Social Exclusion in Hong Kong: Findings from the 2013 Living Standard Survey

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Overview

The Poverty and Social Exclusion in Hong Kong (PSEHK) project was funded by the Research Grants Council and the UK Economic and Social Research Council (ESRC/RGC Joint Research Scheme: RES-000-22-4400). The project provided new evidence about poverty and social exclusion in Hong Kong in 2013. This report discusses its findings on social exclusion.[1] It shows that:

- Paid work is an important route out of poverty for the working-age population but it is not a guaranteed one as almost one in four full time employees are living in poverty.

- One in three retired people in Hong Kong are poor and many have little prospect of improving their living standards without additional government help. Older people represent the largest group of poor people in Hong Kong.

- Level of education is strongly related to having a good job in Hong Kong; the higher level of education attained, the higher the average occupational status scores using the International Socio-economic Index of Occupation (ISEI) and Treiman Standard International Occupational Prestige Scale (SIOPS).

- People who can speak English fluently (i.e. "well" or "very well") have higher occupational status scores (ISEI and SIOPS). English language proficiency in Hong Kong results in greater labour market success.

- People with weaker attachment to the labour market are less likely to improve their skills by attending education or training programmes; only 7% of part-time employees had attended education or training programmes, compared with 16% of full-time employees. This discrepancy may be related to working conditions (e.g. inflexible working hours) affecting part-time employees.

- The Internet is widely used for various purposes in people's daily lives but digital exclusion persists. 3.7 million people (62% of adults) use the internet at home, work, school, college or elsewhere. While 70% of people who are

[1] The report *Poverty and Social Exclusion in Hong Kong: First results from the 2013 Living Standards Survey* can be accessed from www.poverty.hk/index.php/survey-findings.

'not poor' use the internet daily, 69% of poor people do not have use of the internet.

- A significant proportion of children in Hong Kong lack resources and activities considered essential for their educational and social development. One-third of 'poor' children lack one or more of four important educational resources (i.e. educational games, outdoor leisure equipment, books suitable for their ages and a computer with an internet connection), compared with only 1% of children who are 'not poor'. Two out of every five 'poor' children are deprived of at least one of three educational activities (i.e. going on school trips, extra-curricular activities and after school tutorial lessons).

- Over 1 million adults (18% of all adults) report that their health has been affected by a lack of money. Poverty is thus a significant cause of ill health in Hong Kong. A similar number of adults reported that their health has made their financial situation worse. The high cost of health care for some people and out-of-pocket health expenditures is a cause of poverty and financial hardship in Hong Kong. There appears to be a recipricol relationship between poverty and health in Hong Kong – poverty causes ill health and ill health in turn causes poverty – this is a vicious cycle.

- Both physical and mental health is significantly associated with socio-economic status. People with higher socio-economic status have better physical and mental health. The relationship is statistically significant after controlling age and sex.

- Twenty nine per cent of adults (1,731,000 adults) report that they had experienced at least one important life event in the previous 12 months. The most frequently reported critical life event was 'lost or left job' (26%). The 'poor' experience more critical life events compared with those who are 'not poor'.

- Critical life events are associated with health status; people who experience more critical life events have poorer physical and mental health.

- Around two-thirds of the population said that they had not participated in any political activity in the previous three years. Of those that said they had, voting was the most prevalent political activity with 36% of the adults voting in the last Legislative Council Election.

The report explains the study and findings:

Section 1: The study's objectives

Section 2: Survey details and the research team

Section 3: Employment, education and skills

Section 4: Health and poverty

Section 5: Critical life events

Section 6: Political and civic participation

Section 7: Recommendations and conclusion

Detailed information about the project can be found on the PSEHK website:

www.poverty.hk

Section 1: The study objectives

The Poverty and Social Exclusion in Hong Kong (PSEHK) project aims to advance the theory and the practice of poverty and social exclusion measurement in Hong Kong by building on recent scientific advances in the United Kingdom and other European countries and adapting them to an urban Chinese context. The specific objectives of the study were:

1. To enhance collaboration between researchers in the United Kingdom and Hong Kong by developing new poverty and social exclusion measurement instruments;

2. To improve the measurement of poverty, deprivation, social exclusion and standard of living in the Chinese context;

3. To collect and analyse qualitative evidence on how low living standards and social exclusion shape the lifestyles of families, households and individuals using consensual focus group methods;

4. To investigate the extent and prevalence of poverty and social exclusion in Hong Kong and explore causal relationships between different dimensions of poverty and social exclusion;

5. To develop new combined low income /deprivation poverty measures for adults and children;

6. To enhance the collaboration between academic institutions and local non-governmental organizations (NGOs) serving vulnerable groups in Hong Kong;

7. To conduct policy relevant analyses of poverty and social exclusion in Hong Kong.

Section 2: Survey details and the PSE research team

The Poverty and Social Exclusion in Hong Kong (PSEHK) project was funded by the Hong Kong Research Grants Council and the UK Economic and Social Research Council. It is a UK-HK research collaboration between the University of Bristol, the Hong Kong Institute of Education and City University of Hong Kong working with the Policy 21 Limited.

The Living Standards Survey was undertaken between December 2012 and May 2013 by the Policy 21 Limited. The survey re-interviewed respondents (n=356) to a HKCSS 2011 survey to see how people's lives have changed and a new stratified random sample from the 2011 Population Census (n=248).[2] A total of 604 households aged 18 and over were interviewed. Where there was more than one eligible person in a household, one adult (aged 18 or over) was selected at random from each sampled household for interview This methodology allows different survey weights to be calculated giving results that are representative at both individual and household levels.

The Hong Kong Standard of Living Survey questionnaire, including both English and Chinese versions, can be downloaded from the PSEHK website: www.poverty.hk.

Further details of the PSEHK research, including the members of the project team and advisory committee, and focus groups and questionnaire can been found on the PSEHK website: www.poverty.hk.

[2] The HKCSS 2011 survey on poverty, deprivation and exclusion in Hong Kong commissioned by the Hong Kong Council of Social Services was led by Professor Wong Hung, the Chinese University of Hong Kong, and Professor Peter Saunders, the University of New South Wales (See HKCSS, 2012).

Section 3: Employment, education and skills

Educational attainment, economic activity status and occupational status

Educational attainment is considered crucial to tackling poverty because it can enhance people's knowledge and skills and improve their employability and earnings potential. The PSEHK poverty measure defines people or households as 'poor' when they have a low income and a low standard of living (in terms of deprivation). They are 'not poor' if: (i) they have a low income and a reasonable standard of living; or (ii) they have a low standard of living but a high income (rising); or (iii) they have a low income but a high standard of living (vulnerable). The study revealed that 21% of people in Hong Kong are poor; they have a low household income and suffer from multiple deprivation (2 or more deprivations) (Gordon, et al., 2014). There is clear evidence that adults with low educational attainment are more likely to be living in poverty (Table 3.1).

- Almost two-fifths of poor adults (38%) only completed primary or below-primary school education, compared with 26% of the non-poor group.
- Only one-tenth of poor adults have any tertiary or post-secondary education, compared with 21% of non-poor adults.

Table 3.1: Educational attainment by poverty group (PSEHK poverty)

	Poverty	
	Not Poor	Poor
Primary and below	26%	38%
Lower Secondary	19%	22%
Upper Secondary	35%	32%
Post-secondary (Diploma /Certificate/Sub-degree)	7%	5%
Tertiary (Degree and higher)	14%	4%
Total	100%	100%

Notes: Figures do not add up to 100% due to rounding.
Percentage within each group; Chi-square = 62 (***p < .01).

Levels of education differ by economic activity status (Table 3.2):

- Almost half (46%) of full-time employees completed education at upper-secondary school level, 7% have post-secondary school education, whilst 19% have a degree or master's degree. In total, 72% of full-time employees have attained at least secondary school education.
- By contrast, 17% of part-time employees attained only either primary or below primary school education, whilst just under half only completed lower secondary education.
- About half of unemployed people (45%) completed only primary or below primary school education. Only 5% of the unemployed have degrees or higher qualifications.
- 57% of retired people report having only primary or below primary school education.

Table 3.2: Educational attainment by economic activity status

	Economic activity status					
	Full-time employee	Part-time employee	Self-employed	Unemployed	Retired	Others
Primary and below	15%	17%	17%	45%	57%	33%
Lower secondary	13%	46%	9%	36%	22%	20%
Upper secondary	46%	24%	52%	9%	15%	31%
Post-secondary (Diploma /Certificate/ Sub-degree)	7%	7%	0%	5%	3%	7%
Tertiary (Degree and higher)	19%	6%	22%	5%	3%	9%
Total	100%	100%	100%	100%	100%	100%

Note: Percentage within economic activity status; Chi-square = 168 (***p < .01).

