

### **AGENDA 3**

#### **Building a Social Protection System**

Hong Kong’s social security system has been established for almost 40 years. It has helped numerous vulnerable groups. With social economic development, how the traditional social security system can truly protect vulnerable groups under different situations for their development and to help them get out of poverty is being reconsidered by the society and the social work sector. Social protection is a rather new concept emerging in recent years. It is believed that how to establish the social protection system will be an important issue in the coming decade.

#### **Trend**

The Comprehensive Social Security Assistance (CSSA) provided for the poor and needy families by Hong Kong Government is aimed at assisting the former in ameliorating economic difficulties. However, it lacks concepts of “development” and “elimination of poverty”. After reviewing the CSSA in 1999, the Government introduced career support services to help employable CSSA recipients to seek jobs and to withdraw from the CSSA, so that they can change from being assisted to self-reliant. Even if they still have to rely on the CSSA, it is hoped that they can change from unemployed CSSA recipients to low-income ones. Undoubtedly, Hong Kong Government thinks that able-bodied adults, including single parents and low-skilled workers in their fifties should support themselves. If they are idle at home, the government will think that it is unfair to taxpayers and may cause more problems.

#### **Concerns and challenges**

Hong Kong Government tries to encourage CSSA recipients’ employment with the least resources, and minimize the impact of its measures on the labour force market to match with her residual model of welfare. These measures are considered rather passive strategies in the international community, deviated from the social protection concept advocated nowadays.

The concept of social protection is broader than the social security. It values social inclusion more and seeks ensure that everyone is satisfied with basic survival needs and given an opportunity to participate actively socially and economically. It values the training for welfare recipients by assisting them in planning their future so as to develop their potentials, thereby helping the society to get rid of poverty and achieve sustainable development. In addition to the traditional social security measures, the social protection system includes some non-statutory or personal services.

The concept of social protection has been gaining worldwide attention since the beginning of 21st century. It responds to the negative impacts of economic globalization on society and economy, and it responds more reasonably and humanely to the notion of workfare which is getting more and more concern lately.

Many people, including CSSA recipients, are positive towards encouraging employable CSSA recipients to seek jobs so that they can become self-reliant. However, whether the Government has adequate complementary and supportive measures is the core problem. Take single parents as an example. Due to inadequate child care and community support services, together with the prevalence of teenage Internet addiction, drug abuse and gangs problems, parents face different degrees of difficulty in career development as they have to take care of the teenagers. Low-skilled workers face problems of casualization of labour, temporary work and low wage, and they thus may lack confidence in leaving the CSSA system permanently.

Over the past 10 years, the major milestone of Hong Kong social security system was not the review of CSSA, but the implementation of the Mandatory Provident Fund (MPF) Scheme at the end of 2000. Although the Hong Kong community started fighting for it 30 years ago, this MPF Scheme still fails to respond to Hong Kong society's demands. The main reason is that this retirement scheme based on personal savings needs 30 to 40 years to become mature, thus failing to provide basic life protection for people who have already reached middle or old age, homemakers and people with disabilities after their retirement. Moreover, due to the low income replacement rate and expensive transaction cost charged by MPF companies, MPF cannot provide sufficient retirement life protection for the low income group.

To conclude, Hong Kong Government adopts the residual model of welfare, tries hard to avoid intervention with the labour market and shifts the nurturing and caring responsibility of the young and the aged to families and individuals. As a result, the social security system remains fragmented. She indeed has never mentioned the concepts or goals of social protection in any formal policies.

### **Possible Actions**

We suggest that Hong Kong society and the Government should:

1. stipulate the basic principles of Hong Kong social policies and the vision and blueprint for the social protection system;
2. take International Labour Organization Convention No. 102 (Social Security (Minimum Standards) Convention) as a reference to review the current social security policy in order to define the goals and scope for reforming social policies;
3. discuss and study proactively the following policy areas:
  - 3.1 providing of universal retirement protection to ensure that the basic needs of the elderly can be satisfied
  - 3.2 setting standard working hour and unemployment insurance system, in addition to the enactment of minimum wage
  - 3.3 encouraging grassroots labour employment through negative income tax or other family/career supplementation schemes to solve unemployment and intergenerational poverty problems
  - 3.4 introducing asset building concept into CSSA so that the employed CSSA recipients can save the originally deducted CSSA subsidy, in order to encourage the increase in income, training or the participation in individual

- development programme and to leave the CSSA system as soon as possible
- 3.5 strengthening community support services such as child care and elderly family care to assist grassroots labour/single parents/dual-career parents in their employment
  - 3.6 strengthening adult education and vocational training to increase the employability of grassroots labour
  - 3.7 enhancing education and vocational training for the people with disabilities to help them realize their potentials for participating socially and economically and enjoying a fulfilling and self-supportive life.

How do you think about the themes/topics above? Are there any other themes left out that you would like to raise? What are other issues or problems related to this Agenda that you think should be explored and discussed?

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