2 OCTOBER,2024

Embracing change through transformation

Pathways out of adversity –





INTRODUCTION

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Oxfam Hong Kong 'Hong Kong Poverty Report 2023: A Polarised Recovery in the Post-Pandemic Era' indicates that the wealth gap in Hong Kong has further widened after the pandemic, increasing from 34.3 times in 2019 (pre-pandemic) to 57.7 times in the first quarter of 2023. with over 1.36 million people living in income poverty. Among them, the number of economically inactive elderly people aged 65 and above in poverty has surpassed 510,000, with an increase of 31.5% compared to 2019.

Due to the changes in the population structure, public expenditures on social welfare, such as Comprehensive Social Security Assistance (CSSA) and other public welfare schemes, have been continuously rising. Moreover, the Hong Kong recorded a government budget deficit in post-pandemic period, **posing a sustainability challenge to the tax-based welfare model**. It is essential to adopt proactive 'enabling' policies to promote active ageing. At the same time, efforts should be made to actively facilitate employment for elderly individuals and other economically inactive populations who are willing and able to engage in or return to the labour market.



Research objectives

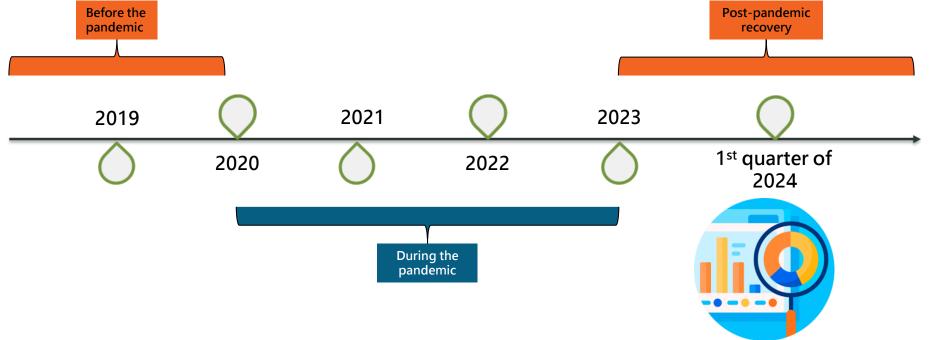




Research methods and timeframe



Data Source: Census and Statistics Department, 'General Household Survey' (from 2019 to the first quarter of 2024)



Terminology

Domestic household

Only domestic household is considered in this study. Domestic household consists of a group of persons who live together and make common provision for essentials for living. These persons need not be related. If a person makes provision for essentials for living without sharing with other persons, he/she is also regarded as a household. In this case, the household is a one-person household. Households comprising only non-Hong Kong residents or Mobile Residents are not classified as domestic households.

Poor population

Domestic households with monthly household income (excluding foreign domestic helpers) less than 50% of median monthly household income of the corresponding household size

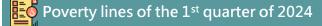
Original household monthly Income

Original household monthly income refers to the total cash income, including earnings (before deduction of Mandatory Provident Fund contributions) from all jobs and other cash income received in the month before enumeration by all members of the household. Other cash income includes income generated from rent income, interest, dividends, regular/monthly pensions and insurance annuity benefits, regular contribution from persons outside the household, regular contribution from charities and all government subsidies.

Economically active/inactive population

The economically active population, synonymous with the labour force, comprises the employed population and the unemployed population.

Economically inactive household is a domestic household with all members (excluding foreign domestic helpers) being economically inactive (e.g. home-makers, retired persons not available for work or not seeking work and those below the age of 15, etc).



Household size	
1	\$5,000
2	\$11,300
3	\$19,500
4	\$25,200
5	\$25,800
6 or above	\$26,000

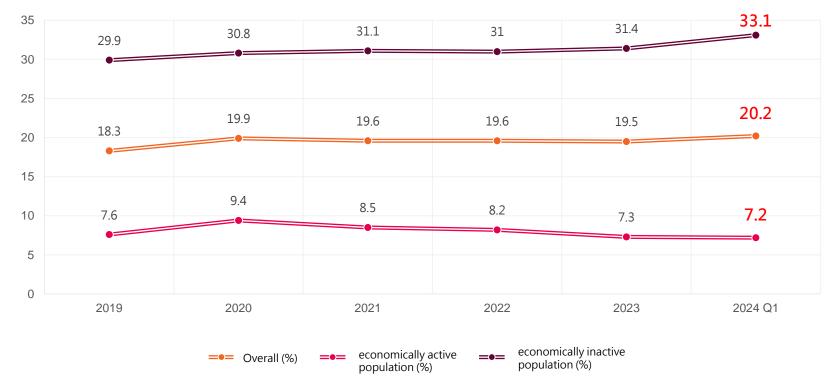


1. OVERVIEW OF THE LATEST POVERTY SITUATION IN HK



Poverty rates in Hong Kong (2019 – 1st quarter of 2024)

