Dynamics of Poverty in Hong Kong: A Supplementary Survey

香港貧困測量與動態研究：一項補充調查

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Roadmap

❑ Background

❑ The HKPSSD Project and the Poverty Supplement

❑ Multidimensional Measure of Poverty

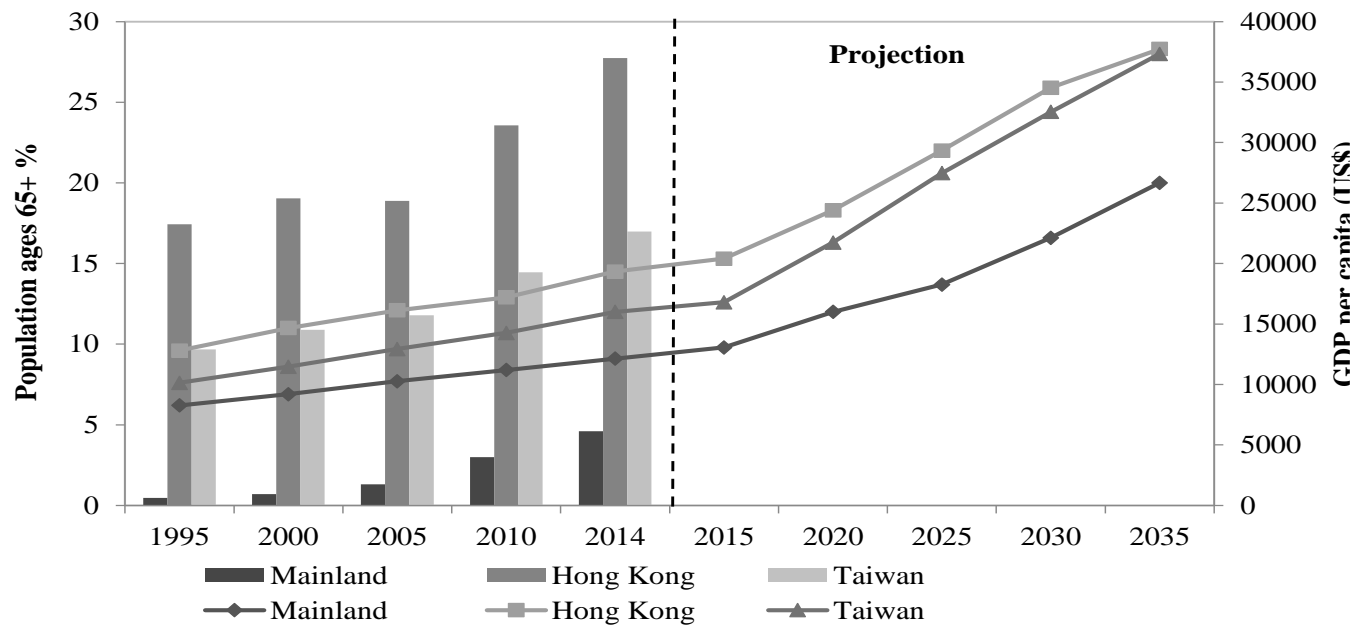❑ Some Key Findings

❑ Policy Implications

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Background
Rapid Population Aging

Figure 1. Aging population and GDP: Hong Kong , Taiwan and mainland China
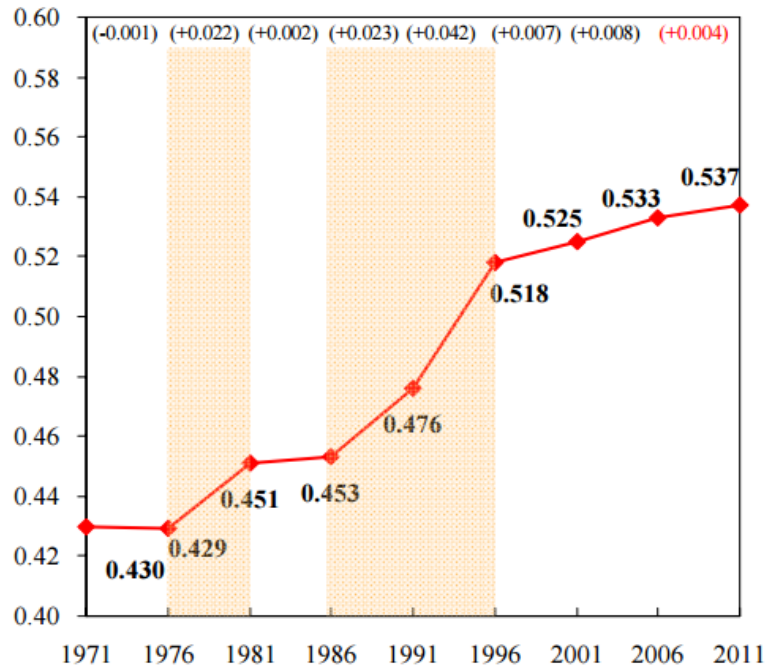

Data sources: Chen 2006; Taiwan National Development Council 2014; Hong Kong Census and
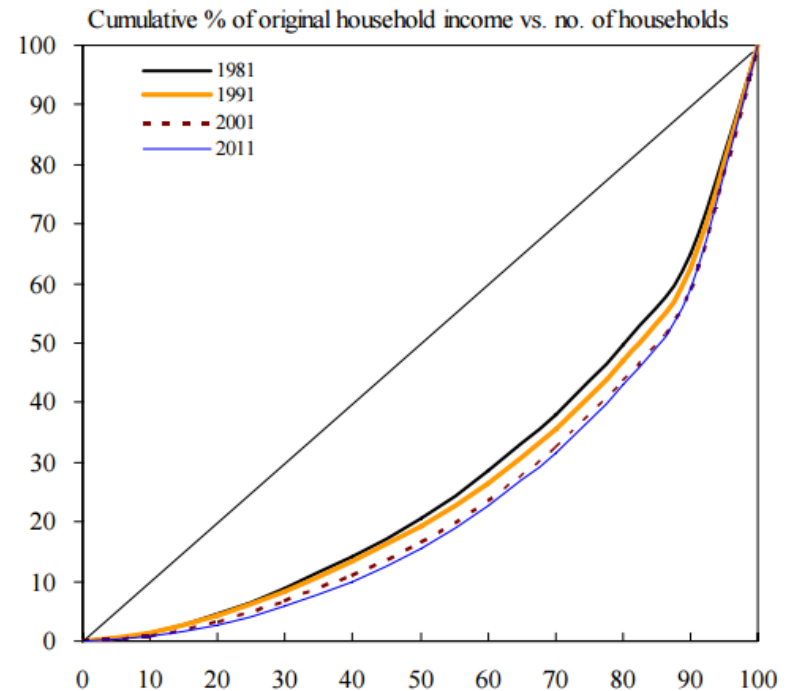Statistics Department, 2012

Background
Rising Income Inequality

Chart 1: Household income disparity of Hong Kong widened most appreciably during 1980s-90s

(a) GC based on original household income

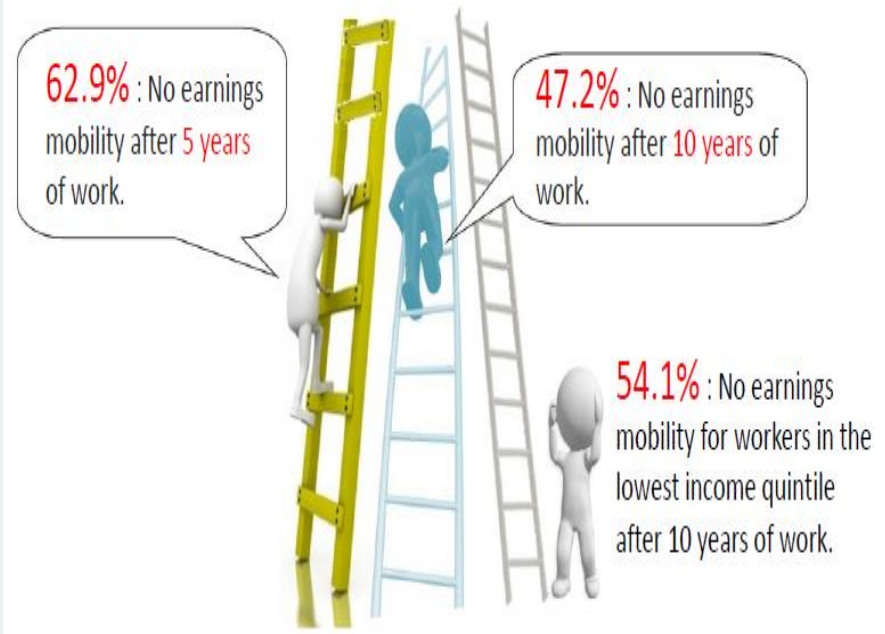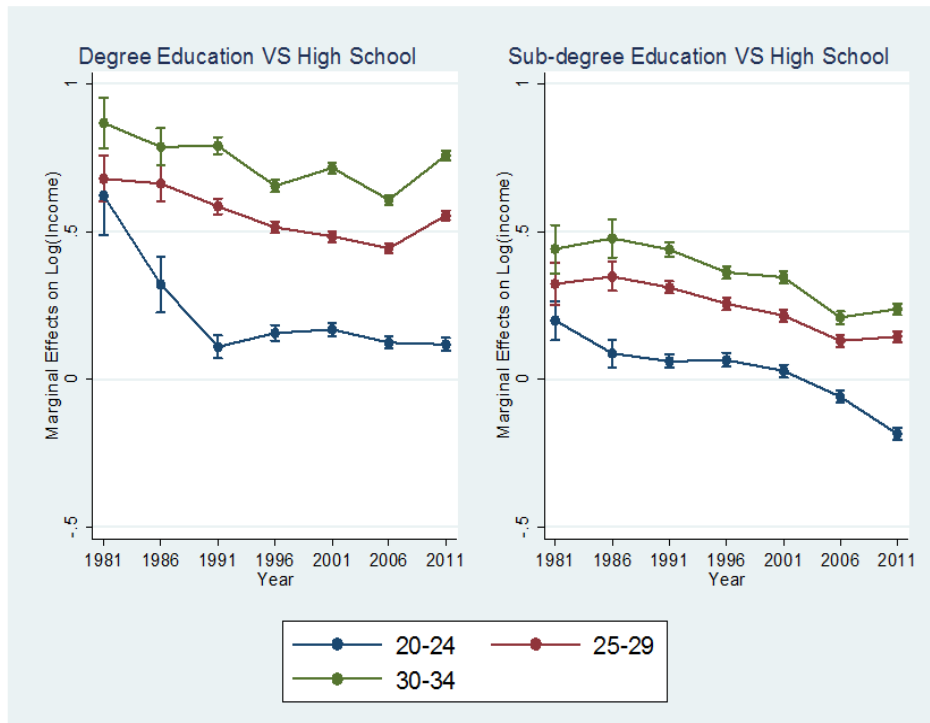(b) Estimated Lorenz Curve