Attachment to the labour market does not guarantee a life free from poverty because of the considerable problem of low-paid jobs in Hong Kong (Oxfam Hong Kong, 2012). As Goulden (2010: 10) argues, '*entering work cannot provide a sustainable route out of poverty if job security, low pay and lack of progression are not also addressed*'. The survey shows that paid work is an important route out of poverty for some of the working population but it is not a guaranteed one. The survey also

shows that retired people are more likely to living in poverty than any other group (Table 3.3).

- Almost half of full-time employees are not poor but nearly one in four full-time employees live in poverty.
- Nearly one-third of retired people are identified as 'poor'.

Table 3.3: Economic activity status by poverty group

	Poverty	
	Not Poor	Poor
Full-time employee	47%	23%
Part-time employee	7%	8%
Self-employed	4%	2%
Unemployed	2%	7%
Retired	21%	32%
Inactive	18%	29%
Total	100%	100%

Notes: Figures do not add up to 100% due to rounding.
Percentage within each group; Chi-square = 40 (***p < .01).

The PSEHK study adopts the International Socio-economic Index of Occupation (ISEI) and Treiman Standard International Occupational Prestige Scale (SIOPS) to measure occupational status (ILO, 2012; Ganzeboom and Treiman, 1996). Level of education is strongly related to occupational status in Hong Kong as the higher level of education attained, the higher the average ISEI and SIOPS scores (Figure 3.1).

English proficiency, economic activity status and occupational status

Language proficiency is regarded as an essential asset for upward social mobility (Papademetriou, et al., 2009; Chee, 2011; Wong et al., 2013). Language proficiency affects people's educational development and hence their labour market success. Table 3.4 shows self-rated spoken English proficiency among the adult population.

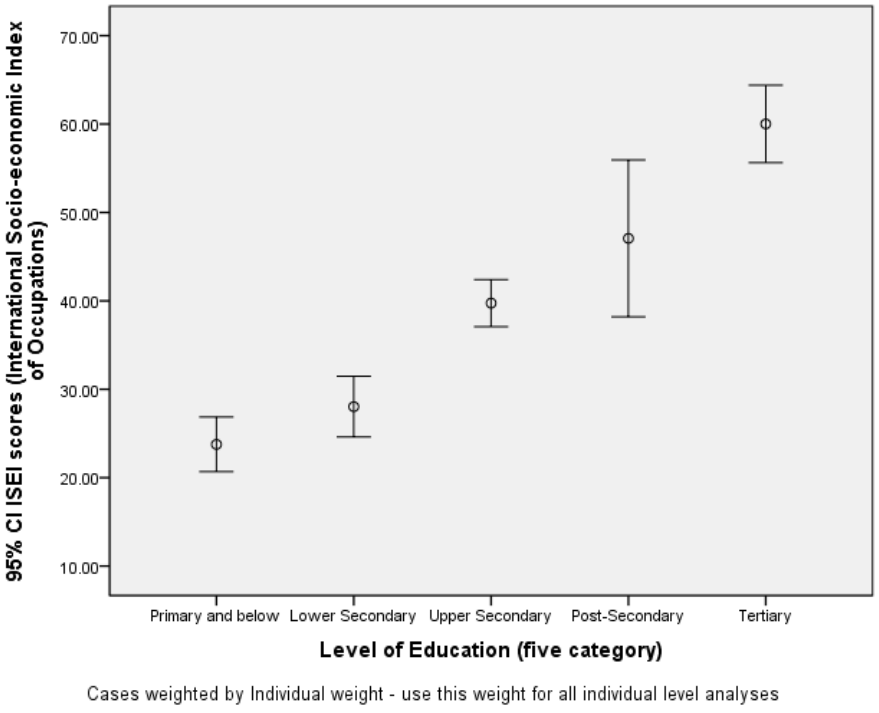
- 197,000 adults (3% of adults) and 1,892,000 adults (32% of adults) report that they speak English 'very well' and 'well', respectively.
- However, 1,886,000 adults (31% of adults) cannot speak English well and 2,026,000 adults (34% of all adults) cannot speak English at all.

The findings show that economic activity and occupational status is related to spoken English proficiency.

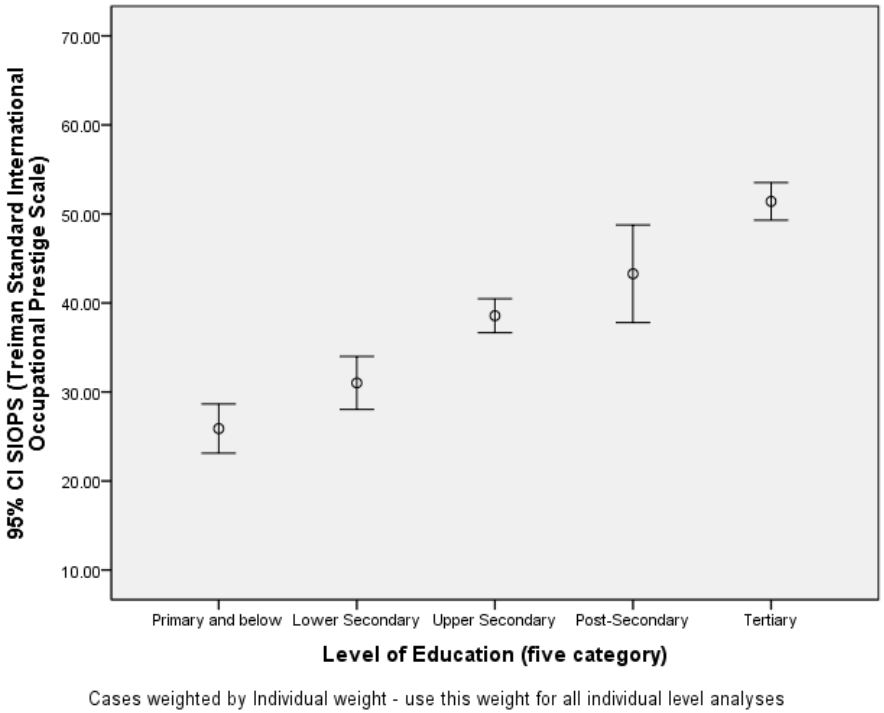
- 50% of full-time employees or self-employed people can speak English 'well' or 'very well' (Table 3.5).

- In contrast, 36% and 44% of unemployed people, respectively, cannot speak English ‘well’ or speak it ‘at all’ (Table 3.5).
- 64% of the ‘poor’ cannot speak English ‘at all’ and 31% cannot speak English ‘well’ compared with 27% and 29%, respectively, of people who are ‘not poor’ (Table 3.6).
- People who can speak English fluently (‘very well’/’well’) show higher occupational status scores (ISEI and SIOPS) (Figure 3.2).

Figure 3.1: ISEI and SIOPS mean scores by educational attainment



ISEI mean scores by educational attainment



SIOPS mean scores by educational attainment

Table 3.4: Self-rated spoken English proficiency

	Number	%
Very Well	197,000	3
Well	1,892,000	32
Not Well	1,886,000	31
Not at all	2,026,000	34
Total	6,001,000	100

Table 3.5: Self-rated spoken English by economic activity status

	Economic activity status					
	Full-time employee	Part-time employee	Self-employed	Unemployed	Retired	Others
Very Well/Well	50%	22%	50%	20%	13%	25%
Not Well	32%	27%	18%	36%	26%	38%
Not at all	18%	51%	32%	44%	62%	37%
Total	100%	100%	100%	100%	100%	100%

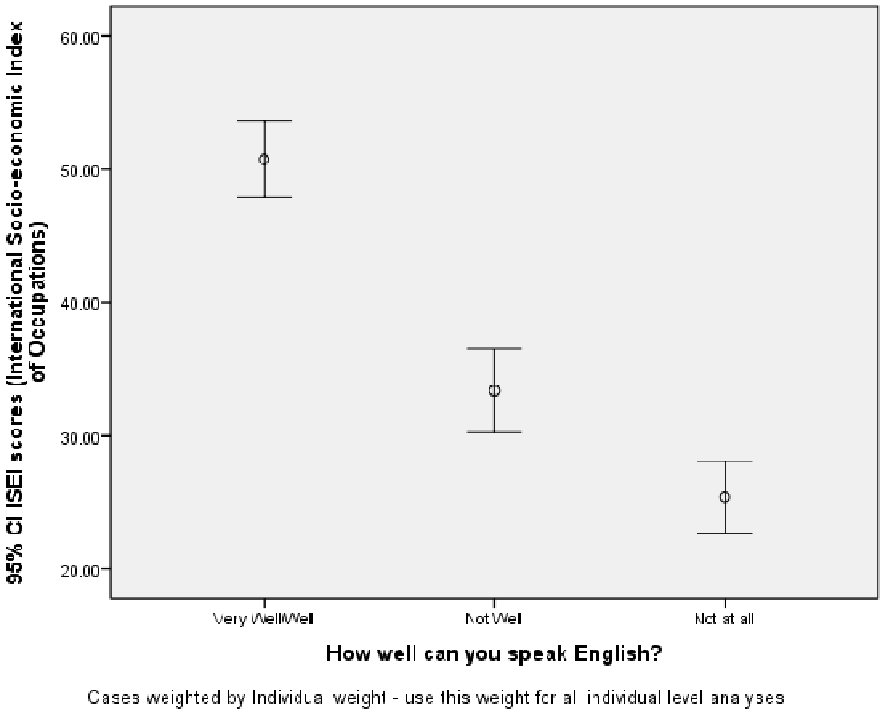
Notes: Figures do not add up to 100% due to rounding.
Percentage within economic activity status; Chi-square = 95 (***p < .01).

