

**WOMEN'S COMMISSION**  
**Strategic Framework on Social Welfare**

**PURPOSE**

This paper seeks Members' views on a proposed strategic framework on social welfare for further discussion with the relevant stakeholders, as part of an evolving process.

**BACKGROUND**

2. In the 2004 Policy Address (paragraph 55), the Secretary for Health, Welfare and Food (SHWF) was entrusted to engage relevant parties in developing our strategies to enhance social capital, and to examine ways to develop the tripartite partnerships, and consolidate and promote the successful experience of the Community Investment and Inclusion Fund (CIIF). Also, in the 2004 Policy Agenda, we undertook to engage the third sector in the deliberation of their roles in social investment.

3. At the joint meeting of the Social Welfare Advisory Committee (SWAC) and the CIIF Committee on 2 March 2004 on the paper "2004 Policy Address: Enhancing Social Capital - Social Investment and Tripartite Partnerships" (ref : SWAC Paper No. Joint CIIF-SWAC 01-04 at Annex A), Members endorsed the following two proposed strategic responses to meet the changing demographic, social and economic needs of Hong Kong :

- (a) the development of a social investment strategy; and
- (b) scaling-up and transferring successful tripartite partnerships.

4. We organized a conference on "Social Investment and Tripartite Partnerships" on 3 April 2004 with the welfare sector to re-visit the philosophy of social welfare focusing on the social investment aspect of the subject. The

opportunity was also taken to share views on future tripartite partnerships. We reported to SWAC at the meeting on 18 May 2004 that around 450 participants attended the conference, including those from the social welfare sector (including welfare agency board chairs and executives, and key representatives of the welfare sector), the academia and the District Councils. Participants of the conference generally accepted the concept of social investment and supported the promotion of tripartite partnerships.

5. SHWF has further discussed with the representatives of the welfare sector and the academia on various occasions. The representatives have indicated support to a strategic framework together with the two strategic responses.

6. Having regard to the feedback received, we consider that it is timely to crystallize our initial thinking on this strategic framework on social welfare and seek Members' further views.

### **PROPOSED STRATEGIC FRAMEWORK**

7. The objective of the exercise is to help re-orientate the conceptual thinking on social welfare to place a greater emphasis on active capacity building of individuals, families and the communities. This will help our systems and services to be better placed to respond to the many challenges brought about by globalization, structural changes to the economy and the society, and aspirations of the community, in terms of responsiveness, effectiveness, accountability, affordability and sustainability within and across generations.

8. In tandem with the changing social and economic landscapes are challenges or risks, which if not properly tackled, would manifest themselves into social problems. We recognize that we may have limited scope to change the landscapes on which we operate. Likewise, our financial resources are finite. It is therefore paramount for us to address the underlying risk factors to arrest their manifestations into social problems. We need to continue with our pathway towards a more mission-led, people-centred and outcome-focused approach.

9. We have drawn up a draft strategic framework on social welfare at Annex B, which highlights how we intend to address social problems at a more strategic level by building social capital through tripartite partnerships in social investment, while providing a safety net and a springboard for greater self-reliance and to assist people to rebound. The strategic framework sets out our vision, mission, values, an overview of our social and economic landscapes, strategic responses and possible policy implications. We recognize that the implications of building human capital and social capital would go beyond welfare policies and require the collaboration of other bureaux, departments and sectors; however, we have not touched on it in this exercise.

### **POLICY IMPLICATIONS**

10. If the proposed strategic framework is accepted, we would adopt a two-pronged approach in our future policy formulation of welfare policies and services :

- (a) social investment : we would continue to invest in strategies that focus on building the capacity of individuals, families and the communities to cope and to help each other, thus increasing access to shared resources, creating opportunities and building up pathways, such as towards increased participation in society and work; and
- (b) tripartite partnerships : we would continue to encourage various forms of partnerships among the Government, the third sector and the business community sharing responsibilities for solutions that prevent or remedy many of our social problems.

Underpinning the two-pronged approach is a safety net, which serves to protect the disadvantaged and is designed as a springboard. Together, it means shared responsibility amongst individuals, families, the communities, the Government, the third sector and the private sector.

11. The implications would mean that :

- (a) the welfare sector would continue with its pathway of evolution in organizing programmes and services in building the capacity of individuals, families and the communities; and

- (b) the business sector would continue with its pathway towards making contributions to the wider community, e.g. support in cash or in kind, offering their expertise, volunteerism and corporate social responsibilities, as good corporate citizens.

To do this would require engaging the various parties to discuss further and achieve greater convergence of views for this cause.

### **PROPOSED WAY FORWARD**

12. Subject to Members' views on the draft strategic framework, we plan to hold another workshop with the welfare sector and the business community on 20 September 2004 to present an initial draft of the strategic framework on social welfare, with a view to refining it to become a discussion paper on the strategic framework on social welfare to be released before the end of the year. This will also be followed by discussion at focus groups and district fora. We will continue to consult SWAC in the process as appropriate.

13. The strategic responses would need to be translated into more specific policy goals/objectives. If a shared vision can be achieved, this will set the scene for engaging the stakeholders in discussing the way forward.

### **ADVICE SOUGHT**

14. Members views are sought on –

- (a) the draft strategic framework on social welfare (Annex B); and
- (b) the proposed way forward in paragraphs 12 to 13 above.

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Health, Welfare and Food Bureau  
September 2004

## **2004 Policy Address: Enhancing Social Capital Social Investment and Tripartite Partnership**

### **Purpose**

This paper seeks Members' views on the proposed approach in taking forward the initiatives contained in the 2004 Policy Address in relation to enhancing social capital.