Cumulative % of original household income vs. no. of households

Note: Figures in brackets denote the absolute period-to-period change of GC. The Lorenz Curve is crudely estimated based on shares of household income to total by decile.

Source: Census/By-Census 1971 - 2011, C&SD.
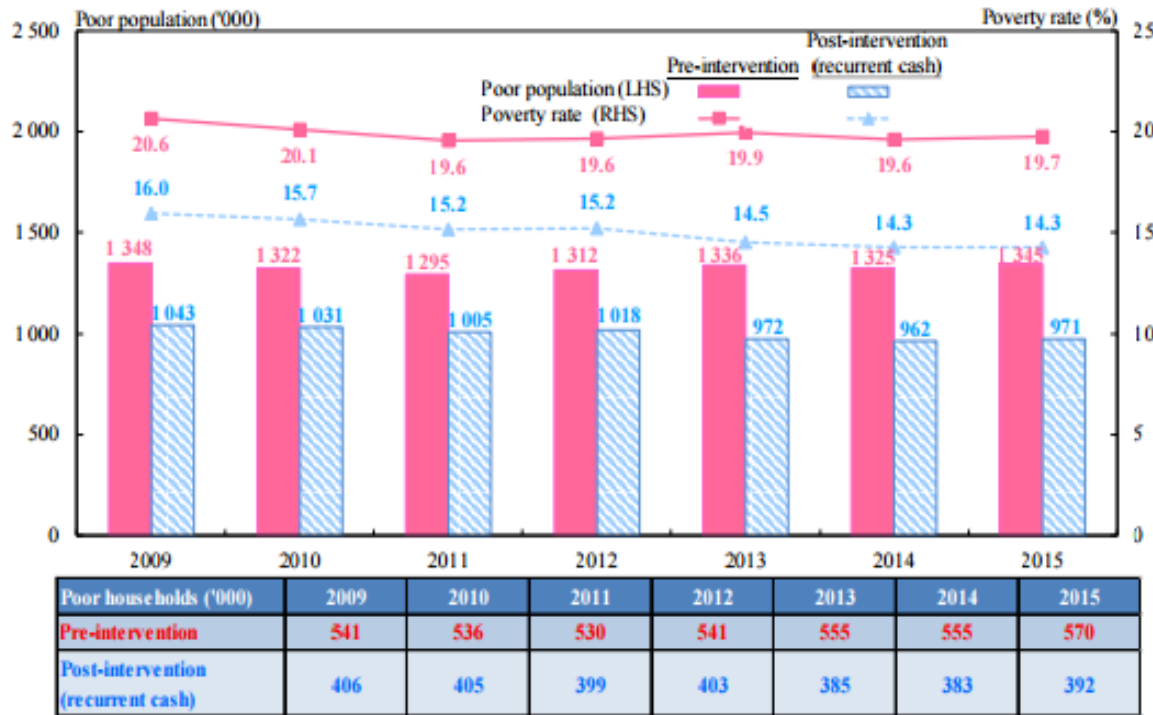
Background
Reduced Social Mobility

Source: Vere (2010).

Background
Setting A Poverty Line in HK

Chart 1: Poor population and poverty rate, 2009-2015

Poor households ('000)	2009	2010	2011	2012	2013	2014	2015
Pre-intervention	541	536	530	541	555	555	570
Post-intervention (recurrent cash)	406	405	399	403	385	383	392

❑ The Commission on Poverty (CoP) was reinstated in Dec. 2012.

❑ One of the tasks undertaken by CoP is to set a "poverty line" appropriate to HK's unique circumstances.

❑ 50% of median monthly household income before policy intervention.
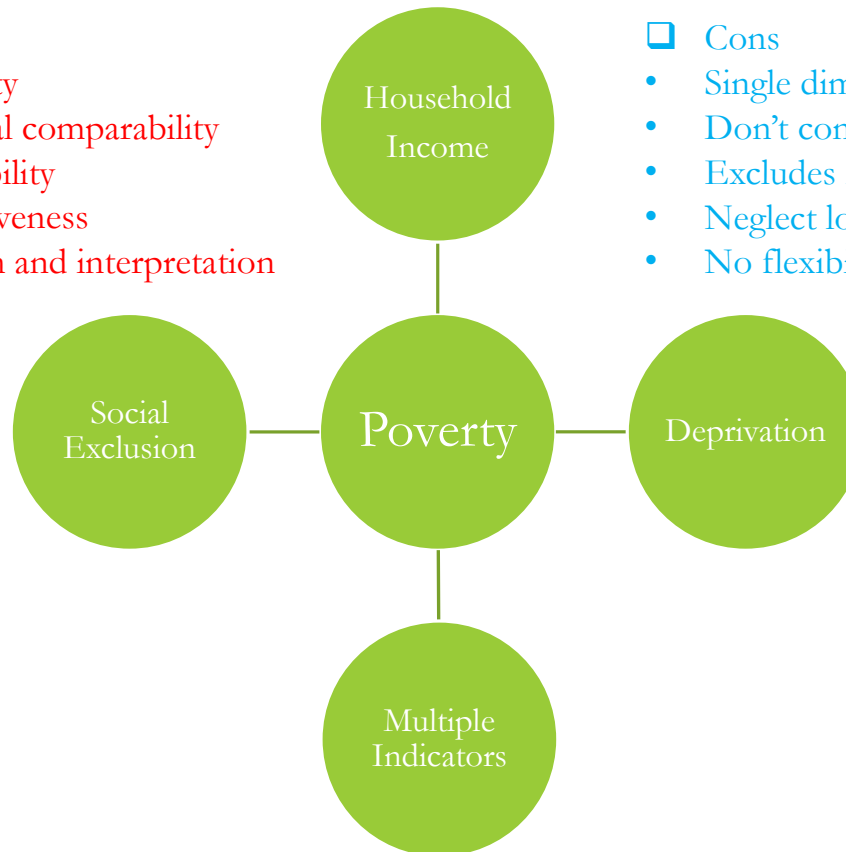
Background
Beyond the Poverty Line

❑ Pros
- Measurability
- International comparability
- Data availability
- Cost-effectiveness
- Compilation and interpretation

❑ Cons
- Single dimension
- Don't consider wealth/consumption
- Excludes non-cash benefits/capitals
- Neglect local context
- No flexibility

Household Income

Social Exclusion

Poverty

Deprivation

Multiple Indicators

Roadmap

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- ❑ **The HKPSSD Project and the Poverty Supplement**

- ❑ Multidimensional Measure of Poverty

- ❑ Some Key Findings

- ❑ Policy Implications

The HKPSSD Project and the Poverty Supplement
The Main Study

❑ Funded by the RGC-CPU Strategic Public Policy Research Grant, the HKUST Center for Applied Social and Economic Research (CASER) was established in 2009 to prepare for the Hong Kong Panel Study of Social Dynamics (HKPSSD) which was launched at the same year.

❑ The HKPSSD project aims to establish a city-wide representative household panel survey to track socioeconomic changes and their impact on people's livelihood in Hong Kong. It is expected to serve as an important database for social science research and policy study in Hong Kong, and for comparative analyses in the Greater China region.