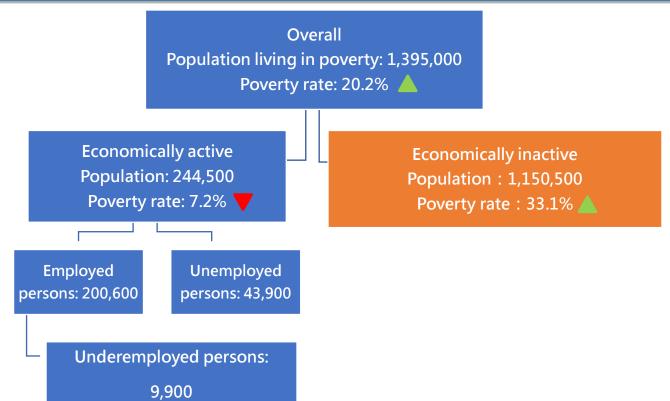




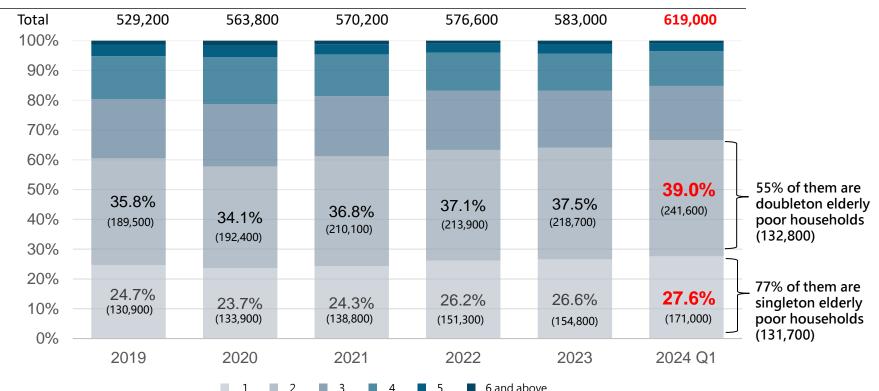
Data Source: Census and Statistics Department, 'General Household Survey' (from 2019 to the first quarter of 2024)

Poverty figures in 2024 Q1





1 and 2-person households account for 67% of poor households, the number of singleton and doubleton elderly poor households has exceeded 260,000



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Income disparity between the highest and the lowest deciles reaches 81.9 times

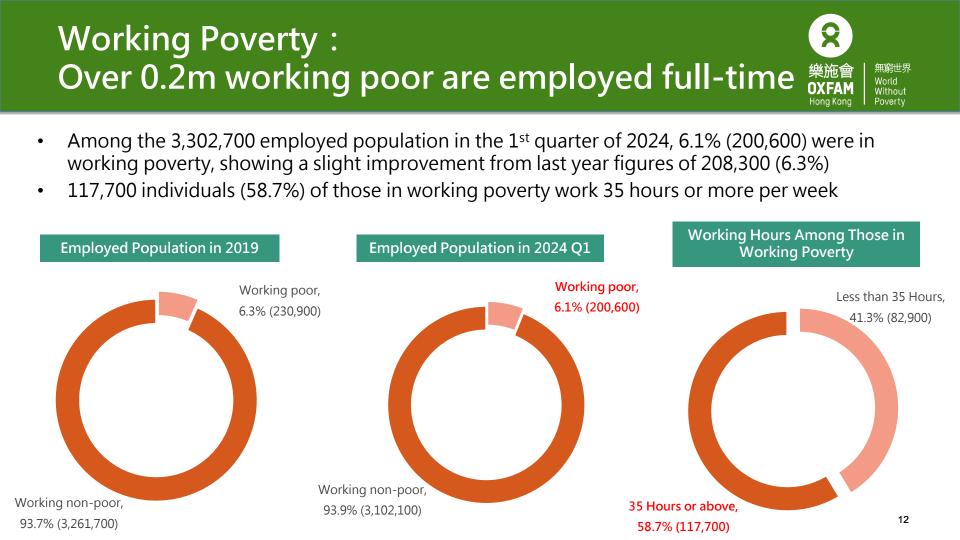


	2019: 34.4 times		2023: 52.7 times	
Total	120,000 120,000	Total	29,900 126,500	To
 10 th		 10 th		10
9 th	1000000000000000000000000000000000000	9 th	1 ,1,200	9
8 th	51,500	8 th	54,400	8
7 th	40,300	7 th	42,200	-
6 th	111111111111111 32,000	6 th	33,200	
5 th		5 th	25,600	
4 th	19,500	4 th	19,800	
3rd	14,000	3rd	13,500	3
2 nd	₩ 8,300	2 nd	1111 7,900	2
1 st	∎ 3,500	1 st	I 2,400	