Table 3.6: Self-rated spoken English proficiency by PSEHK poverty group

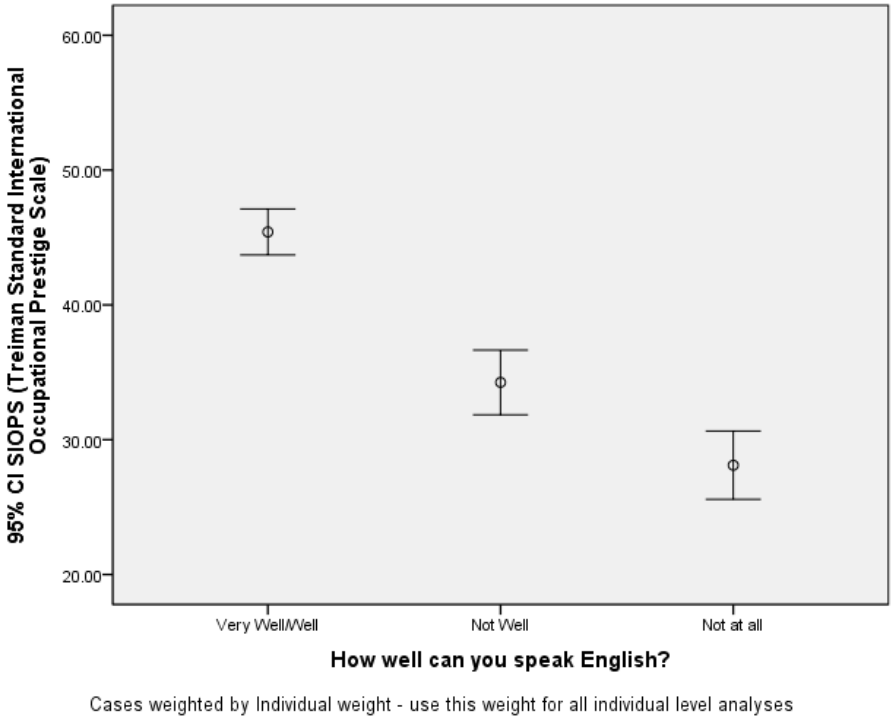
	PSEHK poverty group			
	Poor	Rising	Vulnerable	Not poor
Very Well/Well	5%	15%	21%	44%
Not Well	31%	15%	39%	29%
Not at all	64%	71%	40%	27%
Total	100%	100%	100%	100%

Notes: Figures do not add up to 100% due to rounding.
Percentage within PSEHK poverty group; Chi-square = 101 (***p < .01).

Figure 3.2: ISEI and SIOPS mean scores by self-rated spoken English proficiency



ISEI mean scores
by self-rated spoken English proficiency



SIOPS mean scores
by self-rated spoken English proficiency

Economic activity status and education or training programmes

- 997,000 adults (17% of all adults) have attended education or training programmes (Table 3.7).
- Only 7% of part-time employees have attended education or training programmes, compared with 16% of full-time employees. This discrepancy may be related to working conditions (e.g. inflexible working hours) affecting part-time employees. The statutory body (e.g. Employees Retraining Board in Hong Kong) and its appointed training bodies normally offer free-of-charge or subsidised fees and a retraining allowance to eligible employees (particularly unemployed adults) to upgrade their skills. This explains why one in four unemployed people have attended education or training programmes (Table 3.8).
- The poor are more than 1.5 times less likely to have attended education or training programmes than the 'not poor' group (11% compared to 18%) (Table 3.9).

Table 3.7: Extent of attending education or training programmes

	Number	%
Yes	997,000	17
No	4,949,000	83
Total	5,946,000	100

Table 3.8: Education or training programmes attended by economic activity status

	Economic activity status					
	Full-time employee	Part-time employee	Self-employed	Unemployed	Retired	Others
Yes	16%	7%	22%	24%	7%	26%
No	84%	93%	78%	76%	93%	74%
Total	100%	100%	100%	100%	100%	100%

Note: Percentage within economic activity status; Chi-square = 21 (***p < .01).

Table 3.9: Education or training programmes attended by PSEHK poverty group

	PSEHK poverty group			
	Poor	Rising	Vulnerable	Not poor
Yes	11%	3%	9%	18%
No	89%	97%	91%	82%
Total	100%	100%	100%	100%

Notes: Figures do not add up to 100% due to rounding.
Percentage within PSEHK poverty group; Chi-square = 11 (**p < .05).

Internet usage

The internet is widely used for various purposes in people's daily lives but there is evidence of continuing digital exclusion. Previous studies highlight that digital inclusion may bring benefits, such as access to online learning (Livingstone and Helsper, 2007), and online financial and government services (Burton, 2013). The survey findings show that:

- 3.7 million adults (62% of adults) use the internet at home, work, school, college or elsewhere (Table 3.10).
- The most frequently reported internet usages are general browsing or surfing (80%), communicating with friends or family (74%), and entertainment (72%) (Table 3.11).
- People use the internet for e-commerce; for example, 31% of adults use it for personal banking, and 26% for buying or ordering tickets, goods and services (Table 3.11).
- 28% of adults use the internet for education, training and research. Some people use the internet for seeking health-related information (17%) or looking for jobs (17%) (Table 3.11).
- Internet usage among young people is almost universal at 93%, but only 15% of older people (60 or over) use it (Figure 3.3). Only 3% of older people (60+) use internet banking compared with 37% of younger adults (Under 20). (Table 3.12).
- While 70% of people who are 'not poor' use the internet in their daily lives, less than one third of poor people are able to make daily use of the internet (Figure 3.4).

Table 3.10: Internet usage at home, work, school, college or elsewhere

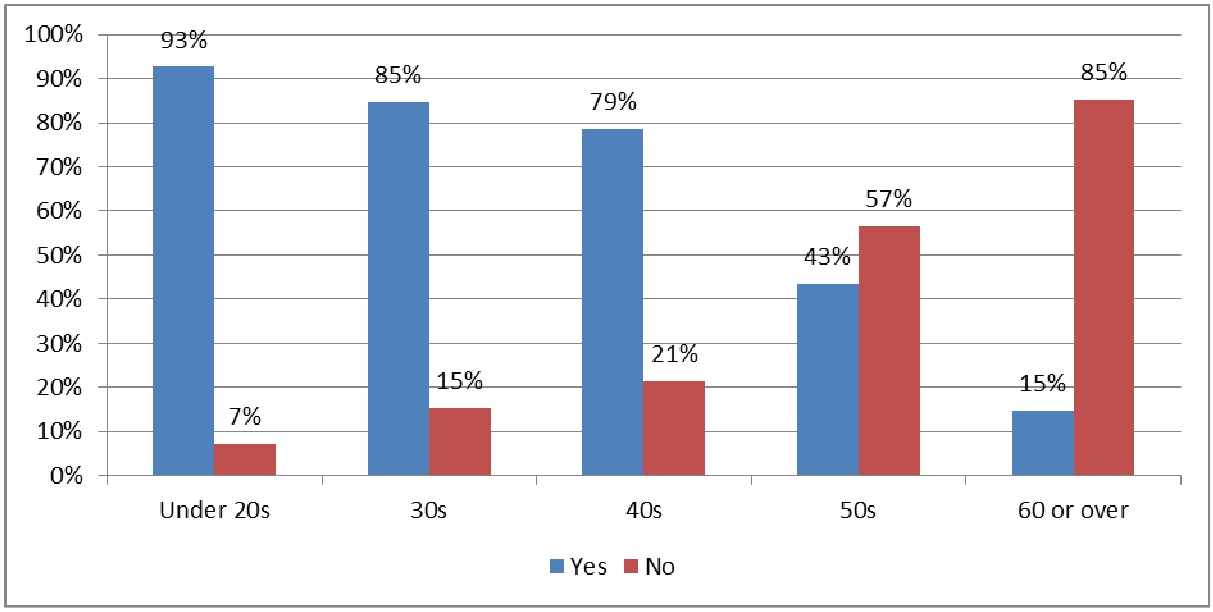
	Number	%
Yes	3,713,000	62
No	2,302,000	38
Total	6,015,000	100

Table 3.11: Purposes of the Internet usage

	Number	%
General browsing or surfing	2,837,000	80
Communicating with friends or family	2,621,000	74
Entertainment	2,570,000	72
Personal banking	1,112,000	31
Education, training or research	998,000	28
Buying or ordering tickets, goods or services	916,000	26
Posting messages or content	799,000	22
Seeking health-related information	600,000	17
Looking for jobs or work	588,000	17

Note: Multi-response questions.