❑ The first three waves of data collection have been completed in 2011, 2013, and 2015, respectively. In addition, a refreshment sample were added in 2014 to compensate for sample attribution.

❑ Wave 4 and Wave 5 studies have been fully funded and will kick off in 2017 and 2019, respectively.

The HKPSSD Project and the Poverty Supplement The Main Study

Summary of the Four Surveys of the HKPSSD (First Wave, Second Wave, Refreshment, and Third Wave)

Objective	First wave (2011)	Second wave (2013)	Refreshment (2014)	Third wave (2015)*
Household	All qualified households living in randomly sampled valid addresses	All households that completed interviews in 2011	All qualified households living in randomly sampled valid addresses	All qualified households that completed interviews in the second wave and the refreshment
Individual	All eligible members in sampled households	All eligible members in sampled households that completed interviews	All eligible members in sampled households	All eligible members in households that completed interviews in the second wave and the refreshment.
Sample Size				
Households	3,214	2,165	1,007	2,404
Individuals	8,176	4,893	2,105	5,667
Adults	7,218	4,270	1,960	5,160
Children	958	623	145	507
Interview mode	CAPI face-to-face interview	CAPI face-to-face interview	CAPI face-to-face interview	CAPI face-to-face interview
Contact Results				
Household level	55.7% (response rate)	70.0% (tracking rate)	70.0% (response rate)	71.6% (tracking rate)
Individual level	85.6% (response rate)	72.5% (tracking rate)	86.3% (response rate)	85.1% (tracking rate)

The HKPSSD Project and the Poverty Supplement
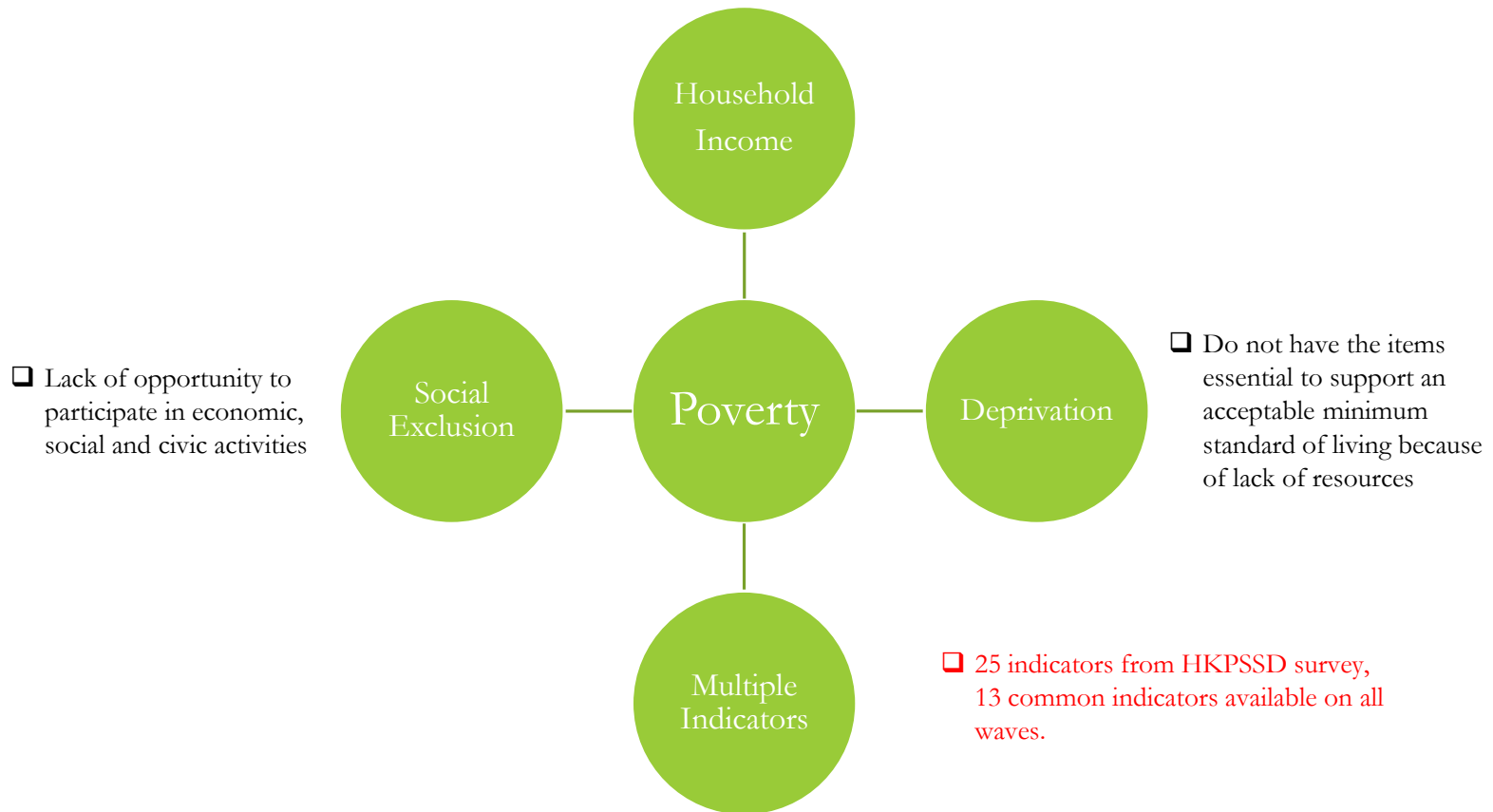## The Supplementary Study on Poverty

❑ Funded by the Public Policy Research (PPR) Funding Scheme, The Dynamics of Poverty Project, as a supplement to the HKPSSD project, proposes a city-wide representative household survey in 2014-2015.

❑ 505 households, 892 adults, 90 children. Weighted according to 2011 Census.

❑ The study is built upon the existing research and discussions on the living standards, social deprivation and social exclusion in Hong Kong, and aims to examine the multi-dimensional aspects of poverty in Hong Kong.

❑ Four different measures of poverty: household income, social exclusion, deprivation, a composite measure based on multiple indicators.

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Multidimensional Measure of Poverty
Beyond the Poverty Line

Household Income

Social Exclusion

Poverty

Deprivation

Multiple Indicators

❑ Lack of opportunity to participate in economic, social and civic activities

❑ Do not have the items essential to support an acceptable minimum standard of living because of lack of resources

❑ 25 indicators from HKPSSD survey, 13 common indicators available on all waves.

Multidimensional Measure of Poverty
Social Exclusion and Deprivation

Figure 2: The Structure of the Question of Deprivation and Social Exclusion
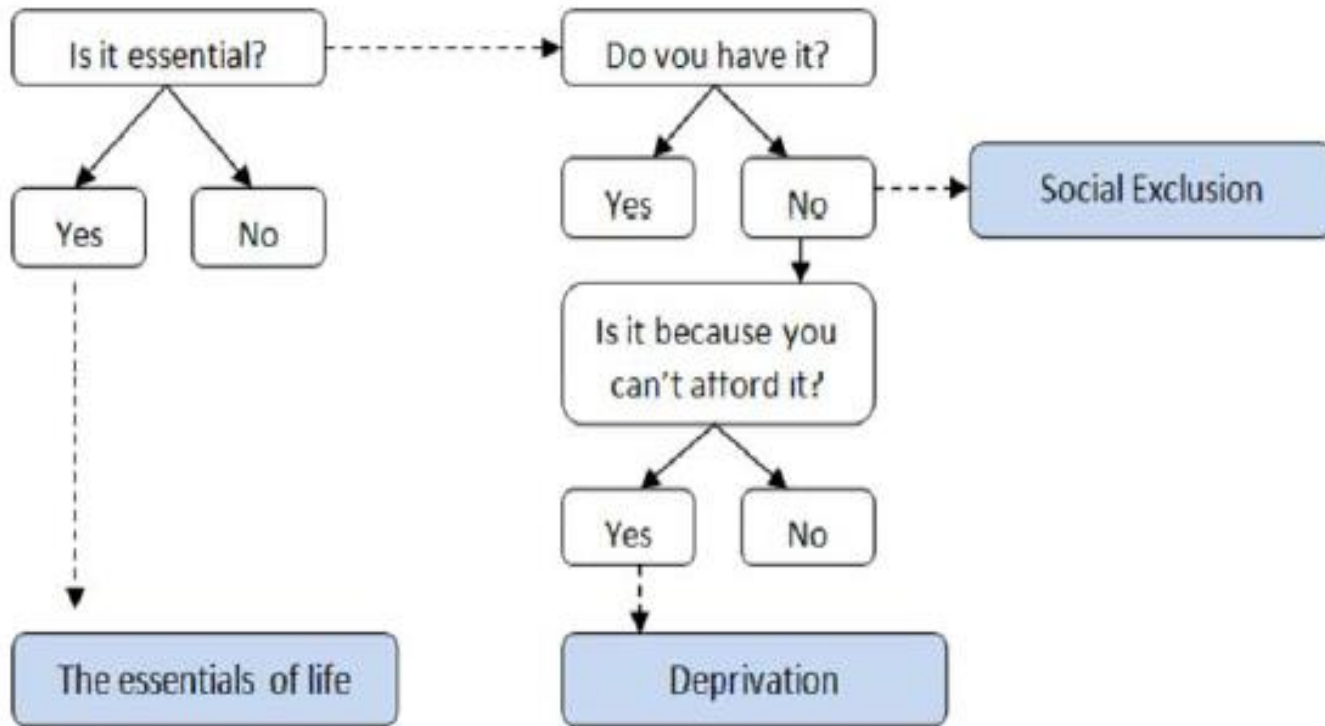
Multidimensional Measure of Poverty
Social Exclusion and Deprivation

