public assistance are mainly the elderly. The public assistance scheme was renamed Comprehensive Social Security Assistance Scheme (CSSA) in July 1993.

An important addition to social security provision came in 1973. Tax-financed demogranants or social grants in the form of flat-rate allowances were introduced for the elderly infirm and the disabled. All those over 75 were presumed infirm and the allowance for disability is awarded on the basis of a medical certificate. Recipients must be either blind or deaf or so handicapped that they are judged unable to earn a living. There was no contribution test, and no test of means. By the end of 1973, 39,000 people were receiving such special needs allowances and at the end of 1995/96, there were about 68,180 recipients of the disability allowance. The rate of benefit was HK$1050 per month and expenditure totalled HK$914.7 million. When introduced in 1973 the demogranants were known as Disability and Infirmity Allowances but since 1988, a ‘Higher Disability Allowance’, at twice the normal rate (HK$2,100 per month in 1995/96), is payable to severely disabled persons who require constant attendance from others, but not receiving care in a government or subvented institution.

An old Age Allowance scheme has also been added to social security provision in Hong Kong. For those between the age of 65 and 69, the Normal Old Age Allowance is paid but on a means-tested basis. In 1995/96, the allowance for the ‘Normal Old Age’ was paid at the rate of HK$525 per month and according to the 1991 census sixty-eight per cent of those aged 65-69 in Hong Kong received benefits from this scheme. In 1988, however, a ‘Higher Old Age Allowance’ was added to this scheme. The ‘Higher Old Age Allowance’ which is paid to those over 70 and does not require a means-test was paid at the rate of HK$595 per month in 1995/96. According to the 1991 census, there were 296,943 people who were over 70 receiving this allowance, reflecting
a take up rate of ninety two per cent. In 1995/96, a total of 429,986 people aged 65 and above received some form of old age allowance, and expenditure totalled HK$2,768 million. The Disability Allowance and the Old Age Allowance have been renamed the Social Security Allowances (SSA). The major social security provisions in Hong Kong are summarized in Table 7.

Social Security provisions are in general seen as a safety net for those unable to support themselves and without relatives willing to support them. Such provisions as exist are based on the subsistence approach where payments of benefits are confined to meeting no more than the costs if physical survival. The demogrants, under the Old Age Allowance and Disability Allowance schemes that are paid to the disabled and the elderly, are now the most important component in terms of expenditures and the number of recipients. However, for the non-elderly and non-disabled poor in Hong Kong, the very restricted and limited CSSA scheme remains the only source of financial support but most of the poor are elderly and their numbers are growing. As housing prices and standards of living rise, more and more families find it difficult to care for the elderly. For the younger age groups, there are no demogrants, and the CSSA scheme is the only source of financial assistance regardless of the cause of financial needs. Table 8 shows the number of recipients of and government expenditures on the CSSA and SSA from 1986 to 1996. It is worth noting that between 1993/94 and 1995/96 CSSA recipients and expenditures have increased significantly. The number of recipients has increased by about 30 per cent, while expenditures have doubled. In terms of the SSA, old age allowances account for the major expenditures and most of the recipients. For instance, in 1995/96, old age allowance accounts for over 75 per cent of the SSA total expenditure and 86 per cent of total SSA recipients.

In 1995, the government proposed setting up a Mandatory Provident Fund scheme which aimed at providing retirement benefits for employees and the self-employed. The main features of the scheme cover employees (age 18 to 65) and the self-employed (up to 65 years old). The employee's contribution is five per cent of income topped up by another five per cent from employers to an approved fund. The contribution of the self-employed is 10 per cent but self-employed hawksers and foreign domestic helpers are excluded. The proposed Mandatory

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20 South China Morning Post, 13 November 1997.
Provident Fund scheme does nothing however to resolve the financial problems of those who have already retired, or those who will shortly retire. The Government therefore still has to propose a solution to assist those elderly and the working poor in need of financial assistance. The easiest solution would be to increase Comprehensive Social Security Assistance to a level which would adequately meet the living needs of the elderly and the working poor. But in addition to providing financial assistance, it is also necessary to ensure that essential services are adequate for those in need, in particular for the elderly. At the moment, 13.4 per cent of Hong Kong’s population is over 60 years of age, but this percentage will continue to rise as those between 30 and 40 years - who comprise more than 20 per cent of the population - grow old, and as the number of children per married couple continues to decline.\(^{21}\) In light of this trend, it is important that the health and welfare service needs of the ageing population are planned for.