Figure 3.3: Internet usage by age



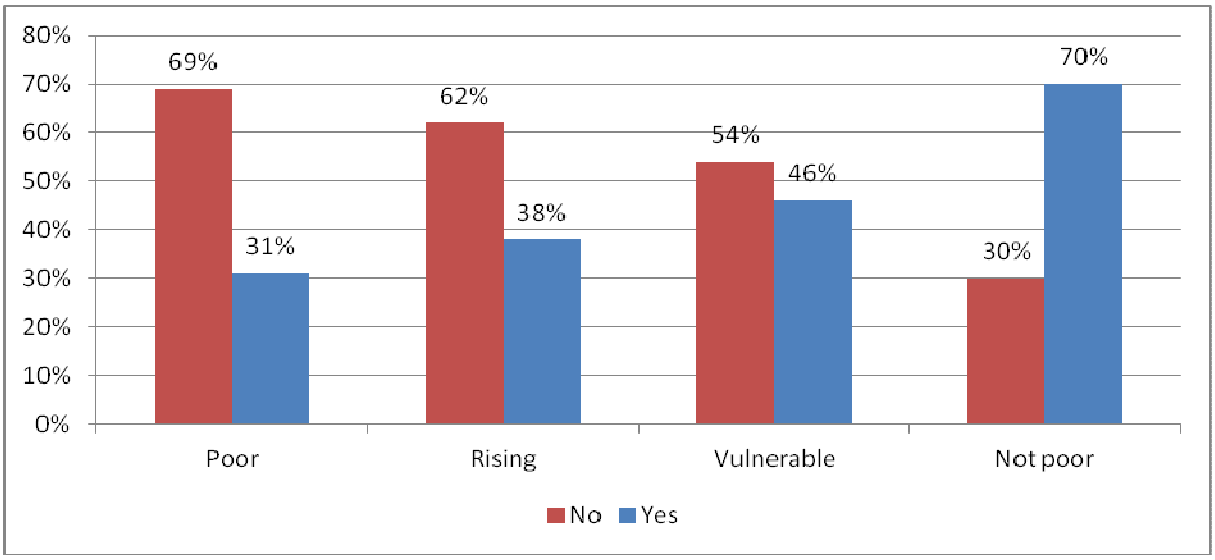
Note: Adults aged 18 or above answered the questions.
Percentage within age group; Chi-square=243(***p<.01).

Table 3.12: Personal banking service via Internet by age

	Under 20	30s	40s	50s	60 or over
Yes	37%	28%	19%	11%	3%
No	63%	72%	81%	89%	97%
Total	100%	100%	100%	100%	100%

Note: Percentage within poverty group; Chi-square = 57 (*** p<.01).

Figure 3.4: Internet usage by PSEHK poor group



Note: Percentage within PSEHK poverty group; Chi-square = 70(***p<.01).

The survey also finds that adults who communicate with friends or family via the internet also have more social support.

- 62% of adults who report having 'a lot' of advice about important life decisions use the internet to communicate with friends or family.
- By contrast, 72% of people who have 'no' or 'not much' advice do not communicate with friends or family via the internet (Table 3.13).

Table 3.13: Extent of emotional support by communicating with friends or family via Internet

	Getting advice about important life decisions		
	A lot	Some	Not much /None at all
Yes	62%	50%	28%
No	38%	50%	72%
Total	100%	100%	100%

Note: Percentage within getting advice; Chi-square = 39 (***p < .01).

Children's educational resources and activities

While, today's children benefit from 12 years of free education in Hong Kong, significant proportions of children lack resources and activities considered essential for their educational and social development (Table 3.14).

- The survey revealed that 34% of 'poor' children do not have at least one of four educational resources (i.e. educational games, outdoor leisure equipment, books suitable for their ages or a computer with an internet connection), compared with only 1% of children who are 'not poor'.
- Two out of every five (41%) poor children are deprived of at least one of three educational activities (i.e. going on school trips, extra-curricular activities and tutorial lessons). None of the children who are 'not poor' are deprived of these educational activities.
- Half (51%) of poor children are deprived of at least one of seven school extras (i.e. a combination of four educational resources and three educational activities items – see above) (Bramley and Besemer, 2011), compared with only 1% children who are 'not poor'.
- 42% of 'poor' children are deprived of at least one of four school learning-related items (including books, computer with an internet conection, extra-curricular activities and tutorial lessons), compared with only 1% children who are 'not poor'.
- The education divide between poor children and their richer peers is very marked in Hong Kong and this may have profound implications for future social mobility.

Table 3.14: Extent of children's educational resources and activities by PSEHK poverty group

Deprived items	PSEHK poverty group			
	Poor	Rising	Vulnerable	Not poor
Educational resources	34%	0%	2%	1%
Educational activities	41%	6%	3%	0%
School extras	51%	6%	3%	1%
School learning-related items	42%	6%	3%	1%

Note: Percentage within PSEHK poverty group; Chi-square tests are statistically significance (***p <.01).

Section 4: Health and poverty

Physical and mental well-being and poverty

The PSEHK study adopts the SF-12v2 Health question module which that uses just 12 questions to measure functional health and well-being. The SF12 can be used to produce two summary measures of physical health (Physical Component Summary [PCS]) and mental health (Mental Component Summary [MCS]).[3]

In the PSEHK survey, the mean score for physical component was 51 and the standard deviation was 10. The physical health score ranged from 10 to 67. The mean score for the mental component was 45 and the standard deviation was seven. The mental health score ranged from 18 to 63.

- Over 1 million of adults (18% of adults) report that their health had an impact on their financial situation. Similar proportions say that their health has been affected by a lack of money (Table 4.1 and Figure 4.1). As with previous research (e.g. Wong et al., 2010), 'household income per member' is one of the crucial factors associated with physical and mental well-being.