Table 1: The Indicator Variables of Deprivation in Hong Kong

Item
Accommodation, Food, and Clothing
F1. Have safe living environment without structural dangers.
F2. Have sufficient living space at home, with no need to stay in bed all day.
F3. Have bathroom inside a self-contained apartment, with no need to share with other families.
F4. Have at least one window at home.
A20. Can go to teahouse sometimes in leisure time.
A21. Have breakfast every day.
A22. Have fresh fruits at least once a week.
A23. Can buy one or two pieces of new clothes in a year.
A24. Can have one set of decent clothes.
A25. Have enough warm clothes for cold weather.
Medical Care
F13. Weak elderly could receive adequate care services if needed.
A1. Can travel to and back from hospital by taxi when needed.
A2. Able to have dental check-up periodically.
A3. Able to consult Chinese medicine practitioner when needed.
A4. Can consult private doctor in case of emergency without waiting for public outpatient service.
A5. Able to purchase medicines prescribed by doctors.

Multidimensional Measure of Poverty
Social Exclusion and Deprivation

Social Connection
A6. Can take transport for visiting relatives and friends.
A7. Able to visit hometown if needed.
A8. Can offer a gift of money on occasion of wedding.
A9. Can give lucky money to friends and relatives during Chinese New Year.
A19. Have a mobile phone.
A26. Have leisure activities in holidays.
Training and Education
F14. Students can buy reference books and supplementary exercises.
F15. Students have school uniforms of proper size every year.
F16. Students have access to computer and Internet at home.
F17. Students can participate in extra-curricular activities.
F18. Working parents can use child care service when needed.
A15. Have the opportunity to learn computer skill.
A16. Able to attend vocational training.
Living Condition
F5. Have a television at home.
F6. Have air-conditioner at home for cooling in hot weather.
F7. Have a camera in the family.
F8. Have a refrigerator at home.
F9. Can have hot shower in cold winter.
A18. Can pay for spectacles if needed.

Multidimensional Measure of Poverty
Social Exclusion and Deprivation

Table 2: The Indicator Variables of Social Exclusion in Hong Kong

Item
Respect and Acceptance by Others
A10. To be treated with respect by other people.
A11. To be accepted by others for who you are.
Access to Transportation
A6. Can take transport for visiting relatives and friends.
F12. Have access to convenient public transportation in the neighborhood.
Social Custom
A8. Can offer a gift of money on occasion of wedding.
A9. Can give lucky money to friends and relatives during Chinese New Year.
A24. Can have one set of decent clothes.
Social Support
A12. Have someone to look after you and help you the housework when you are sick.
A13. Have someone to turn to for money (up to HKD3000) in case of emergency.
A14. Have someone to give advice about an important decision in your life.
Capability to Connect with Others
A17. Have basic English speaking and reading skills.
A19. Have a mobile phone.
Participation in Leisure and Social Activities
F10. Have leisure and sports facilities in your neighborhood.
F11. Have public place to gather with neighbors and friends in your neighborhood.
A20. Can go to teahouse sometimes in leisure time.
A26. Have leisure activities in holiday.

Multidimensional Measure of Poverty
Multiple Indicators from HKPSSD

Table 5: Domains and Indicators of Multidimensional Poverty Measure in HKPSSD

Domain	Component	Indicator	Availability
Family Wealth	Household income	1. Income less than 50% of median income (by family size)	All Waves
	Property	2. No internet access at home 3. No car 4. No other real estate property 5. No stock, fund, or bond	Wave2(Follow-up) Wave2(Booster) Poverty
	Financial hardship	6. Cannot pay for 50,000 HKD unexpected but necessary expense	Poverty
Housing	Housing type	7. Public housing	All Waves
	Tenure of accommodation	8. None owner-occupier	All Waves
	Space	9. Less than 2 rooms	All Waves
Expenditure	Daily consumption	10. Consumption expenditure on food, necessities, and transportation less than 50% of median consumption expenditure (by family size)	Wave2(Follow-up) Wave2(Booster) Poverty
	Paid domestic service	11. No foreign domestic helper or hour maid	All Waves

Multidimensional Measure of Poverty
Multiple Indicators from HKPSSD

|			
Expenditure	Daily consumption	10. Consumption expenditure on food, necessities, and transportation less than 50% of median consumption expenditure (by family size)	Wave2(Follow-up) Wave2(Booster) Poverty
	Paid domestic service	11. No foreign domestic helper or hour maid	All Waves
Human Capital	Employment	12. No one in the household is currently employed	All Waves
	Education	13. No one in the household has senior high education or above	All Waves
	Health	14. At least one family member in poor health	All Waves
Family Structure	Immigrant Family	15. At least one family member was born in mainland	All Waves
	Elderly Family	16. All the family members are elderly age 65+	All Waves
	Child Family	17. At least one family member is child under 15	All Waves
Welfare	CSSA	18. CSSA recipient	All Waves
Community	Area Socioeconomic Status (SES)	19. Area SES score is lower than 20.	All Waves
	Neighborhood quality	20. Noisy neighborhood (eg. traffic, construction) 21. Noisy neighbors or loud parties 22. Lack of open public space 23. Objects thrown from tall buildings 24. Graffiti on the wall 25. Littering	Poverty

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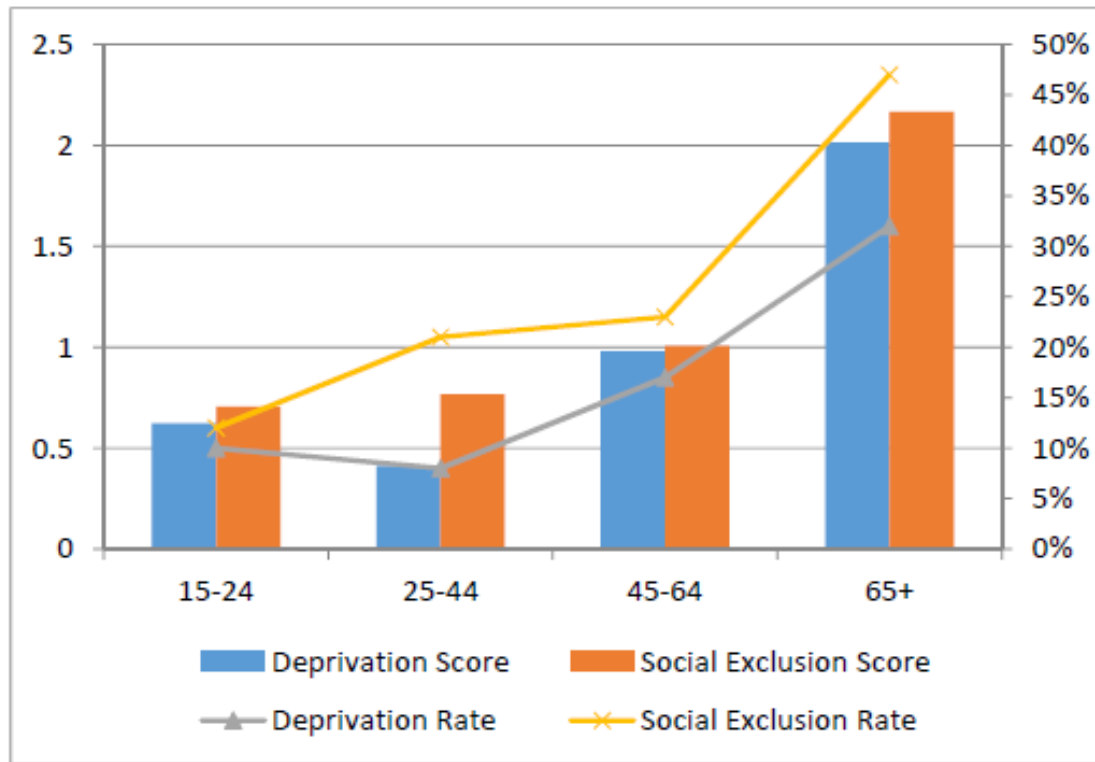# *Some Key Findings*
Social Exclusion and Deprivation