20	024 Q1: 81.9 times	Compared to 2019
otal	30,000 131,100	+3.40%
10 th		+9.30%
9 th	1000000000000000000000000000000000000	+9.80%
8 th	56,100	+8.90%
7 th	43,200	+7.20%
6 th	33,800	+5.60%
5 th	111111111111 25,700	+2.80%
4 th	19,700	+1.00%
3 rd	13,000	-7.10%
2 nd	III 7,600	-8.40%
1 st	1,600	-54.30% ₁₀

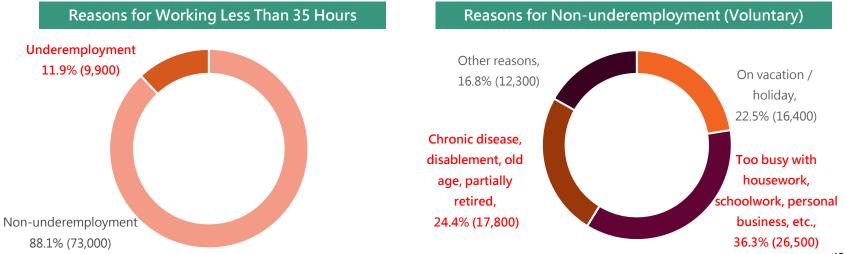
2.1 POVERTY AMONG ECONOMICALLY ACTIVE POPULATION (WORKING POVERTY)





Working Poverty: Over 0.2m working poor are employed full-time 樂施會 OVer 0.2m working poor are employed full-time 樂施會

- Among those working less than 35 hours, 11.9% (9,900) are in a state of underemployment due to slack work and other reasons
- Over 80% are voluntary to work less than 35 hours, their reasons include 'Too busy with housework, schoolwork, personal business, etc.'(26,500, 36.3%), 'Chronic disease, disablement, old age, partially retired'(17,800, 24.4%) and 'On vacation / holiday'(16,400, 22.5%)

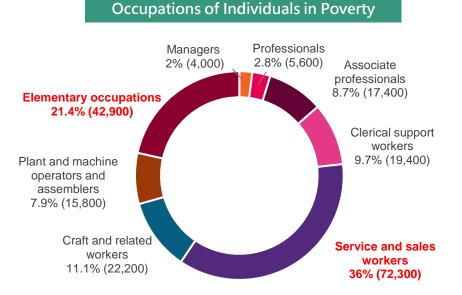


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Poverty

'Elementary occupations'& 'Service and sales workers' account for nearly 60% of working poverty

- A total of 57.4% of individuals in poverty work as 'Service and sales workers' (72,300, 36%) and 'Elementary occupations' (42,900, 21.4%)
- The poverty rate of 'Elementary occupations' is the highest among all occupations, reaching 13%, followed by 'Plant and machine operators and assemblers' and 'Service and sales workers'



Poverty Rate by Occupations (%)

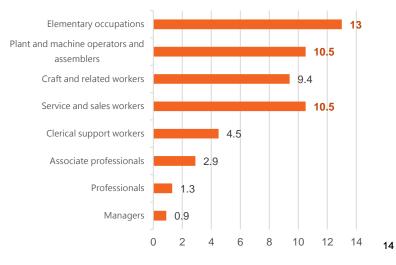
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'Elementary occupations'& 'Service and sales workers' account for nearly 60% of working poverty



- 3 main factors contributing to working poverty: working hour, wage and household size
- Wage : The overall median hourly wage for all occupations in 2024 is \$80.1, while 'Elementary workers' and 'Service and sales workers' have the lowest median hourly wages, at \$56.4 and \$56.3,
- Working hour : The median weekly hours for 'Service and sales workers 'in the 'Retail, accommodation, and food services'sector decreased from 40 hours last year to 36 hours

Median weekly working hours of working poor	2019	2022	2023	2024 Q1
Manufacturing	40	40	40	41
Construction	40	36	40	40
Import/export trade and wholesale	40	40	40	40
Retail, accommodation and food services	40	40	40	36
Transportation, storage, postal and courier services, information and communications	42	40	40	40
Financing, insurance, real estate, professional and business services	40	40	40	40
Public administration, social and personal services	35	25	32	31

2.2 POVERTY AMONG ECONOMICALLY ACTIVE POPULATION (UNEMPLOYMENT)



Nearly 40% of unemployed population in poverty

39.3% (43,900) individual are in poverty within the total unemployed population of 111,600. Compared to 2023, the
overall unemployed population and the number of unemployed individuals in poverty decreased by 3,200 and 3,700
respectively