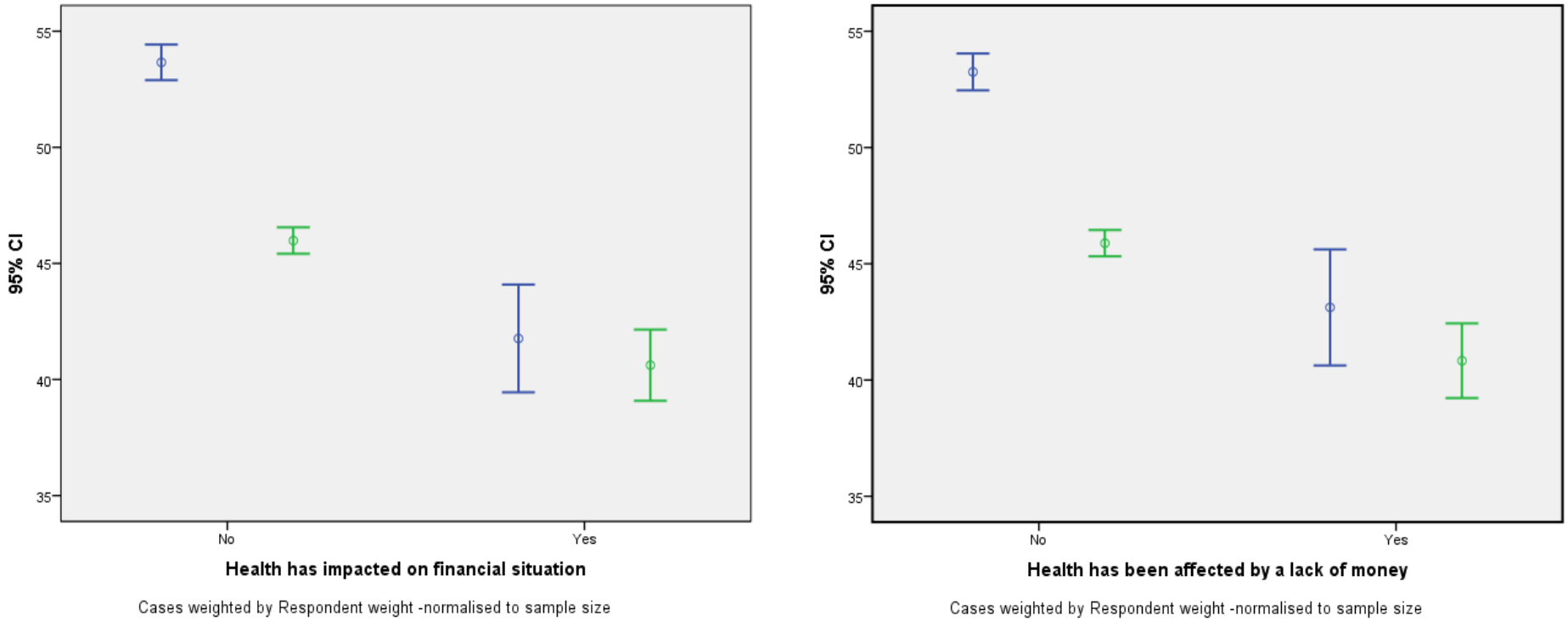
Table 4.1: Health and poverty

	Number	%	Physical health (Mean score)	Mental health (Mean score)
Health had an impact on financial situation				
No	4,897,000	82	54	46
Yes	1,096,000	18	42	41
Health has been affected by a lack of money				
No	4,909,000	82	53	46
Yes	1,084,000	18	43	41

Note: F-values are all significant; ***p<0.01.

[3] Physical health is measured by Physical functioning (PF), Role-physical (RP), Bodily pain (BP), and General health (GH). Mental health is measured by Vitality (VT), Social functioning (SF), Role-emotional (RE), and Mental health (MH). The response to each item is calculated by the standard scoring algorithm, which is weighted by the regression coefficient and then added up to the standard SF-12v2 PCS and MCS scores, respectively. Higher scores on the scales indicate better physical and/or mental health (Ware et al., 2002).

Figure 4.1: Health and poverty



Note: SF12v2 PCS shown in blue line, and SF12v2 MCS shown in green line.

The survey found that physical and mental health are related to poverty.

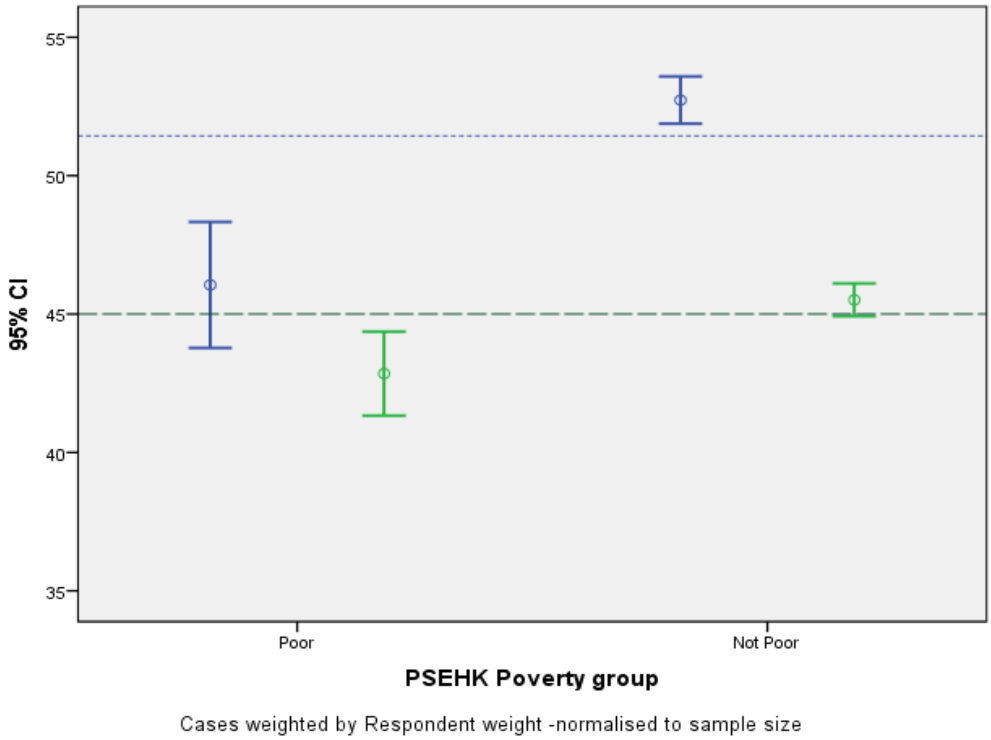
- The physical and mental health scores of 'poor' adults are significantly lower (46 and 43, respectively) than adults who are 'not poor' (53 and 45, respectively) (Table 4.2).
- The physical and mental health status of the 'poor' adults is lower than the average (i.e. 51 and 45, respectively) (Figure 4.2).

Table 4.2: Health status by PSEHK poverty group

PSEHK Poverty Group	Physical Health (Mean score)	Mental Health (Mean score)
Poor	46	43
Rising	50	46
Vulnerable	54	46
Not poor	53	45

Note: F-values =14. ***p<.01

Figure 4.2: Health status by PSEHK poverty group



Note: SF12v2 PCS shown in blue line, and SF12v2 MCS shown in green line. Mean of SF12v2 PCS and SF12v2 MCS shown in blue dash line and green dash line, respectively.

Health and socio-economic status

The survey also examines whether health status is associated with socio-economic status. It calculated social class scores using the International Standard Classification of Occupations (ISCO-08) and then compared people's social class with their reported physical and mental health.

The ISCO-08 categorises occupations by the skill level and skill specialisation required for the job. There are four levels which are equated with levels of formal education via the International Standard Classification of Education (ISCED) (ILO, 2012: 12-14). The PSEHK study categorises occupations into three groups. Level 1 includes elementary occupations and the requirement for primary school education. Level 2 includes clerical support workers, services and sales workers, skilled agriculture and fishery workers, craft and related trades workers, plant and machine operatives and the requirement for secondary school level education. Level 3 and 4 include managers, professionals, and technicians and associate professionals and the requirement for tertiary level education.

The survey findings show that both physical and mental health is significantly associated with socio-economic status (Table 4.3 and Figure 4.3).

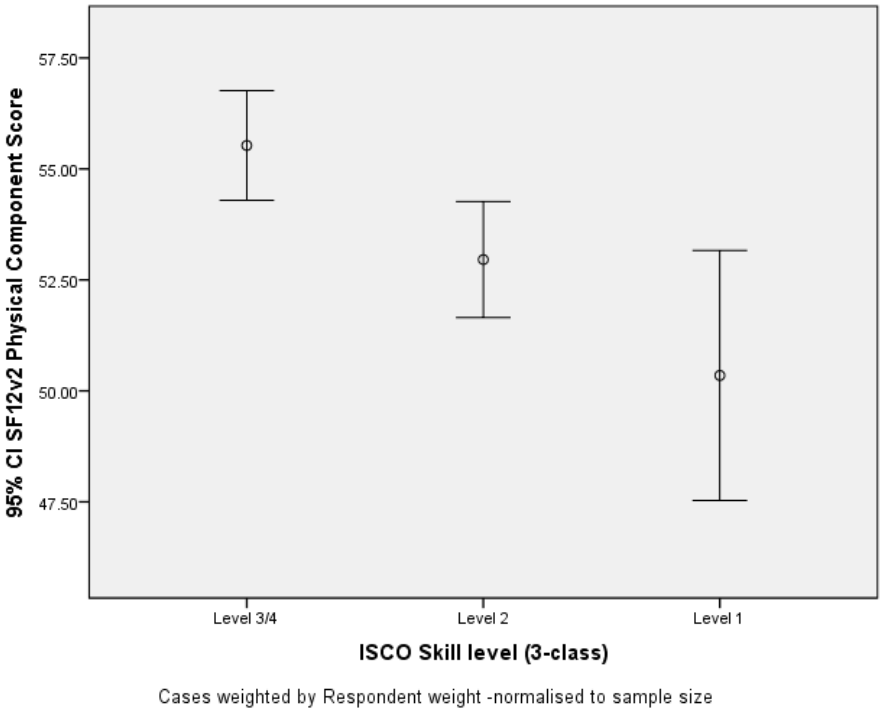
- The physical health of people occupying a higher socio-economic class (Level 3 / 4) is much better than those in the lowest class (Level 1); they have a mean score of 56 compared to 50.
- The mental health of the highest socio-economic class (Level 3 / 4) is also better than the other two groups; the mean score for this group is 56. But mental health may not have a linear relationship with socio-economic class between the lowest group (Level 1) and the middle group (Level 2); the mean scores for these groups are 45 and 44 respectively. However, this result may be due to the relative small sample size of the survey.
- The relationship between poor health and socio-economic class remains consistent even after controlling for the age and sex of the respondent.