**Attitudes toward Social Welfare, the Elderly and the Poor: A disparity between policy and reality**

Ninety eight per cent of Hong Kong’s population is Chinese by race and the city is considered to be ‘high in Chinese tradition’, known as a tradition where the family support system is primarily responsible for looking after the needy and the elderly. (Chow, 1992; MacPherson, 1993). In general, this disposition reflects the basic attitudes and values of the Chinese tradition as a whole, where the family is the most important element in society. Support systems are dominated by structured reciprocity and governed by patterns of social relationships such as filial piety within the family, and the family network of obligation and reciprocity are major components in the provision of support for the needy. Government policy towards social welfare has always been to maintain this tradition and support system and to see it as the primary source of care. For instance, in the 1960s the Hong Kong Government believed that social welfare services should not be organized in such a way that would break down the traditional sense of responsibility of the family to care for the aged and the infirm (Hong Kong Government, 1965). In the 1990s the Hong Kong government’s attitude to the relief of poverty and to income maintenance has not changed. Protection from hardship, poverty and care for the aged and infirm still relies on self-help and on the family and a recent policy paper on social welfare states that the family must be

\(^{21}\) South China Morning Post, 10 August 1995.
the primary provider of care and welfare for the needy (Hong Kong Government, 1991). The policy that now exists in Hong Kong on the care of elders is thus still based on the traditional notion of filial piety, though the government acknowledges that this notion has been subject to challenges and pressures as Hong Kong society further develops (Chow, 1993). What this means for formal social security is that it confines the role of the government to meeting only the most basis needs of the most deserving, in the direst need of financial assistance.

It has been argued that the pressure of industrialization and modernization may have changed the shape of families in Hong Kong and that they may no longer be capable of taking care of the needy as in the past (Chow and Kwan, 1986; Chow, 1992; Leung, 1989; Phillips, 1988; Tao, 1982). According to Chow and Kwan (1986) because of the breakdown of the extended family, the elderly in their study expressed feelings of loneliness and isolation and they often stated that they are waiting for death. In a content analysis of newspapers in Hong Kong, Gibb and Holroyd (1996) argued that tensions exist between being old on the one hand and its social implications on the other. One such tension related to the cultural ideal of remaining in a central position in the family and being cared for by the children and, on the other hand, the reality for many, of living alone and lacking care. The message is that the family is not shaping up in its responsibility to care for the elderly. As the structure that once provided care for the elderly declines in modern Hong Kong, the elderly are perceived as economically vulnerable, having no permanent economic security and very often in inadequate accommodation. Psychologically, they are portrayed as frail, prone to loneliness and despair, but also prone to the effects of not being able to care adequately for themselves in the community.

These changing phenomena have not gone unnoticed. In 1972 a government-commissioned Working Party was set up to look into the needs of the elderly and to make appropriate recommendations to the Government concerning care for the elderly. The Working Party noted the diminishing role of the family in providing care for the elderly and recommended further development of services for the elderly at the community level. However, the Hong Kong Government continues to subscribe to the ideology that the family is the main source of care for the infirm and the elderly and it is only prepared to adopt a policy that, rather than taking over the responsibility of the family, aims mainly at making good what the family fails to provide.
In Hong Kong, people sometimes blame welfare recipients for being poor because they are too lazy to work.\textsuperscript{22} The following statement, published recently in the territory’s main English newspaper, is but one example of a negative image of the poor.

It is difficult to find a job in today’s job market ... Living in welfare is a different story. Welfare recipients can spend 11 or 12 hours a day on their hobbies, or in parks and on beaches or simply doing nothing ... In an economic downturn, workers have to worry about their jobs and whether they will get paid at the end of the month. Welfare recipients enjoy a much better sense of financial security. Workers have to be productive to get a bonus. Welfare recipients can double or triple their welfare payments by being productive ‘in a different direction’ ... As it is more cost-effective to live on welfare than to earn one’s own living, more and more unemployed people will be attracted to the welfare option. Once they get there, they will not leave (South China Post, 14 November 1997).