Figure 3: Distribution of Deprivation Score by Household Monthly Income Figure 4: Distribution of Social Exclusion Score by Household Monthly Income
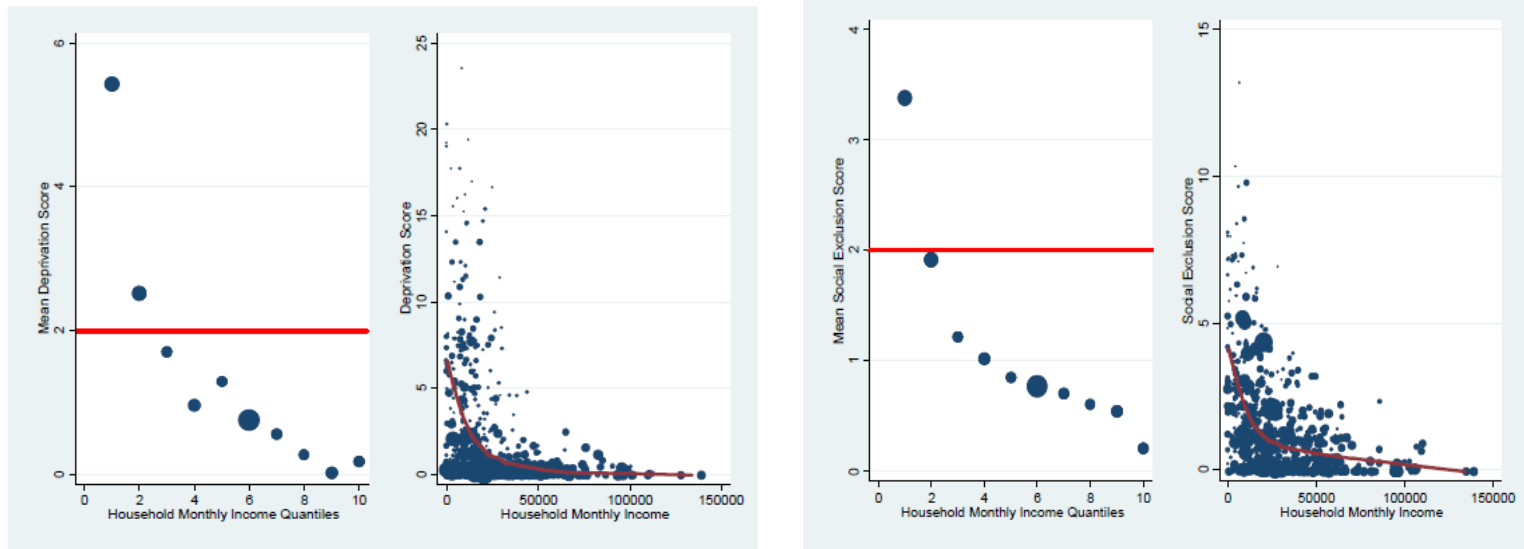
Some Key Findings
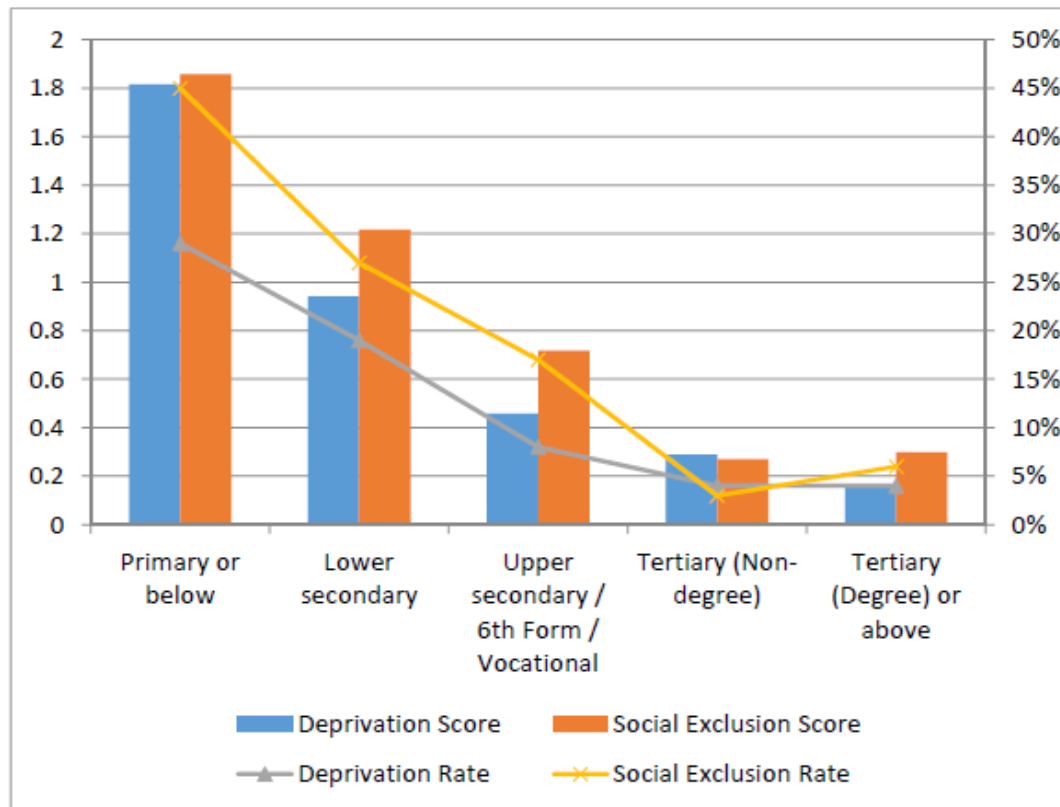# Social Exclusion and Deprivation

Figure 5: Measures of Deprivation and Social Exclusion by Age Group

❑ Among people who aged 65 or above, the deprivation rate is 32%, and the social exclusion rate is 47%.

Some Key Findings
Social Exclusion and Deprivation

Figure 6: Measures of Deprivation and Social Exclusion by Educational Attainment

❑ Among people with primary or below education level, the deprivation rate is 29%, and the social exclusion rate is 45%.

Some Key Findings
Social Exclusion and Deprivation

Figure 10: Measures of Deprivation and Social Exclusion by Household Monthly Income Quantiles

❑ Among families fall into the bottom 10% income category, the deprivation rate is 45%, and the social exclusion rate is 75%.

Some Key Findings
Social Exclusion and Deprivation

Figure 8: Measures of Deprivation and Social Exclusion by Housing Type
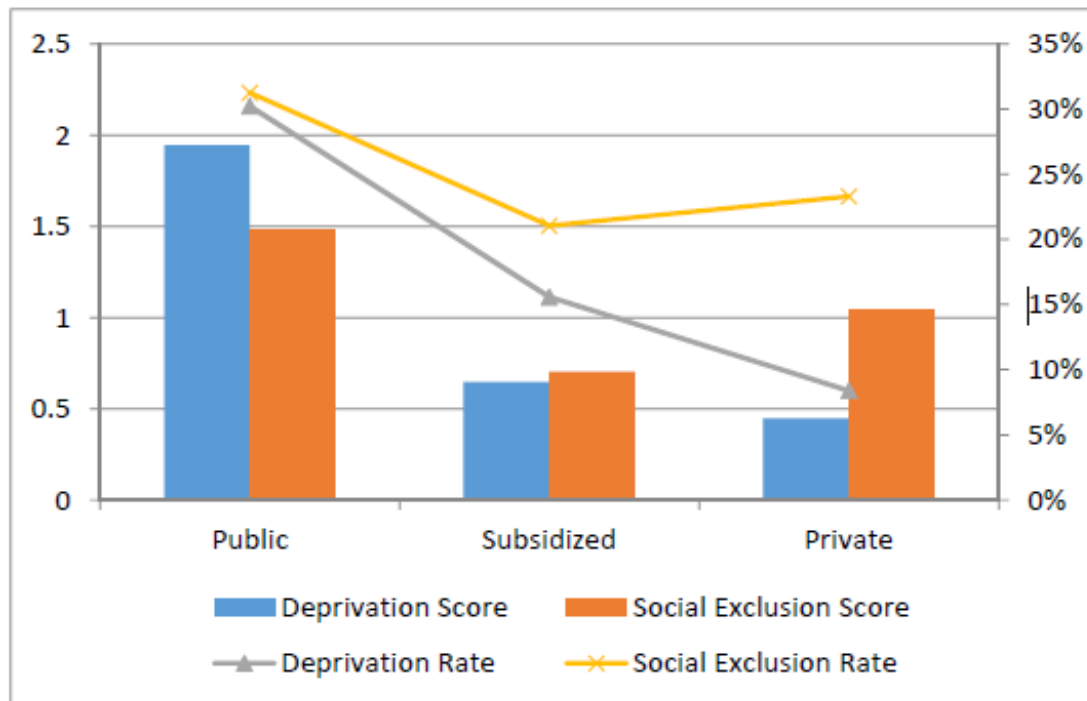
❑ Among families living in public housing, the deprivation rate is 30%, and the social exclusion rate is 31%.