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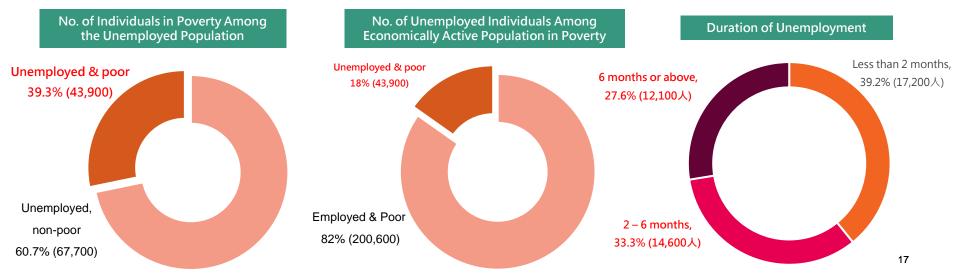
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- The unemployment rate among economically active population in poverty is 18% (43,000), which is 0.5% lower than in 2023
- 60.9% (26,700) of unemployed individuals in poverty have not worked for more than 2 months, while 27.6% regarded as long-term unemployed (unemployed for 6 months or more)

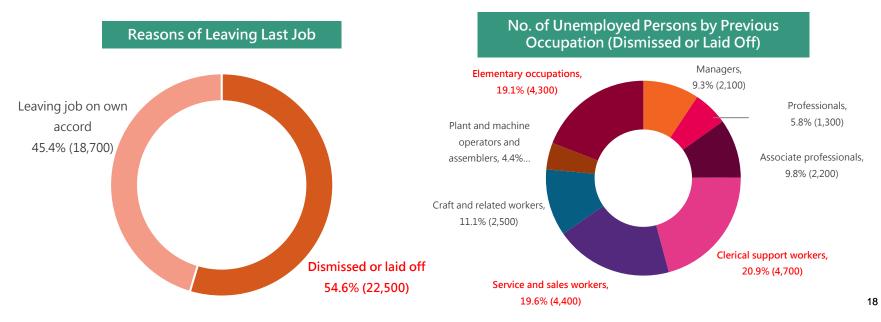


More than half of the unemployed individuals in poverty have been dismissed or laid off

- 54.6% (22,500) unemployed individuals in poverty cite being dismissed or laid off as the reason for their unemployment, reflecting a lack of job security for workers in HK
- Among those being dismissed or laid off, 59.6% (13,400) are low-skilled workers, including 'Clerical support workers', 'Service and sales workers' and 'Elementary occupations'. Highlighting the need for grassroots workers to enhance their employability through various training programs to ensure employment security

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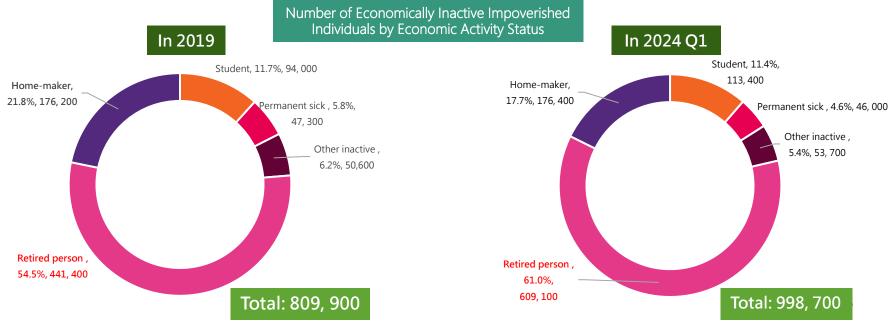


3. POVERTY AMONG ECONOMICALLY INACTIVE PERSONS



Nearly 1 million of economically inactive impoverished population, an increase of 22.8% compared to 2019

- The proportion of retired persons reached 61% (609, 100) in the first quarter of 2024, surged by 38% compared with 2019
- The second-highest proportion is Home-maker, accounting for 17.7% (176, 400) within the overall economically inactive impoverished population of 998, 700.



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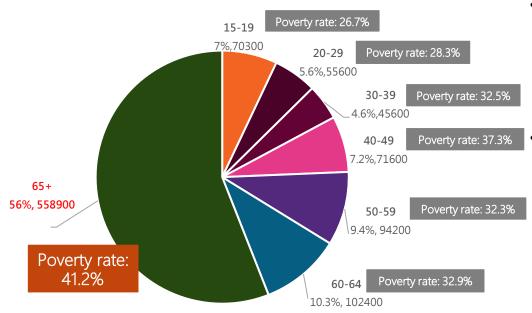
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Individuals aged 65 or above account for most economically inactive impoverished population

Number of Economically Inactive Impoverished Individuals by Age



- Echoes with the data of retired persons, individuals aged 65 or above account for the most economically inactive impoverished population, reaching 56% (558, 900), with a poverty rate of 41.2%.
 - The overall poverty rate among the elders is 36.8% (including both economically active and inactive), totaling 580, 900 individuals.

Supplementary information: The poverty rate for individuals under 15 years old is 20.7% in 2024 Q1, totaling 151, 900 individuals.