Such sentiments ignore the fact that poor people of working age are willing to work or indeed are working, but due to structural reasons beyond their control, they are poor or on welfare. Such punitive perceptions put pressure on the individual and the family as a whole to succeed. To be on welfare is demeaning. It means that the family has exhausted its resources and can no longer care for its needy members. It then loses ‘face’ and will be shamed. However, in recent years this conventional view has been changing. There are increasing signs that welfare recipients are beginning to see government handouts as an entitlement and no longer attach as much shame as before to applying for social security.\textsuperscript{23} Between 1991 and 1997 the number of CSSA clients has increased by 128 per cent, and the increase in able-bodied adults seeking assistance because of unemployment, low earnings or single-parent status has also been very marked. According to Tam and Yeung (1994) these increases reflect the growing tendency to see social welfare as a matter of individual rights on the one hand, and of a declining emphasis on family responsibility on the other. Clearly, a lack of appreciation of individual rights can no longer be seen as a characteristic of the Chinese culture in Hong Kong, and the future direction of development of social welfare in Hong Kong will have to take this into consideration.

\begin{itemize}
  \item \textsuperscript{22} South China Morning Post, 1 May 1997.
  \item \textsuperscript{23} South China Morning Post, 14 November 1997.
\end{itemize}
HONG KONG POVERTY AND ‘WESTERN’ MODELS

It is evident from the foregoing profile of poverty in Hong Kong and in particular how it is perceived for the purposes of government policy, that the predominant view is one of absolute subsistence poverty though with some recognition of particularly vulnerable groups such as the elderly, the very elderly and the handicapped. Poverty policy in SAR Hong Kong is almost exclusively income-supplementation policy. But that is not the whole story and the magnitude and nature of poverty in SAR Hong Kong is changing in ways that make conceptual ideas from Britain both analytically and descriptively valuable for its interpretation.

The Multi-Dimensional Nature of Poverty

Notwithstanding the predominant perception of poverty in Hong Kong as simply an inadequacy of financial resources, there is, as we have noted, ample evidence that this is a partial and limited view. Poverty manifests itself in Hong Kong in a plurality of ways which is not dissimilar to what is found in Britain. Thus, as we have noted, financial poverty goes hand in hand with poor quality and overcrowded housing (made worse than in Britain by the generally lower levels of space provision), low levels of educational attainment, high levels of unemployment, and irregular patterns of employment. Furthermore, there is evidence, as we have shown, that being in employment in Hong Kong does not guarantee adequate income to remain out of poverty; there is a significant number of people who constitute the ‘working poor’.

If the components of deprivation are more varied and complex than just money poverty, so also is the range of types of people affected. The old and the very old have always been at risk but as we shall see (and as we have already touched upon) their vulnerability is magnified by changes in the structure of the extended family which are reducing its capacity (and sometimes its willingness) to perform its traditional care and support functions in respect of its older members. We have noted the existence of the working poor - a group made larger as it is thrown further to the margins of an increasingly complex and technological economy; but there are other relative ‘newcomers’ to the population of the deprived. Foremost amongst these are single-parent households where a woman is the sole breadwinner, and recent immigrants from China amongst whom skill levels are very low. This latter group may also be disadvantaged by being the victims
of discrimination in the labour market.

Irrespective therefore of government perceptions of poverty and the premises upon which policy for the relief of poverty is based, there is ample evidence that poverty in Hong Kong is complex and multifaceted. It presents itself in a variety of forms and it affects an increasingly wide range of different groups in the population. It would seem no longer possible therefore to sustain an argument that poverty in Hong Kong consists only of a lack of resources sufficient for subsistence.