Some Key Findings
Social Exclusion and Deprivation

Figure 9: Measures of Deprivation and Social Exclusion by No. of Employed

Workers in the Household
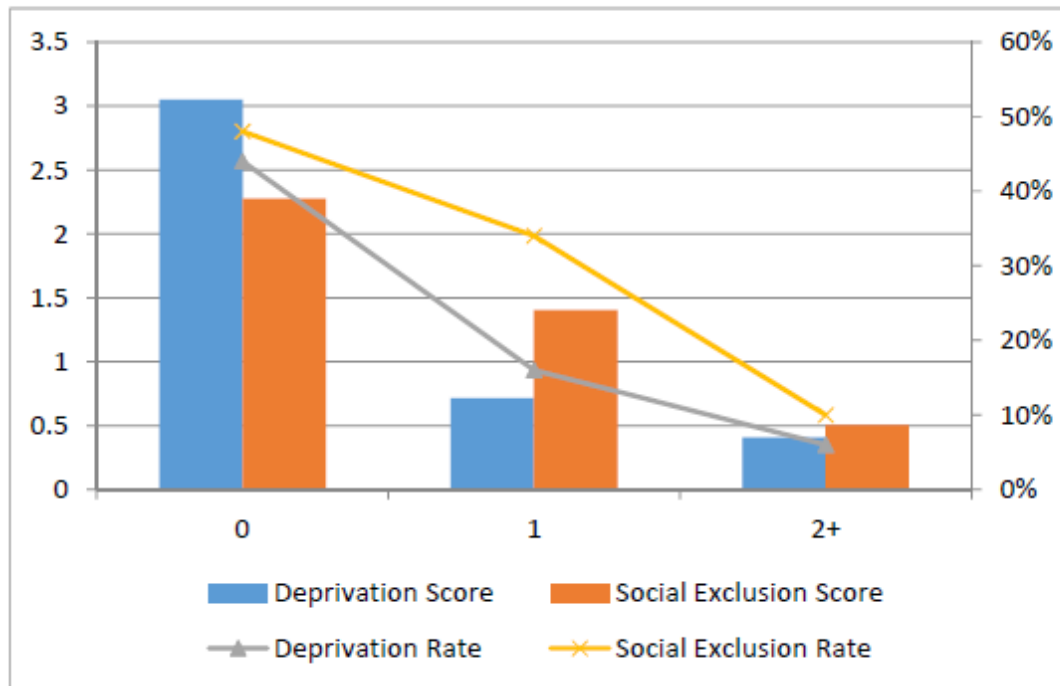
❑ Among families with no employed worker, the deprivation rate is 44%, and the social exclusion rate is 48%.

Some Key Findings
Multiple Indicators from HKPSSD

Table 7: Number of Indicators in Each Domain of Each Wave of HKPSSD

	Wave 1	Wave 2 (follow-up)	Wave 2 (Booster)	Poverty Supplement	Common Indicators of All Waves
Family wealth	1	5	5	6	1
Housing	3	3	3	3	3
Expenditure	1	2	2	2	1
Human capital	3	3	3	3	3
Family structure	3	3	3	3	3
Welfare	1	1	1	1	1
Community	1	1	1	7	1
Total	13	18	18	25	13