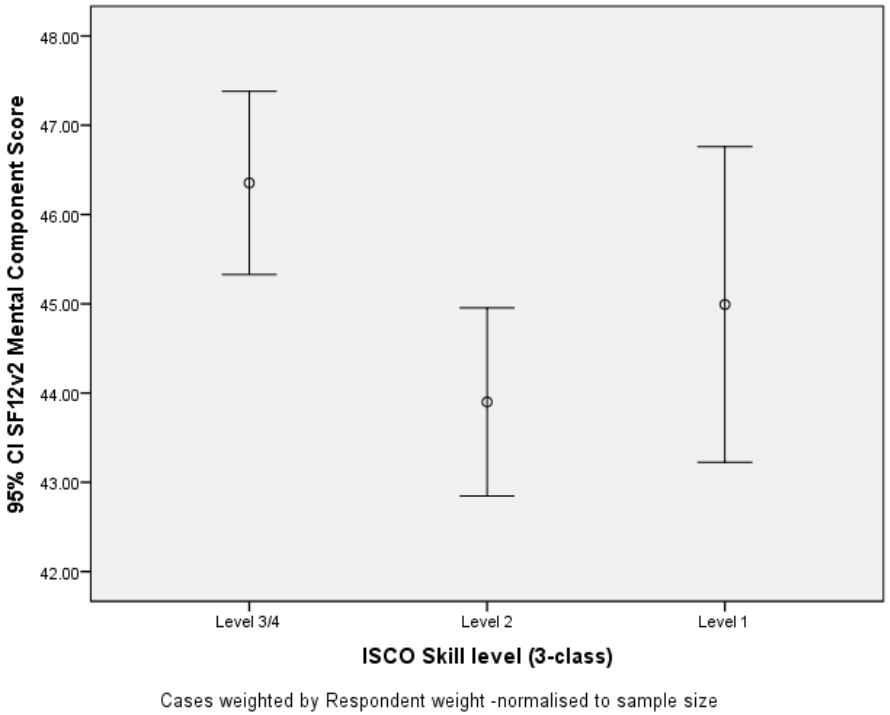
Table 4.3: Health status by Socio-economic status

Socio-economic status (3 levels)	Physical health*** (Mean score)	Mental health** (Mean score)
Level 3 / 4	56	46
Level 2	53	44
Level 1	50	45

Note: ANOVA, F-values are all significant. **p<.05, ***p<.01

Figure 4.3: Health status by socio-economic class





Section 5: Critical life events

In the 2013 Living Standards Survey, people were asked about critical life events that they had experienced during the previous 12 months. The findings show that many people in Hong Kong have experienced critical life events related to job insecurity.

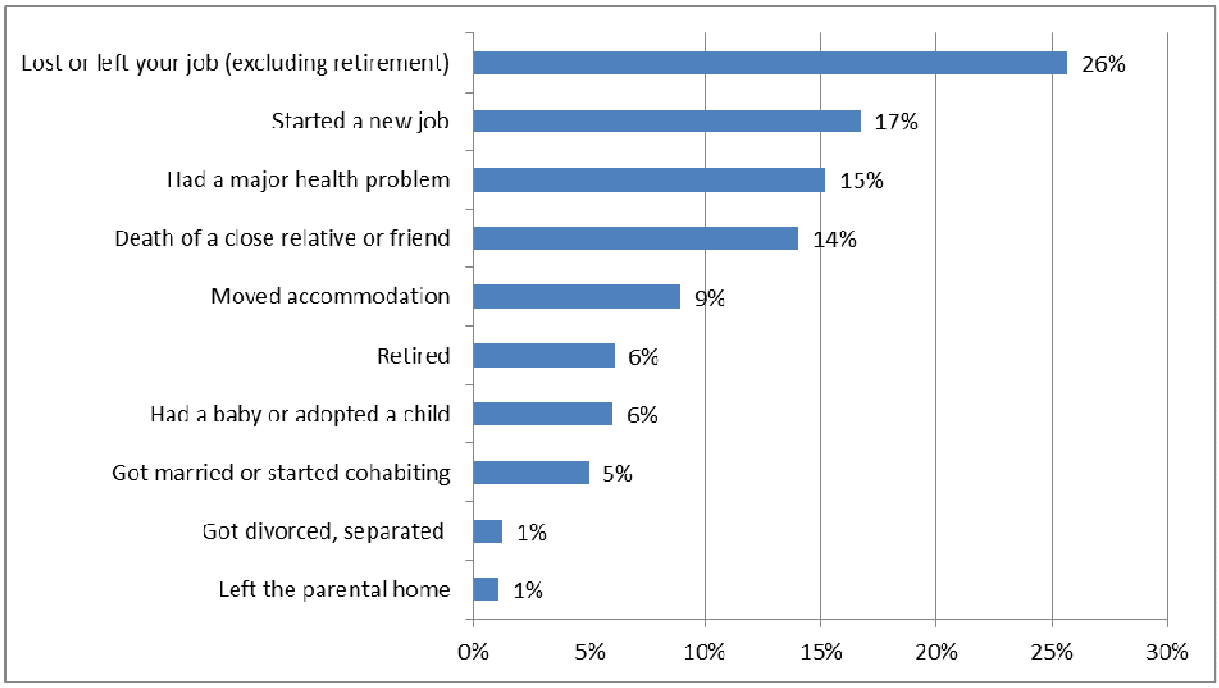
- In total, 29% of adults (1,731,000 adults) report that they experienced at least one critical life event during the previous 12 months. Nine per cent of adults (512,000 adults) report that they have struggled with two or more critical life events (Table 5.1).
- The most frequently reported critical life events are 'lost or left job' (26%), followed by 'started a new job' (17%). Another 15% of adults had a major health problem, and 14% experienced the death of a close relative or friend (Figure 5.1).

Table 5.1: Critical life events

Number of Critical Life Events	Number	%
0	4,285,000	71
1	1,219,000	20
2 or more	512,000	9
Total	6,016,000	100

Note: Percentage within poverty group; Chi-square =24 (***p<.01).

Figure 5.1: Critical life events in the previous 12 months



Critical life events, objective and subjective poverty

The survey found that critical life events are related to poverty:

- The 'poor' have experienced more critical life events compared with those who are 'not poor'. The relationship between critical life events and poverty is statistically significant (using the non-parametric Kruskal-wallis test - Table 5.2).
- The 'poor' are more likely to lose or leave a job (15%), less likely to start a new job (2%), compared with adults who are 'not poor' respectively (Table 5.3).
- 12% of the 'poor' reported that they experienced a major health problem while only 5% of 'not poor' adults experienced this (Table 5.3).
- A higher proportion of poor people experienced the death of a close friend or relative (Table 5.3).
- People who think themselves as 'poor' have experienced more critical life events during the past 12 months (Table 5.4).

Table 5.2: Critical life events by PSEHK poverty group

PSEHK poverty group	Number of critical life events (Mean)
Poor	0.52
Rising	0.32
Vulnerable	0.38
Not Poor	0.37

Note: Kruskal-Wallis Test; Chi-Square =11*** (p<.01).

Table 5.3: Critical life events by PSEHK poverty group

Experienced critical life events	PSEHK poverty group			
	Poor	Rising	Vulnerable	Not poor
Lost or left job	15%	19%	10%	8%
Started a new job	2%	3%	11%	7%
Had a major health problem	12%	3%	4%	5%
Experienced the death of a close relative or friend	11%	3%	7%	4%

Note: Percentage within poverty group; Chi-square are all statistically significant (**p<.05).