The Changing Causes of Poverty

Some causes of poverty remain relatively unchanged - chronic unemployment, chronic illness, large families supported on too little income and the absence of extended family networks have all been for a long time and will remain, important causes of poverty. But with economic, demographic and social changes the past ten years or so have seen the emergence of relatively novel causes and conditions of poverty. Foremost among these have been firstly, the inability of the unskilled and the semi-skilled to adapt to changing economies (particularly so in recent months with the downturn of several Pacific Rim economies) when lack of skills have increasingly relegated such workers to casualised unskilled manual work and basic level service tasks which pay only poverty wages. A second important factor is less a direct cause of poverty and more a significant contributory condition. This is the slow but nonetheless progressive change in the strength and nature of the extended family as a caring unit brought about by processes of modernisation, industrialisation and cultural change (some might argue, by the insidious absorption of western cultures and mores).

This is a contributory factor that we have highlighted above but it is one of such significance (and increasing significance) as to warrant considerable attention. We shall have cause to mention it again when we come to consider the implications for policy to relieve poverty of the multi-dimensionality and multi-causality that is becoming increasingly evident in respect of poverty in Hong Kong.
Conceptions of Poverty in SAR Hong Kong

Our next major concern must be whether any of the broader conceptions of poverty that we have identified from the British (and other) contexts have gained any recognition or currency in Hong Kong. We know from the evidence available that poverty policy itself has not yet recognised any form of poverty other than subsistence financial poverty but since it is a long policy journey from the initial recognition of an idea or a concept to its incorporation in policy and practice, it would be useful to know if this process has even begun in Hong Kong by any acknowledgement of concepts other than the most simple. We must however, enter a caveat here about what might be meant by ‘acknowledgement’ or ‘recognition’. There are various forums in which social policy concepts might achieve some recognition and not all of them will lie on a path towards acknowledgement in the policy process. It is clear from the evidence we have cited that there is more than adequate foundation for a concept of poverty as multiple deprivation to be sustained in Hong Kong but it is not one that has yet gained currency outside the social policy literature (including this article). There has been little suggestion that the compounding effects of multiple-factor deprivation be thoroughly investigated; no committees of inquiry or working parties on multiple deprivation, and certainly no recognition in government circles that would suggest that policy in respect of poverty will, in the near (or even mid-term) future be designed or redesigned to treat poverty as a multi-faceted phenomenon rather than as a lack of money. Nor has there even been acknowledgement in policy circles of the inter-linked nature of the various components of poverty by way of co-ordinated activity between different government departments that might have relevant responsibilities (such as social work, social security, housing, and health - see McLaughlin 1995).

Although, as we have seen, there is some evidence of negative attitudes to the poor and though it might be surmised that the extreme emphasis on the family as the principle caring unit would serve to stigmatise families that do not fulfil this function in respect of dependent members, these views appear not (as yet, at least) to have crystallised into any coherent set of ideas about a dependency culture or intergenerational continuities in deprivation or an underclass. Indeed, these seem until now, to have remained distinctly western ideas and ones that may not easily translate into Chinese culture. That having been said, some of the elements conducive to the negative attitudes upon which notions of dependency culture and poor parenting rest are inherently
strongly present in the Chinese tradition of family life. It is reasonable to speculate therefore that
given time, a relative decrease in the caring role of the family, and the presence of increasing
numbers of immigrants (chiefly from the mainland), there could emerge, whether in academic
literature, the popular press, or even in government circles, a more cogently formulated view
based upon as yet inchoate negative attitudes to some of the poor. Whether this would ever lead
to policies for the poor articulated around ideas of a culture of poverty, a continuity of deprivation
over time, or an underclass is far more speculative and, we suspect, a long way off were it to
happen at all.

The third broader conception of poverty we identified earlier was that of exclusion which though
difficult to define with precision carries with it the powerful idea of people being excluded from
full participation in the social, economic and political life of society because of their poverty and
its associated disadvantages.