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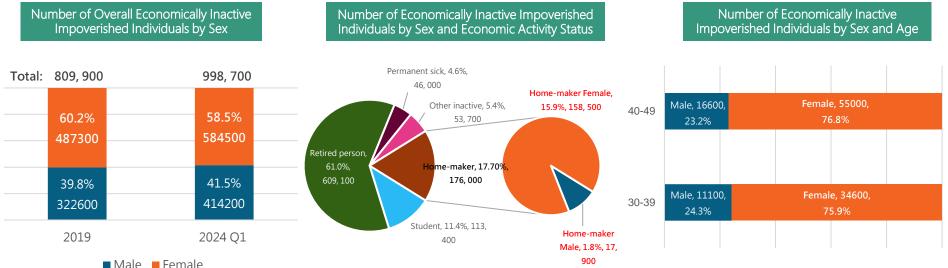
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More than half of the economically inactive impoverished population are females, which is related to their housekeeping responsibilities

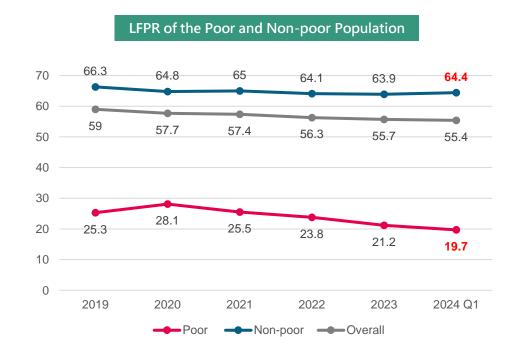


- Females account for 58.5% (584, 500) within the overall economically inactive impoverished population of 998,700, slightly lower than the 60.2% in 2019.
- Compared with other age groups, the proportion of females is relatively higher among those aged 30-39 and 40-49, at 75.9% (55, 000) and 76.8% (34, 600) respectively, which is related to the housekeeping responsibilities.



A downward trend in the labour force participation rate of the poor population

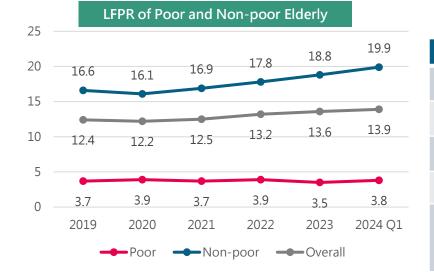




- Employment is one of the important keys to escape poverty. Yet, the labour force participation rate among the poor decreased to 19.7%, significantly lower than the 64.4% of the non-poor population.
- Reveals the difficulties faced by the poor population in the labour market, e.g., insufficient skills, physical disabilities, time management, and also discrepancies in wage expectations

Hong Kong's elderly labour force participation rate is still relatively lower than other economies

- Compared with other advanced economies, such as Norway (22.2%) or even Mainland China (25%), the elderly labour force participation rate in HK is 13.9% only, while the rate for impoverished elderly as low as 3.8%.
- Those without sufficient MPF or financial support from family, can only apply for CSSA or OALA, which is subject to income and asset tests, causing growing poverty among the elderly.



2024 2019 542.070 737,188 OALA recipients recipients 161,354 129,000 CSSA (Elderly) recipients recipients 266.226 348.513 **Old Age Allowance** recipients recipients (As of 30 June 2024) **Reverse Mortgage Program** 679 cases 526 cases **Reverse Mortgage Program** (Total caseload as at end of 3.784 cases 7,504 cases each year)

Income Sources of Economically Inactive Impoverished Elderly

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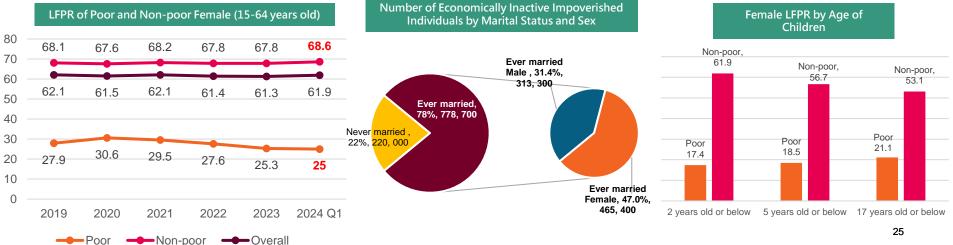
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Low female labour force participation rate in HK

- The female LFPR (15-64 years old) in the OECD is 72.1% while the rate in HK is 61.9%, with the rate for ٠ impoverished females as low as 25%.
- Marital status plays a crucial role here, among impoverished females, the proportions of never married and ٠ ever married are 22% and 78%, respectively.
- For impoverished females, the younger the children, the lower the LFPR while the trend is the opposite ٠ among non-poor females.
- Impoverished females may bear greater caregiving responsibilities and therefore need to wait for their child ٠ to grow up before entering the labour market.