Table 5.4: Critical life events and subjective poverty

	Number of critical life events (Mean)
Household income needed to avoid poverty[(1)]	
Above that level of income	0.34
About the same	0.32
Below that level of income	0.50
History of poverty[(2)]	
Never or rarely	0.32
Occasionally	0.35
Often or most of the time	0.56
Live in poverty now[(3)]	
No	0.36
Yes	0.48
Perception of standard of living[(4)]	
Very or Fairly high	0.18
Fair	0.38
Fairly or very low	0.60

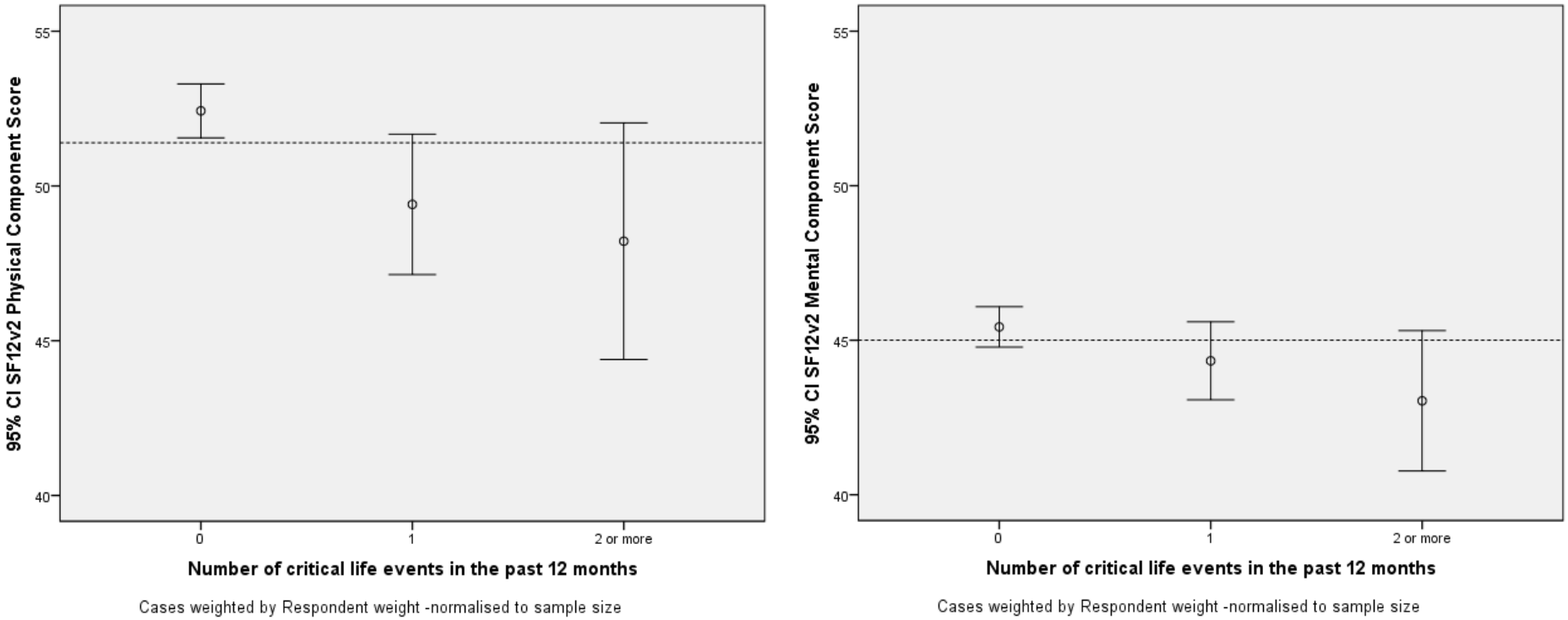
Note: ANOVA, [(1)] F=4.34(**p<.05); [(2)] F=6.37(***p<.01); [(3)] F=3.19(*p<.1); [(4)] F=6.27(***p<.01).

Critical life events and health

Critical life events are associated with people's health. People who have experienced more critical life events have worse physical and mental well-being:

- Those who have not experienced any critical life events in the previous 12 months have better physical and mental well-being, compared with those who experienced two or more critical life events (Figure 5.2).
- The relationship between critical life events and physical and mental health is statistically significant (Table 5.5) even after controlling age and sex (Table 5.6).
- Those who lost or left a job and those who had major health problems in last 12 months had poorer mental health. The findings suggest that getting through these critical life events affects mental well-being (Figure 5.3).

Figure 5.2: Number of critical life events, and physical and mental health



Note: Dash line is the mean score for physical and mental health

Table 5.5: Health status by number of critical life events

Number of critical life events	Physical health score*** (Mean)	Mental health score** (Mean)
0	52	45
1	49	44
2 or more	48	43
Total (Mean)	51	45

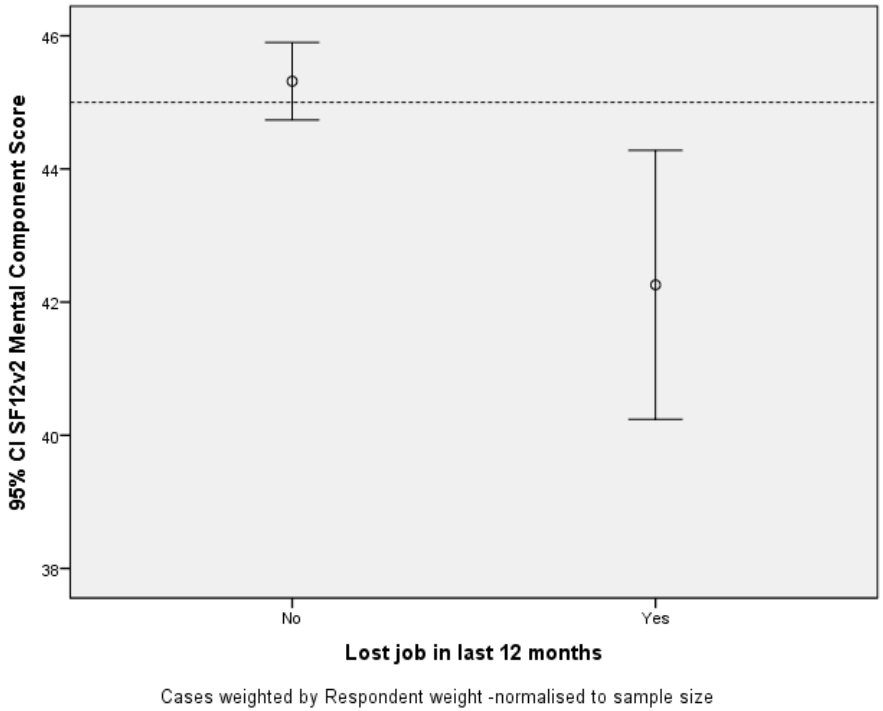
Note: ANOVA, F-values are all significant. **p<.05, ***p<.01

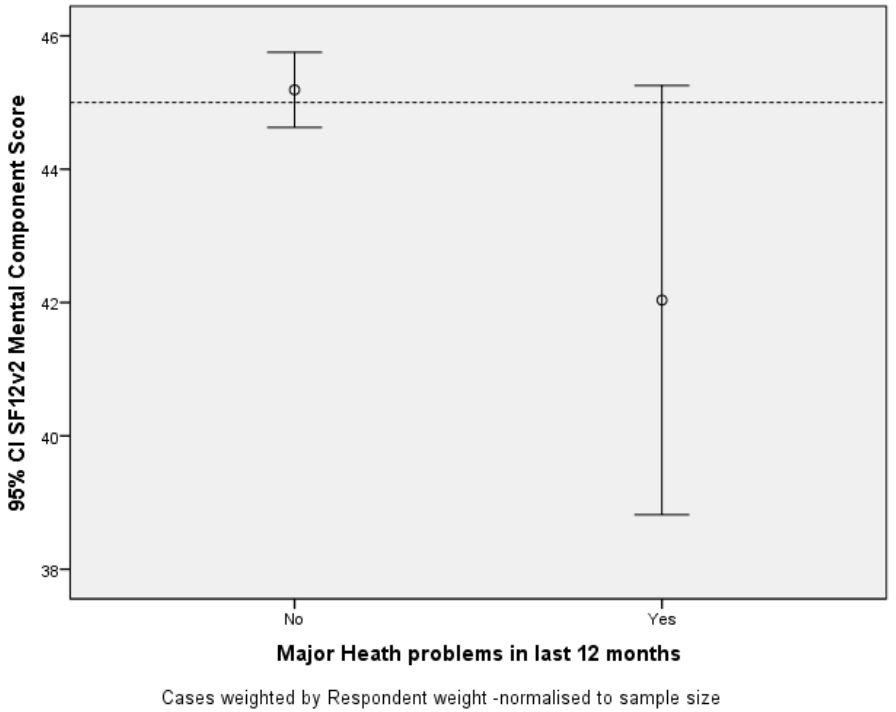
Table 5.6: Health status by number of critical life events controlling age and sex

	Physical health score	Mental health score
	B (s.e)	B (s.e)
Critical life events	-2.44(0.54) **	-0.96 (0.40) **
Age	-0.27(0.02) ***	0.03 (0.02) ***
Sex	-2.20 (0.77) ***	-1.57 (0.57) ***
Constant	67.98 (1.67) **	46.29 (1.25) **
Number of observation	568	568
Adj-R square	0.213	0.027

Note: Results with linear regression. **p<.05, ***p<.01

Figure 5.3: Critical life events and mental health scores





Note: Dash line is the mean score for physical and mental health.