Some Key Findings
Multiple Indicators from HKPSSD
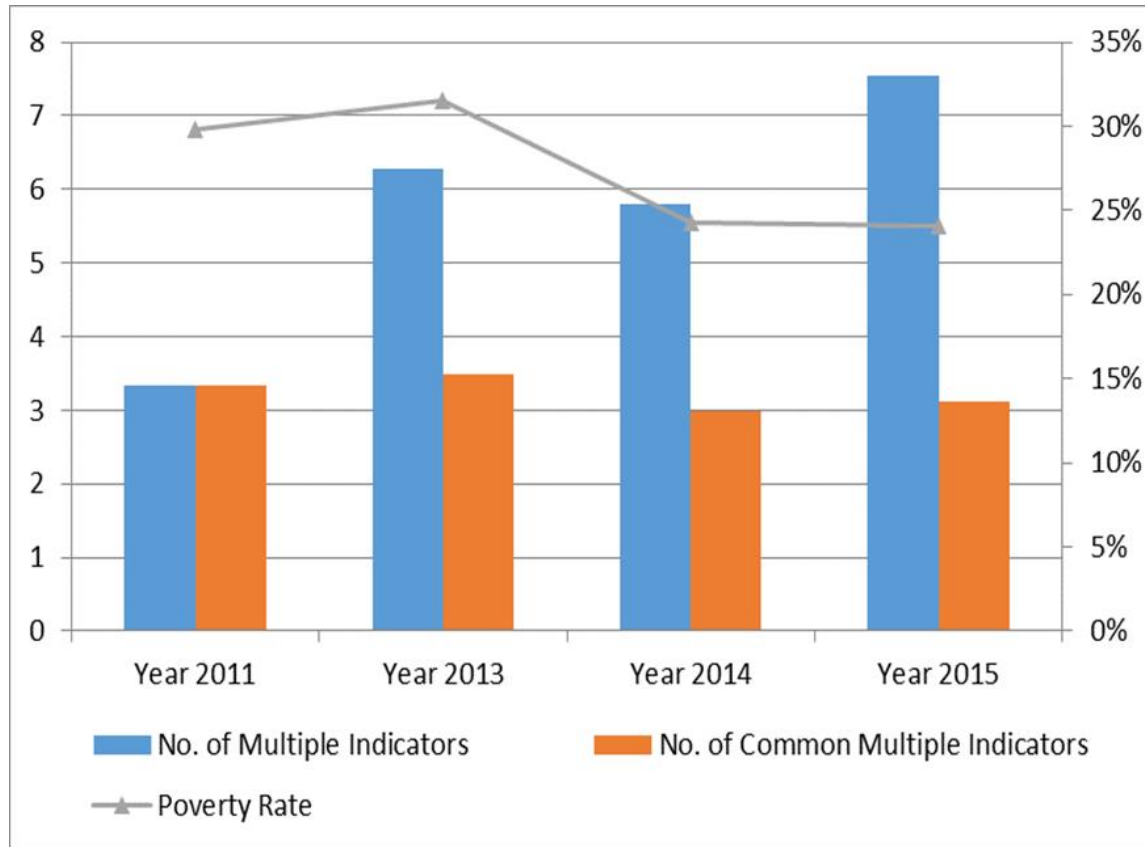
❑ In general, there is a declining trend of poverty rate based on 13 common indicators.
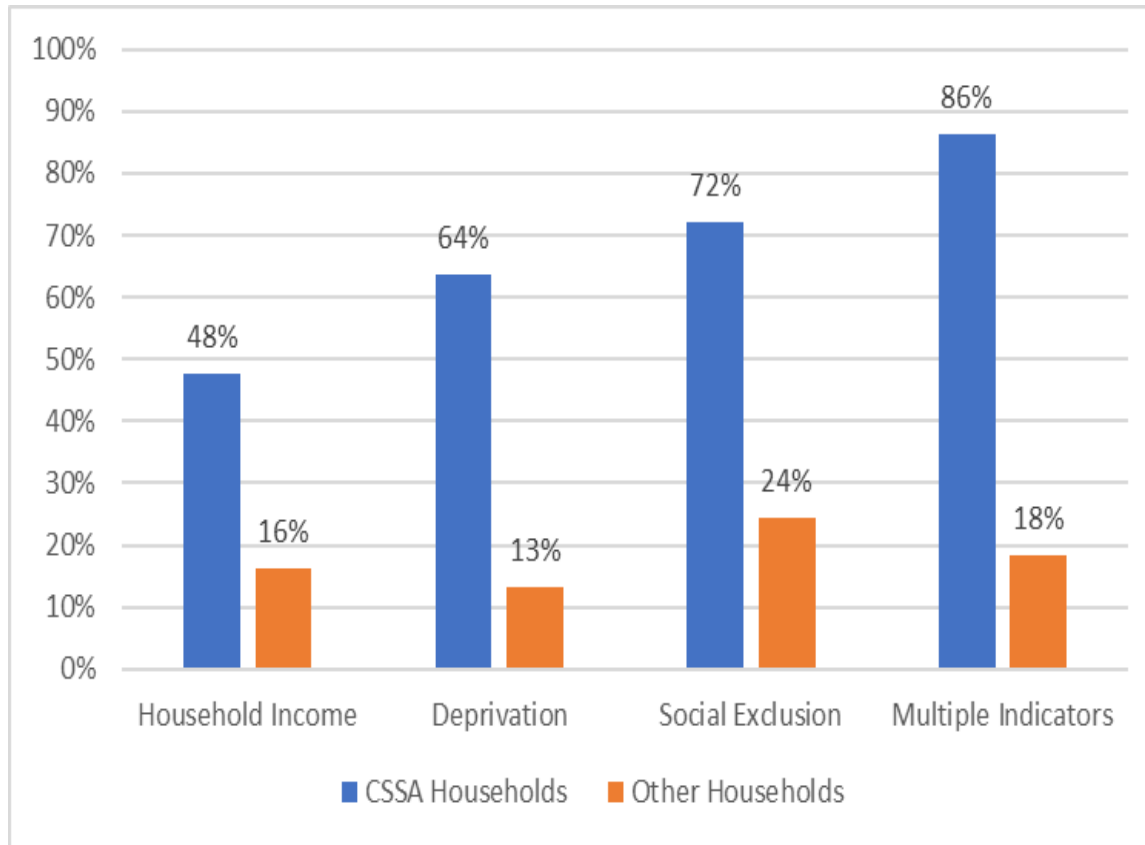
Some Key Findings
Cross-Wave Comparison
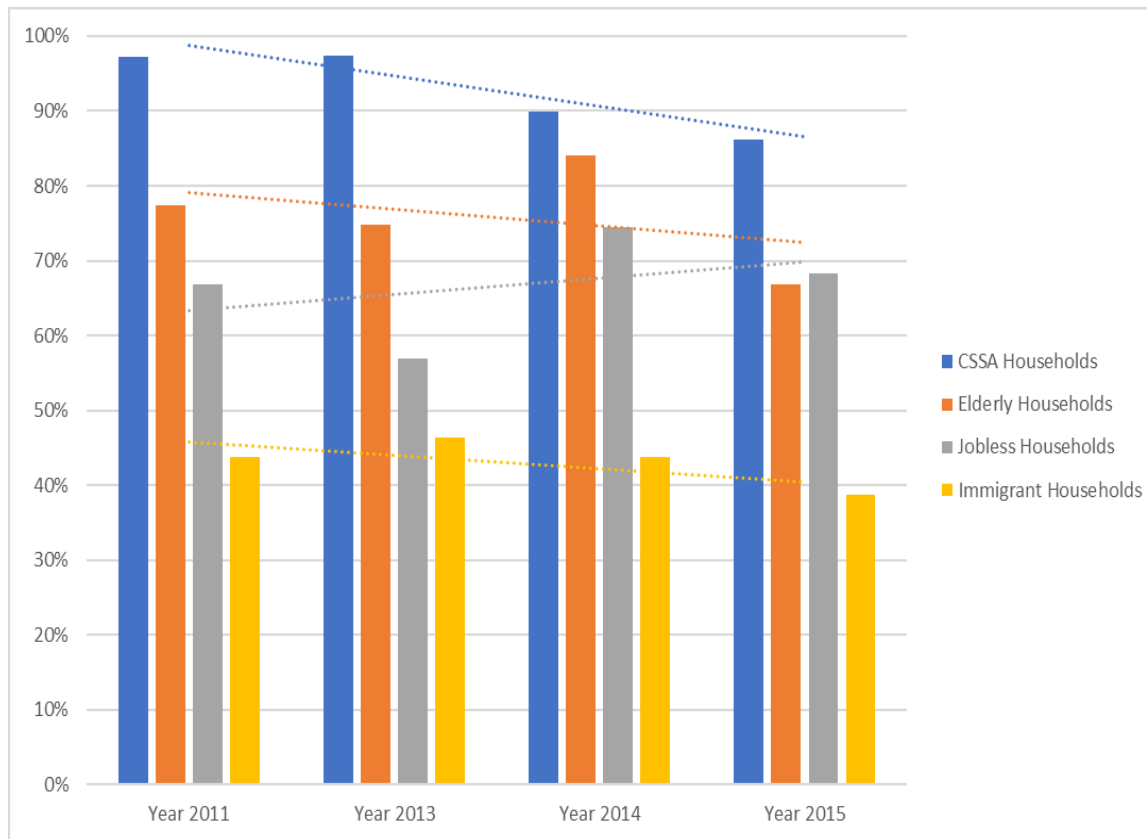
For jobless households, the poverty rate based on 13 common indicators has actually increased over time.
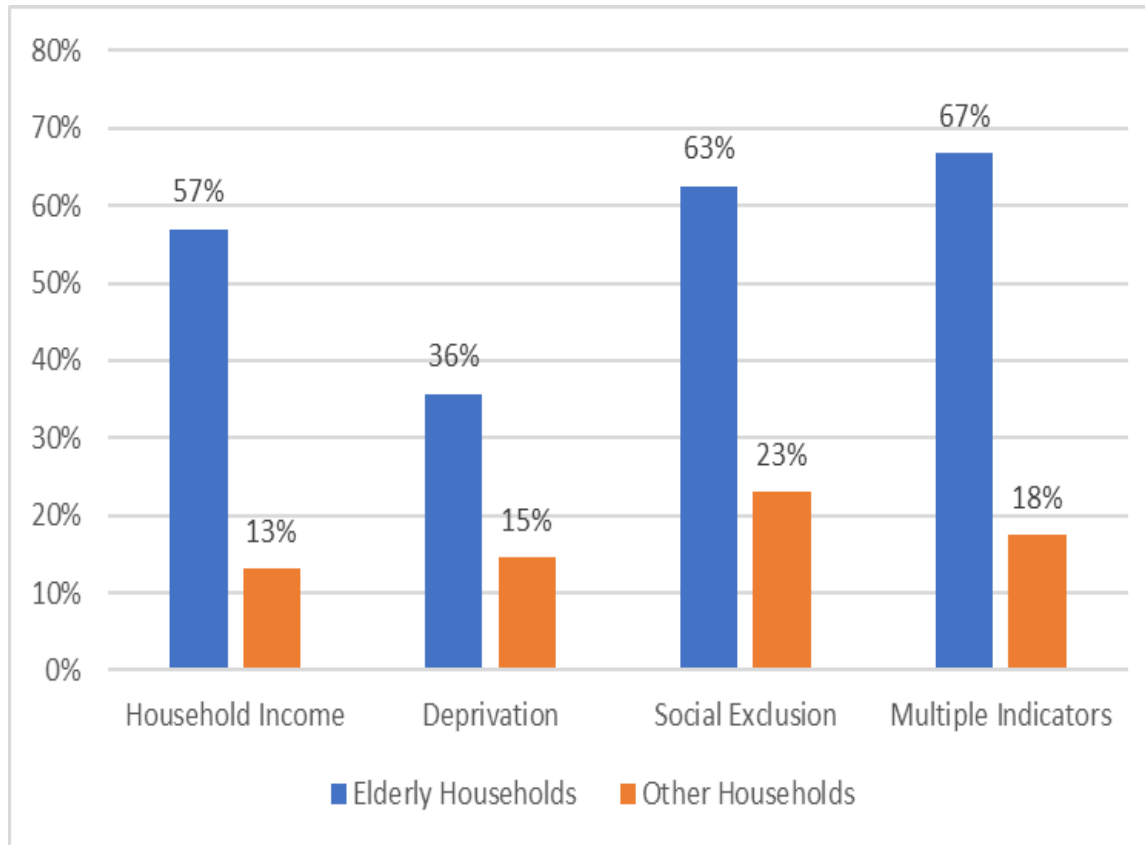
Some Key Findings
Cross-Measure Comparison

❑ In the HKPSSD Poverty Supplement sample (2015), 48%-86% CSSA households can be defined as in poverty based on different measurement.

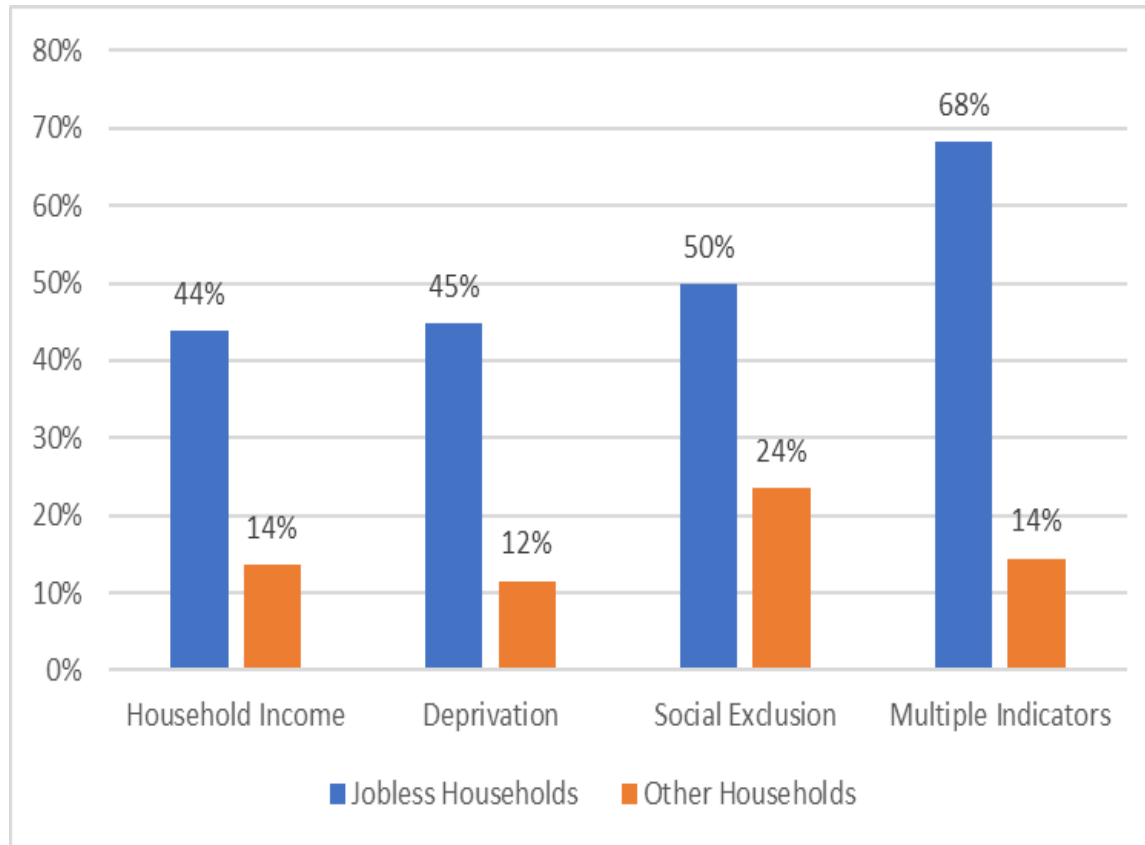# *Some Key Findings*
Cross-Measure Comparison