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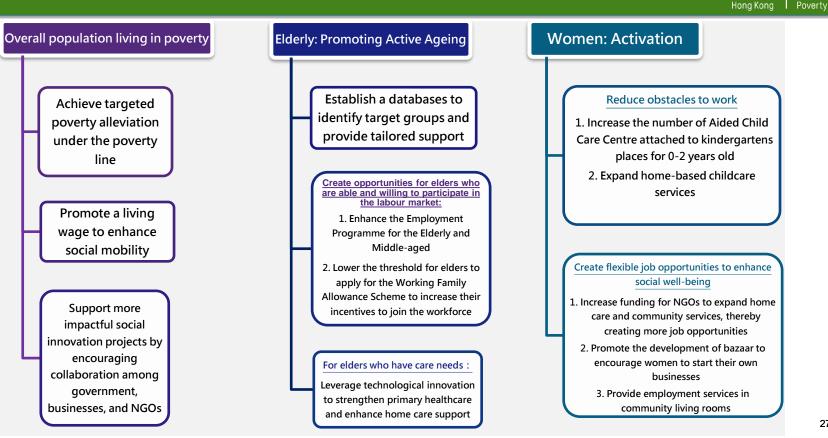
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4. RECOMMENDATIONS



Proposed framework of recommendations



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General recommendations





Oxfam urges the government to publish the latest 'Hong Kong Poverty Situation Report' so that individuals and organisations committed to poverty alleviation can acquire up-to-date information and effectively allocate resources to those who are most in need.

We also call on the government to take the initiative in promoting a living wage, create more flexible jobs, and establish a system to facilitate bazaar development. By doing so, wage levels for grassroots workers can be increased, attracting more potential labour force participants into the market. In addition, the government should promote more collaborative projects among government, businesses, and NGOs to nurture impactful social innovation initiatives that provide relief for grassroots individuals.



Achieve targeted poverty alleviation under the poverty line by including 'Enabling' and 'Active Ageing' targets

Based on the poverty line, in-depth analysis should be conducted on specific groups to understand their challenges. For example, elderly individuals living in poverty not only encounter economic difficulties but may also suffer from issues such as loneliness, which require support beyond financial assistance. The poverty line provides a clear outline for poverty alleviation work, while 'targeted poverty alleviation' offers further support to specific groups through deeper analysis and targeted strategies.

We understand the concerns in society regarding the accuracy of the poverty line and agree that the calculation method should be adjusted over time with changes in population structure. In July of this year, we finished a research report regarding the poverty line and we suggested analysing households that include elderly individuals independently and converting the assets of these families into monthly income through annuitisation methods. **Considering the government's upcoming framework on targeted poverty alleviation**, we **recommend including indicators related to 'empowerment' and 'active ageing' for different vulnerable groups, including the working poor, grassroots women, and the elderly.**

General recommendations





Promote a living wage to enhance social mobility

When exercising 'targeted poverty alleviation', the Commission on Poverty emphasised the need to empower those who are able to help themselves to achieve self-reliance and improve their lives, thereby releasing the potential labour force in society. At the same time, it is essential to continue addressing existing service gaps to support those who are unable to help themselves. In this context, wage protection is crucial for empowering individuals to achieve self-reliance.

Oxfam welcomes the recommendations by the Minimum Wage Commission to review the statutory minimum wage rate annually. We also believe that introducing a formula for implementing the Annual Review will bring the minimum wage closer in line with inflation and economic changes. However, Oxfam is concerned that the formula under the new mechanism still fails to calculate a reasonable minimum wage level. According to the new formula, the minimum wage can be increased from HK\$40 to HK\$41.8, but this remains below the average level of Comprehensive Social Security Assistance (CSSA) for two-person households.

In addition to considering raising the minimum wage above the average level of CSSA, to further promote the collaborative model involving government, businesses, and NGOs, we suggest that the government announce the living wage level alongside the minimum wage during its annual review. Oxfam published Hong Kong's first 'Living Wage Research Report' in 2018, advocating for the adjustment of wages each year based on inflation and changes in consumer spending patterns, allowing employees and their family members to meet basic needs and lead a decent life. We encourage capable employers to voluntarily pay a living wage, which is set at HK\$61.5 per hour in 2024.

1. As the largest employer in Hong Kong, the government should take the lead by paying a living wage to outsourced workers.

2. When announcing the minimum wage, the government should also disclose the living wage level for that year, encouraging capable employers to voluntarily pay their employees.

3. We believe that the 'Social' disclosure standards in the Hong Kong Exchanges and Clearing Limited(HKEX)' s 'Environmental, Social, and Governance Reporting Guide' should be revised to 'mandatory disclosure' same with the 'Environmental' standards, and should include reporting on the living wage, thereby enhancing corporate responsibility performance and transparency, and reflecting the government's emphasis on the 'Social' aspect of corporate social responsibility.