Section 6: Political and civic participation

Civic participation

Civic engagement is an important indicator of social inclusion. The survey asked people what kind of social activities they have been involved in the last three years (Table 6.1).

- Only 8% of respondents were engaged in social clubs for sports, art, cultural activities or in youth groups. 10% of adults were engaged in religious groups, with 10% of adults engaged in school-related organisations.
- 7% of people reported that they were engaged in civil and political organisations, including trade unions, neighbourhood groups, Women's groups, pressure groups and political parties.
- However, two out of three adults (67%) participated in no civic organizations.

Table 6.1: Civic participation

Member of organisation	%
Social club for sports, art, cultural activities and youth group	8
Religious group	10
School-related organization	10
Civil and Political organisation	7
Health and Other group	9
No Participation	67

Note: Figures do not add up to 100% due to multi-response.

People engaged in social activities differ in terms of their level of education and age (Table 6.2)

- People with a lower level of education are excluded from various social activities. People who have attained only primary or below primary school education and those with lower secondary education have little engagement in civic activity (non-participation rates of 79% and 83%, respectively), compared with those who completed upper secondary and post-secondary education (59% and 54%, respectively).
- Older generations are also less likely to be engaged in any kind of civic activities. More than 70% of people aged 40 and over are not involved with any civic organisations.

Table 6.2: No civic participation by level of education and by age

	No civic participation
Level of education	
Primary and below	79%
Lower secondary	83%
Upper secondary	59%
Post-secondary and above	54%
Age	
Under 20	46%
30s	66%
40s	76%
50s	76%
60 or over	73%

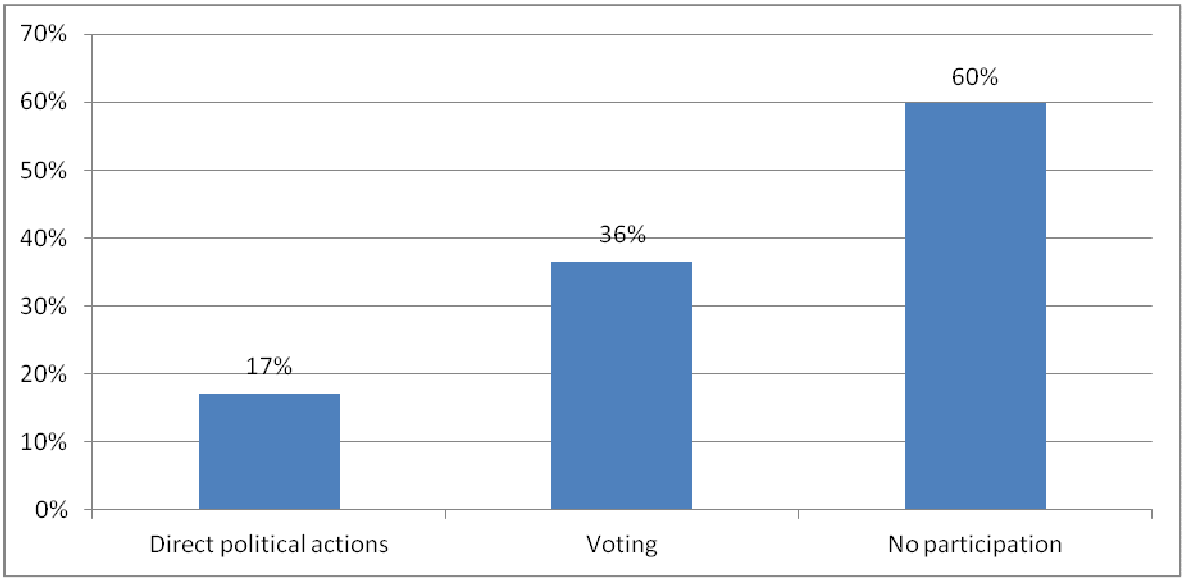
Notes: Percentage within the level of education; Chi-square = 40 (***p<.01).
Percentage within age group; Chi-square = 34 (***p<.01).

Political participation

The survey reveals that a minority of people engaged in various political activities (Figure 6.1).

- People were asked whether they were engaged in various kinds of political actions in the last three years but 60% of them answered 'none of the above' (i.e. 'no participation').
- Voting is the most prevalent political activity; 36% of the adults reported that they voted in the last Legislative Council Election.
- Other direct political participation shows limited involvement, only 17% in total, with just 6% 'signing a petition', 3% 'taking part in demonstration or online campaign', 3% 'taking part in an online campaign', 1% 'attending a public hearing', 1% 'contacting the council (1%)' and 1% involved in 'boycotting' etc.

Figure 6.1: Political participation



Note: Figures do not add up to 100% due to multi-response.

Political participation varies depending on people's socio-economic profile (Table 6.3).

- People with higher levels of education report a greater propensity to participate in political activities.
- A majority (60%) of people who only completed primary and below primary level education report that they do not participate in any political activities, compared with 42% of people who have completed education at post-secondary level.
- Political participation also varies by gender; the female participation rate is 12% lower than the male participation rate. Two-thirds of women do not participate in any kind of political activity while only 53% of men report the same lack of involvement.
- 60% of 'poor' adults report that they are not involved in political activity, compared with 55% of those who are 'not poor'.

Table 6.3: No political participation by socio-economic profile

	No political participation
Level of education	
Primary and below	60%
Lower secondary	67%
Upper secondary	68%
Post-secondary and above	42%
Sex	
Male	53%
Female	65%
PSEHK poverty group	
Poor	60%
Rising	77%
Vulnerable	67%
Not poor	55%

Notes: Percentage within the level of education; Chi-square =24 (***p<.01).
Percentage within gender; Chi-square = 8 (***p<.01).
Percentage within poverty group; Chi-square=8 (**p<.05).

Section 7: Recommendations and conclusions

Attachment to the labour market does not guarantee that households will be lifted out of poverty because of the considerable problem of low-paid jobs. The findings correspond to current policy concerns (Lam, 2013) and the policy initiative on Low-income Working Family Allowance (Hong Kong Special Administrative Region, 2014). The Statutory Minimum Wage Ordinance was implemented on 1 May 2011 and its effectiveness depends on whether the minimum wage can be raised in line with the inflation rate.

Older people represent the largest group of poor people in Hong Kong. Current levels of services and welfare provision for pensioners are inadequate to prevent a third of older people from living in poverty. This is in part a result of inadequate pension provision in Hong Kong – before the establishment of the Mandatory Provident Fund in December 2000 only one third of the HK workforce had any retirement protection. [4] Reducing poverty amongst older people is particularly important policy goal given the speed at which the Hong Kong population will age over the next 30 years i.e. the over 65 population is projected to increase from 13% in 2011 to 30% by 2041.

Language proficiency affects people's educational development and hence their labour market success. The survey results show the importance of acquisition of human capital skills, such as language and IT applications, which enhance employability. The Employees Retraining Board in Hong Kong, and its appointed training bodies, should design training courses to cater for the needs of more groups, especially employees working part-time.

Digital exclusion limits people's access to online learning, online financial and/or government services and additional help is needed to improve accessibility and skills. To enhance access and digital literacy the best approach would be to ensure that the current programme ("I Learn at home" Internet Learning Support Programme) reaches more parents and their children and is extended to other social groups, particularly the older population.

The PSEHK research also finds that a significant proportion of children lack extra resources and activities considered essential for their educational and social development. It is vitally important that the After-school Care Pilot Scheme (Commission on Poverty, 2013) targeted at enhancing learning opportunities for children is incorporated into the Government's regular assistance programme.

Physical and mental well-being is associated with poverty, as well as the number of critical life events people have experienced. New support services are needed to

[4] http://www.gov.hk/en/about/abouthk/factsheets/docs/mpf.pdf.

ensure that help is received by people to overcome difficult life events e.g. bereavement counselling, employment advice.

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