There is little evidence that the idea of poverty-as-exclusion has gained any currency in Hong
Kong in either academic or policy-making circles or indeed in popular perceptions. This is not
to say, however, that poverty could not be so constructed or, more significantly, that many of
those suffering from poverty and related deprivations are in fact excluded from full participatory
citizenship. That this could well be the case is evident from our earlier analysis of the poor as
lacking three types of resource - in the economic, social and political spheres. The poor, we
argued, lack economic resource often because they cannot participate in the labour market
because of low skills or family commitments. They are wanting in social resources because they
are not part of social networks and often lack family support and, for associated reasons have little
or no access to the sources of information that are necessary if they are to be able to improve their
situation. Thirdly, and most importantly in the context of exclusion, the poor are often lacking in
political resource in the sense that there is no political constituency for them in Hong Kong, no
political force to press their case or speak on their behalf and they become, by inertia or default,
excluded from the political process. Not only are they not represented therefore but neither do
they participate.

Now it has to be said that so far as the poor themselves are concerned, what affects them most,
and most immediately, is their impoverishment and the discomfort and hardship that attend it. The
fact that they might be excluded from the social, economic and political institutions of the society they live in may well be, and probably is, a secondary and somewhat esoteric concern. Indeed, the very nature of exclusion is such that the excluded may not even be aware of their exclusion (a point noted many years ago by Runciman though before 'exclusion' became part of the language of poverty - see Runciman 1966). But because exclusion from society's institutions is not the first and foremost concern of the poor, does not make it less important from the point of view of that society. Indeed, any society that by intention, default or inaction, leaves a part of its population outside the bounds of participative citizenship - excluded that is, from the purposes of social organisation itself - must be failing not only the excluded, but its own ends as well.

Such an analysis would fit most western countries. What remains unresolved - and unresolvable without a good deal more research - is whether it is as relevant and carries the same meaning-content in Chinese culture and tradition. At best we can only speculate whether the idea of 'exclusion from participatory citizenship' has the same meaning and the same (negative) normative value in Hong Kong as it does in the west. If it does not, then the fact that the poor may well be excluded could be of little significance there and such policy action as may be deemed necessary (or expedient) to alleviate poverty need take no account of it.

Poverty Policy in Hong Kong

Poverty policy in Hong Kong is rudimentary both in its lack of sophistication of analysis of causes and manifestations and, more concretely, in its levels of provision for the poor. The data we provide in earlier sections of this article are testimony to that. But, it is probably no exaggeration to say that the foremost reason for this is the strong Chinese tradition of the signal importance of the family as a social, economic and caring unit. Poverty policy is predicated on the firm assumption that the family is the first (and ought ideally to be the only) line of defence against impoverishment. It is the duty of the family to care for all its members under all circumstances and that must include all generations of the family and, within bounds, members of the extended family also. The family should care, not the state. It follows from these value assumptions that whatever policies are adopted to reduce the problems of impoverishment, they should not threaten nor derogate from the family and its responsibilities and this precept alone will dictate at least some of the limits of policy and its character.
Furthermore, to the extent that what we have noted earlier about popular attitudes to the poor is at least to some extent generalisable and hence a preponderant view, it is clear that the present minimal nature of poverty policy is in tune with popular feeling (see for example Leung 1990). And if this is the case then it might to be assumed that there is no groundswell of popular support for a different or more generous set of policies to reduce poverty - however, it might be conceptualised.

But, if alternative conceptions of the nature of poverty - even were they to be adopted - (which in the case of ‘exclusion’ at least, as we have noted, is doubtful), are unlikely to lead to new policy formulations, and if public attitudes provide no popular or political momentum for change, there is one imperative that may force a re-think. If it does not then the extent and depth of poverty will increase enormously over the next decade.

It is the evolution that is taking place in what tradition (and current policy) take to be the very bastion of a defence against poverty - the structure and functional roles of the Chinese family itself.

There is a growing body of evidence, now almost undeniable, that the traditional Chinese family is changing and the change is such that it is no longer fulfilling its role of primary carer of family members to the extent that it has in the past. There is a number of dimensions to these changes as we note above - the economic pressures for women to take employment outside the family; the desire of increasing numbers of women to pursue their own career; the strains of an ageing population and the large increase in the number of dependent elderly and, more speculatively, a loosening of the tradition of family life and a weakening of the bonds that tie members to the family.

It may of course be said that these changes are transitory and by no means irreversible. The family, it may be argued, can, and no doubt will, reassert its influence over its members. But there is a risk attached to this line of argument if it is used to impose a strategy of no change in poverty.