General recommendations





Support more impactful social innovation projects by encouraging collaboration among government, businesses, and NGOs

With changes in population structure and increasing pressure on public finances, a new model of collaboration among the government, businesses, and the community has become a major trend and is often reflected in the current government's policies, such as 'Community Living Rooms' and the 'Strive and Rise Programme.' As the appointed organisation under the Social Innovation and Entrepreneurship Development Fund (SIE Fund), Oxfam has assisted in **nurturing newly established social enterprises or groups that promote poverty alleviation through innovative methods**, while also providing matching grants for applicants. These projects showcase an effective collaborative model among government, businesses, and NGOs. We urge the government to consider further expanding the scale of such collaborative projects.

Oxfam has participated in the SIE **Fund's 'Pay-for-Success' project**, which supports the development of social innovation initiatives. The 'Pay-for-Success' model is a public-private partnership that is **performance-based and contractual**, where **business investors initially finance social services**, allowing the government to collaborate with high-performing service **providers** in order to develop, coordinate, or expand effective projects.

Elderly: Promoting Active Ageing





Establish a database to identify target groups and provide tailored support

Leverage technological innovation to strengthen primary healthcare and enhance home care support

Due to smaller family structures nowadays, there have been tragedies occurring in singleton or doubleton elderly households related to caregiving issues, which highlight the inadequacy of care services.

Oxfam believes that the government should establish a 'Database of Singleton and Doubleton Elderly Households' through the census and district councils, while also integrating data from various departments (including the Social Welfare Department, Housing Department, and Integrated Discharge Support Programme) for a holistic integration of household information. This would enable the government to analyse the characteristics of different elderly households (such as health status, cognitive and self-care abilities, living environment, and support networks).

In addition to identifying cases that require follow-up, the government should also **expand the 'District Services and Community Care Teams – Pilot Scheme on Supporting Elderly and Carers' to all 18 districts.** This could involve community care teams conducting visits, assisting with welfare referrals, and providing emotional support, as well as creating pathways for healthy and capable elderly individuals to engage in work. For the high-risk elderly households in the 'Database of Singleton and Doubleton Elderly Households', there should be an increase in at-home and community support, along with the use of telemedicine and other technologies to provide appropriate and accessible medical services for the elderly.

Many grassroots elderly individuals often miss optimal treatment opportunities due to a lack of information or an understanding of their illnesses. For those living in remote areas such as the New Territories, where each visit to a medical facility can be a significant journey. Without assistance, it may be difficult for them to travel far. Chronic conditions like diabetes and hypertension require long-term care and monitoring of physiological indicators. Given the shortage of healthcare personnel and the increasing number of elderly individuals, we recommend that the government make greater use of AI and telemedicine technologies to facilitate access to medical services for elderly people.

Additionally, the government should promote exercise programmes suitable for the elderly (such as dance classes for fall prevention and stretching exercises), encouraging them to engage in homebased training through online platforms. Despite inconvenient travel, online fitness activities can help elderly individuals develop a habit of exercising at home, thereby enhancing their social interaction and overall well-being. The government could consider expanding the scope of healthcare vouchers to include healthy online and offline exercise courses.

With the rapid development of artificial intelligence, the costs of the aforementioned medical technologies are decreasing. These technologies can improve the current home care services that primarily focus on in-home visits.

Elderly: Promoting Active Ageing





Enhance the Employment Programme for the Elderly and Middle-aged

Lower the threshold for elders to apply for the Working Family Allowance Scheme to increase their incentives to join the workforce

The Employment Programme for the Elderly and Middle-aged encourages employers to hire elderly individuals who are willing and able to enter the labour market. However, the current application process for the programme is complicated. Employers must register job vacancies through the Labour Department and submit a preliminary application form after hiring qualified individuals. Once employed, employees also need to register at the Labour Department's employment centres to participate in the programme, which may deter applicants due to the complicated administrative procedures.

Oxfam recommends that the authorities simplify the application process and conditions for employers and directly provide subsidies based on the number of newly hired older employees. Employers should only need to submit proof of employment and salary for their staff to receive the subsidy.

Concerning policies from other countries that encourage senior employment, various subsidies are available to assist middle-aged and elderly individuals in finding work. For example, Singapore's Senior Employment Credit and Taiwan's subsidies for the employment of unemployed middle-aged and elderly individuals both offer financial support to employers to hire older workers. The former provides a wage subsidy of up to 8% per month for employers to hire older workers aged 60 and above with a monthly salary of less than 4,000 Singapore dollars. The latter offers a subsidy of up to 13,000 New Taiwan dollars per month for each middle-aged worker (aged 45 to 65) referred by a public employment service agency and has been continuously unemployed for more than 30 days, provided they are employed for at least 30 days. Additionally, for hiring elderly workers aged 65 and above, the subsidy can be up to 15,000 New Taiwan dollars per month per person, with a maximum support period of 12 months.