❏ In the HKPSSD Poverty Supplement sample (2015), 36%-67% elderly households can be defined as in poverty based on different measurement
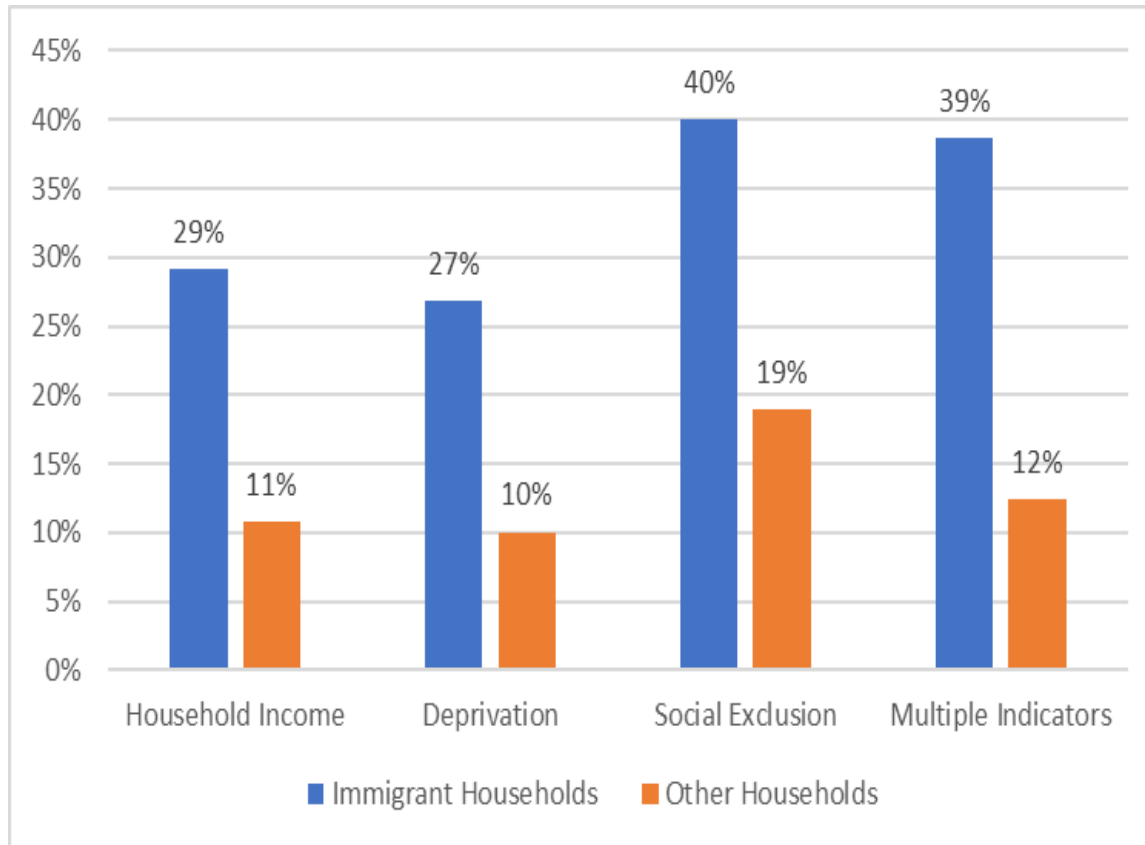
Some Key Findings
Cross-Measure Comparison

In the HKPSSD Poverty Supplement sample (2015), 44%-68% jobless households can be defined as in poverty based on different measurement

Some Key Findings
Cross-Measure Comparison

□ In the HKPSSD Poverty Supplement sample (2015), 27%-40% immigrant households can be defined as in poverty based on different measurement

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❑ **Policy Implications**

Policy Implications

❑ In order to have a comprehensive and profound understanding of the poverty problem in Hong Kong and provide help to those really in disadvantaged position, we should keep a close eye to multidimensional measure of poverty other than the income-based one.

❑ We detect a slightly downward trend of poverty rate for majority of the subgroup population when comparing the data from different waves using different measures of poverty. It is vital for researchers and policy makers to monitor those multidimensional indicators on an ongoing basis.

❑ The severe situation faced by the elderly (age 65 and above) has been one of the most prominent issues when discussing Hong Kong poverty. With the growing ageing population in Hong Kong and rising high burden for the younger generation, it is crucial for the government to considering remodel the current retirement system as well as other related welfare systems to offer financial and social support to the elderly.

Policy Implications
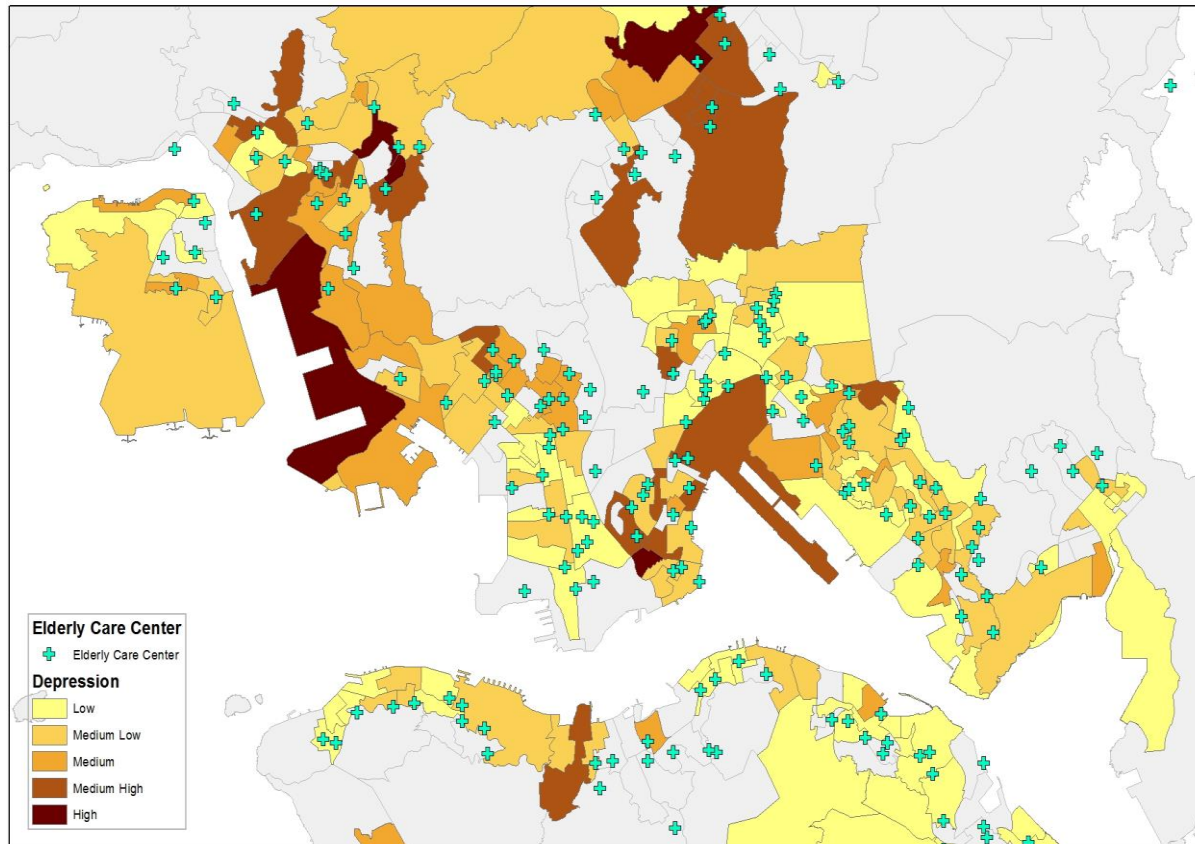
❑ Elderly Care Center can promote mental health of elderly population within the neighborhood, and the effect is even stronger among low SES group.

THANK YOU!

COMMENTS ARE WELCOME

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