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24 It ought to be noted however, that available data are not adequate to enable us to say with certainty that the negative (and punitive) views we have noted are in fact to any degree universalisable. That they are common is almost certainly true.
policy. Because if it turned out not to be true - if changes in the structure and function of the Chinese family are not reversible - and if at the same time poverty policy remains premised on the belief that nothing has changed, then a poverty-relief strategy that relies first and foremost on the family will leave increasing numbers of people in increasing poverty. And this will be the case even before the effects of the emergence of new poverty groups such as Mainland immigrants and lone parents are taken into account.

Taken together therefore, all these factors suggest that something must happen unless an increasing (and possibly increasingly visible) number of the poor and the very poor, the vulnerable, poorly housed and sick become an unacceptable price to pay for inertia. And that this is not just speculation is evidenced by the data we have provided. On almost all the relevant indicators the extent of measured poverty is increasing. The purpose of this paper has been to show that the significance of these increases for policy purposes is that ‘more of the same’ will not be enough.

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CPAG.


<table>
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<th>Households Enclosed Between Deciles(1)</th>
<th>1981 %</th>
<th>1986 %</th>
<th>1991 %</th>
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<tr>
<td>Up to 1st (lowest)</td>
<td>1.4</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>1st and 2nd</td>
<td>3.2</td>
<td>3.4</td>
<td>3.0</td>
</tr>
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<td>2nd and 3rd</td>
<td>4.4</td>
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<td>8th and 9th</td>
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<td>9th and 10th (highest)</td>
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<td>Total</td>
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Gini Coefficient: 0.451

Gini Coefficient: 0.453

Gini Coefficient: 0.476

Note: (1) Households are ranked by income individually. The first decile refers to the point in the array of households below which there are exactly 10% of households. The second decile refers to the point in the array below which there are exactly 20% of households. And so on.


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<th>Percentage Change</th>
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<td>4th and 5th (highest)</td>
<td>7,551</td>
<td>13,585</td>
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</table>

Notes:  
(1) Households are ranked by income individually. The first quintile refers to the point in the array of households below which there are exactly 20% of households. The second quintile refers to the point in the array below which there are exactly 40% of households. And so on.

(2) Median monthly household income for the group of households enclosed between the stated quintiles refers to the income of the household which is positioned at the middle of the array of households in the given group.


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Table 5 Domestic Households by Monthly Household Income and District Board District