In recent years, the government not only revised the Employment Programme for the Elderly and Middle-aged but also introduced the Re-employment Allowance Pilot Scheme. These measures provide both pull and push factors to encourage middle-aged and elderly individuals to seek employment.

To further promote employment among elders, we recommend that the government loosen the eligibility criteria for elderly individuals receiving the Working Family Allowance. Even if they engage in part-time work and do not reach the 144-hour threshold, they should still be eligible for the full allowance, provided they do not apply for the Old Age Living Allowance.

Women: Reduce obstacles to work





Increase the number of Aided Child Care Centre attached to kindergartens places for 0-2 years old



Expand Home-based Childcare Services and establish a support system from schools to childcare centers to make better use of resources

There are more places for children aged 0 to 2 years in funded standalone child care centres, while funded child care centres attached to kindergartens have a higher proportion of places for children aged 2 to 3 years. The utilisation rate for funded standalone child care centres is as high as 95%, significantly exceeding the 56% utilisation rate for the latter, which indicates a strong demand for places for children aged 0 to 2 years.

While the government increases the number of funded places, it should also review the service quotas based on the age distribution of the early childhood population. For example, funded operating organisations could flexibly convert some of the places allocated for 2 to 3-year-olds into places for 0 to 2-year-olds to make better use of existing resources and to increase service quotas more efficiently.

	Service quotas of aided standalone child care centre	Service quotas of aided child care centre attached to kindergartens	
Aged 0-2 or below	941 (91%)	276 (4%)	
Aged 2-3 or below	91 (9%)	7508 (96%)	
Total	1032 (100%)	7784 (100%)	
Total utilisation rate	95%	56%	

Data indicates that the demand for home-based child carers is highest in Tuen Mun, Southern, and Yuen Long Districts. Among these, Yuen Long has a notably high proportion of children and single-parent families, while Tuen Mun also has a significant number of singleparent households. This may reflect a higher demand for childcare services when single parents are out at work. Furthermore, the utilisation rates of early childhood centres in Yuen Long and Tuen Mun are lower than in other areas, which may suggest that their children are predominantly over three years old and require different types of childcare services, such as neighbourhood support programmes for early childhood care.

Oxfam recommends that the authorities should not only increase the number of home-based child carers and service quotas but also strengthening support for families in greater need, particularly employed single parents. Additionally, the government should explore establishing transportation arrangements to coordinate community childcare services with School-based After School Care Service. Home-based child carers and centre-based care services could provide extended hours of care for kindergarten and primary school children, thereby making better use of existing community and human resources.

Women: Create flexible job opportunities



Create flexible job opportunities to enhance social well-being



Promote community economy & Incorporating employment support functions into Community Living Rooms

Community Living Room serving many women with economic needs. These living rooms can also serve as a platform for employment services for women, connecting relevant organisations to support those seeking employment. For instance, during non-peak hours, the kitchen in the community living room can be made available to provide a platform and resources for grassroots women skilled in cooking, helping them to start their own businesses by producing specialty home-cooked foods or beverages.

Additionally, Oxfam HK has been promoting bazaar initiatives with the Tung Chung Community Development Alliance since 2013. The aim is to broaden income sources for grassroots individuals, provide entrepreneurship training for aspiring local entrepreneurs, and offer residents access to more affordable products. In addressing postpandemic issues such as unemployment, underemployment, and the challenges faced by economically inactive individuals in entering the labour market, **the development of bazaar can provide an alternative avenue for these individuals**. In the past, vendors at the markets organised by our partners typically operated part-time, earning an average of an extra HK\$500 to HK\$700 per event.

Despite low unemployment rates and high market vacancies, some individuals from grassroots backgrounds still struggle to find employment. This is not due to a lack of willingness to work, but rather because they need to bear the responsibility of a caregiver. Therefore, 'time constraints' serve as the primary barrier that prevents them from fully engaging in the workforce, rather than insufficient work motivation or skills

In addressing the issue of an ageing population, there is currently a significant shortage of 'Integrated Home Care Services' and 'Enhanced Home and Community Care Services', with an average waiting time of up to 9 months. Among these, meal services, escort services, and general home or housekeeping services are the most popular.

As these home-based care services involve basic daily care which requires relatively low professional qualifications from service providers, we recommend that the government fund) more NGOs to expand relevant services and provide flexible work arrangements for the employees involved. Attracting more economically inactive individuals (such as homemakers or capable seniors) who are unable to engage in long hours of work into these professions.

Year	No. of Applicants in the Waiting List for Integrated Home Care Services				
	General home or housekeeping servies	Meal services	Escort services	Personal care	Shopping and delivery services
2020	6,636	7,680	5,443	782	308
2021	7,162	8,780	6,350	845	417
2022	5,630	9,796	7,117	854	480
2023	5,834	8,707	7,125	849	465

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