| Monthly Household Income | Central and Western | Wan Chai | Eastern | Southern | Tai Po | Mong Kok | Sham Shui Po | Kowloon City | Wong Tai Sin | Kwun Tong | Kowloon Tong | Tai Po | Tyuen Wan | Tyuen Mun | Tyuen Long | North | Tai Po | Sha Tin | Sai Kung | Islands | Land Total | Marine | The Whole Territory |
|--------------------------|--------------------|---------|--------|---------|-------|---------|-------------|-----------|-------------|-----------|-----------|------------|-------|-----------|-----------|-----------|-------|-------|--------|--------|--------|-----------|-------|---------------------|
| Under $2,000             | 3450              | 2742    | 5532   | 1919    | 2326  | 4486    | 6893        | 9468      | 5332        | 8915     | 4105     | 3106       | 697   | 2175     | 2567      | 5670      | 2178  | 5114  | 1439    | 1992   | 75555  | 197       | 75552    |
| $2,000-$3,999            | 5205              | 3788    | 8024   | 2953    | 3402  | 6993    | 12619       | 8399      | 8397        | 13511    | 8729     | 4679       | 5995  | 6017     | 3590      | 3125      | 6669  | 1779  | 1087    | 11500  | 235    | 115236   |
| (11.2) (10.7)            | (8.6)             | (7.6)   | (15.9) | (20.0)  | (17.0) | (11.6)  | (13.3)      | (14.0)    | (11.0)      | (8.9)    | (8.7)    | (16.4)     | (10.0) | (8.8)    | (9.5)     | (23.0)    | (12.1) | (20.2) | (12.1)  |
| $3,000-$4,999            | 7288              | 4934    | 13677  | 6421    | 4712  | 8876    | 17652       | 13196     | 14590       | 23043    | 17006    | 8733       | 15591 | 9968     | 7756      | 7107      | 15100 | 4902  | 1611    | 202163 | 348    | 202511   |
| $4,000-$6,799            | 7438              | 4832    | 14080  | 7398    | 4395  | 7954    | 15971       | 13116     | 15259       | 23120    | 18093    | 9136       | 20794 | 11011    | 9024      | 9024      | 19659 | 567    | 1296    | 218126 | 262    | 218308   |
| $6,000-$9,999            | 6930              | 4142    | 14941  | 6354    | 3428  | 5818    | 12135       | 11400     | 12929       | 20193    | 17138    | 8629       | 15283 | 6883     | 5793      | 7324      | 17013 | 4397   | 1126    | 181659 | 187    | 181816   |
| $8,000-$11,999           | 13007             | 8782    | 30139  | 13007   | 6720  | 10065   | 20764       | 21664     | 23168       | 33312    | 26002    | 16937      | 21222 | 11014    | 7815      | 15626     | 29581 | 6700   | 1813    | 31009  | 370    | 314379   |
| $50,000-$61,999          | 9383              | 6219    | 21066  | 8229    | 3716  | 5390    | 10600       | 11870     | 11189       | 18720    | 12740    | 9061       | 3573   | 5324     | 19042     | 3552      | 14902 | 3352   | 1152    | 178241 | 162    | 179606   |
| $70,000-$99,999          | 8971              | 7777    | 23113  | 7631    | 3816  | 4659    | 9865        | 14227     | 14528       | 25475    | 17830    | 9897       | 4967   | 7027     | 4765      | 2389      | 4312  | 14149 | 2673    | 156314 | 186    | 156590   |
| $100,000-$129,999        | 4823              | 4578    | 11824  | 2916    | 1516  | 1777    | 3598        | 5917      | 2109        | 3858     | 2346     | 3226       | 1757   | 1430     | 5139      | 933       | 5319  | 821    | 6051    | 69511  | 118    | 60160    |
| $200,000-$249,999        | 2620              | 2710    | 6269    | 1724    | 916   | 514     | 1708        | 3271      | 562         | 1035     | 671      | 1184       | 542    | 606      | 201       | 178       | 491   | 386    | 28332   | 42     | 28374    |
| $500,000-$699,999        | 7885              | 7903    | 9441    | 5616    | 1284  | 819     | 2679        | 5986      | 419         | 1165     | 928      | 1178       | 673    | 880      | 291       | 1117      | 2927  | 1373   | 953     | 52818  | 36     | 52854    |
| Total                    | 73130             | 57197   | 158264  | 66358   | 36035 | 57351   | 114956      | 114914    | 103196      | 160791   | 116233   | 76000      | 100046 | 63821    | 44215     | 55338     | 134972 | 33746  | 13413   | 1380072 | 2143   | 1382113  |

* Percentages in brackets.

Source: Census and Statistics Department, Hong Kong, 1991 Population Census: Main Tables. (Hong Kong: Government Printer, 1992), pp.150-1.
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<tr>
<th>Type of Living Quarters</th>
<th>Median Monthly Household Income (HK$)</th>
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<td>Private housing blocks</td>
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<td>Self-contained</td>
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<td>Non self-contained</td>
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<td>Village/Bungalows/Modern village houses</td>
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<td>Simple stone structures</td>
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<td>Institutions</td>
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<td>Other permanent housing</td>
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<td>Overall$^{(1)}$</td>
<td>2,953</td>
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Note: (1) In this table, figures exclude domestic households living on board vessels.

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Source: Department of Social Welfare, Hong Kong.
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Source: Social Welfare Department, Hong Kong, 1996

¹ On 1 July 1993, the Public Assistance Scheme was replaced by the Comprehensive Social Security Assistance (CSSA) Scheme.
² As from 1 July 1993, the Social Needs Allowance Scheme was renamed as the Social Security Allowance (SSA) which includes payment of Disability Allowance and the Old Age Allowance.