### **Background**

2. Hong Kong is going through a period of restructuring - in both the social and economic arena. The pace of change has escalated and the movements in business and people have increased. Regionally, our closer economic interaction with the Mainland has provided people in Hong Kong with new opportunities and renewed challenges: with uncertainties in terms of relevance of skills and qualifications, in terms of security of employment, and in terms of stabilities in their family relationships. The causes and nature of the social issues that the community faces, for example, unemployment, suicide, family break-up and the number of needy falling into the welfare safety net, have changed. This is timely for us to reflect on our strategic directions and whether our conventional responses are robust enough to meet the changing demographic, social and economic needs of the community.

3. Against this background, paragraph 55 of the 2004 Policy Address (relevant extract at [Appendix I](#)) specifically entrusts the Secretary for Health, Welfare and Food to engage relevant parties in developing our strategies to enhance social capital and tasks the Secretary to examine, in consultation with the Social Welfare Advisory Committee and the Community Investment and Inclusion Fund (CIIF) Committee, ways to develop the tri-partite partnership between the Government, the business community and the third sector, and to

consolidate and promote the successful experience of the CIIF.

## **Strategic Responses**

### ***I. Social Investment***

4. In terms of building social capital, as a start, we see a need to revisit the concept of social investment. A paradigm shift from a ‘service provision’ to ‘social investment and developmental approach’ is necessary. That is to say, shifting away from the benevolent relief provision approach where the needy are passive recipients of help, to an investment approach which is result-oriented and features prioritization. Such an approach would maximize individual’s capabilities and life skills to provide springboards to economic participation, self-reliance and social inclusion.

5. A ‘social investment and development approach’ may have different meaning for different people/entities. To set the scene, it would be helpful for us to initiate discussion on the concept of social investment, including its essential features. It is envisaged that the initial discussion would help us to assess for example, our efforts in focusing on the ‘social investment approach’ so far, and how we should move forward towards such an approach. The discussion would be supplemented by other forms of interactive communication with stakeholders, for example, focus group sharing sessions on specific issues/topics. The process would also be conducive to raising public awareness of what might otherwise be regarded as a rather academic subject.

6. The ultimate target is to develop, at the community level, a social investment strategy that is robust, affordable and sustainable. In formulating such a strategy, we hope to be able to map out priority action areas, set pointers on how to yield social returns (i.e. identifying the optimal approach in working on those priority areas) and endorse the principles in relation to effective evaluation models. Eventually, the evaluation results would feed back into the strategy chain when one re-visits the priority action areas and pointers. At the district level, in the light of the social investment strategy, district needs would be identified and partnership among different stakeholders would be fostered taking into account the characteristics of individual districts.

## ***II. Tripartite Partnership***

7. In relation to the tripartite partnership between the Government, the third sector and business sector, some encouraging initiatives are beginning to take root, for example, the corporate volunteering initiative initiated by the Social Welfare Department, the Caring Company Scheme implemented by the Hong Kong Council of Social Services over the past two years, and the cross sectoral partnership concepts being promulgated through the Non-Governmental Organizations (NGOs) and local businesses through their participation in some of the CIIF funded projects. More corporations have begun to take a broader view of their roles as creators of both shareholders and social values. Similar to other jurisdictions, there is much scope for further promulgating the concepts of corporate social responsibilities and scaling-up and transferring successful partnership.

8. It should be noted that the roles of responsible corporate citizens go way beyond traditional views on philanthropy. Apart from financial resources, and perhaps more important from a developmental point of view, the business sector has a wealth of innovative ideas, operational experience, management skills and volunteerism to share with partners in the third sector. In this tripartite partnership, the Government acts as the facilitator, providing support in the scaling-up process.

9. In terms of scaling-up the partnership, consideration may be given to developing thematic partnership projects, for example, adopting the theme of mentoring and encouraging good corporate citizens to act as mentors both at the organization and individual levels. At the organization level, businesses can share their management skills and experience. At the individual level, corporations can encourage their employees to become mentors of young people in need. Another aspect that may worth further consideration is evaluation. The purpose of partnership, both in terms of social aims and institutional interests of participants is rarely static. As the partnership develops, individual collective insights as to what is possible and desirable would also evolve. Consideration may be given to identifying simple evaluation tools to assess the partnership process and outcomes so that the partnership can be better placed to address the needs of participants.

10. In relation to transferring successful partnership, it would be necessary to raise the corporate sector's interest in their social responsibility with a view to expanding the pool of corporate partners. In the same token, similar messages also need to be disseminated amongst the third sector. In this connection, consideration may be given to enlisting the assistance of the successful third sector/business sector partners in sharing their experience with the newcomers.

### **The Next Steps**

11. The above sets out some broad initial ideas on how to take forward the initiatives contained in the 2004 Policy Address in relation to enhancing social capital. A schematic representation of the outcome is set out in Appendix II.

12. As a first step and acting as a facilitator, we will be organizing a conference in early April to re-visit the philosophy of social welfare focusing on the 'social investment' aspect of the subject. The opportunity will also be taken to share views on future partnership. It is hoped that this experience sharing conference would help to generate interest and discussion on the social investment philosophies and provide pointers on the specific areas we should focus on in the process of enhancing social capital. This Conference would have a welfare philosophy orientation. We envisage that another Conference focusing on tripartite partnership would be held later in the year.

### **Advice Sought**

13. Members views are sought on –

- (b) the development of a social investment strategy as detailed in paragraphs 4 to 6 above; and
- (c) means to scale-up and transfer successful partnership as detailed in paragraphs 9 and 10 above.

Health, Welfare and Food Bureau  
February 2004



**Extract of the 2004 Policy Address**

**Enhancing our Social Capital**

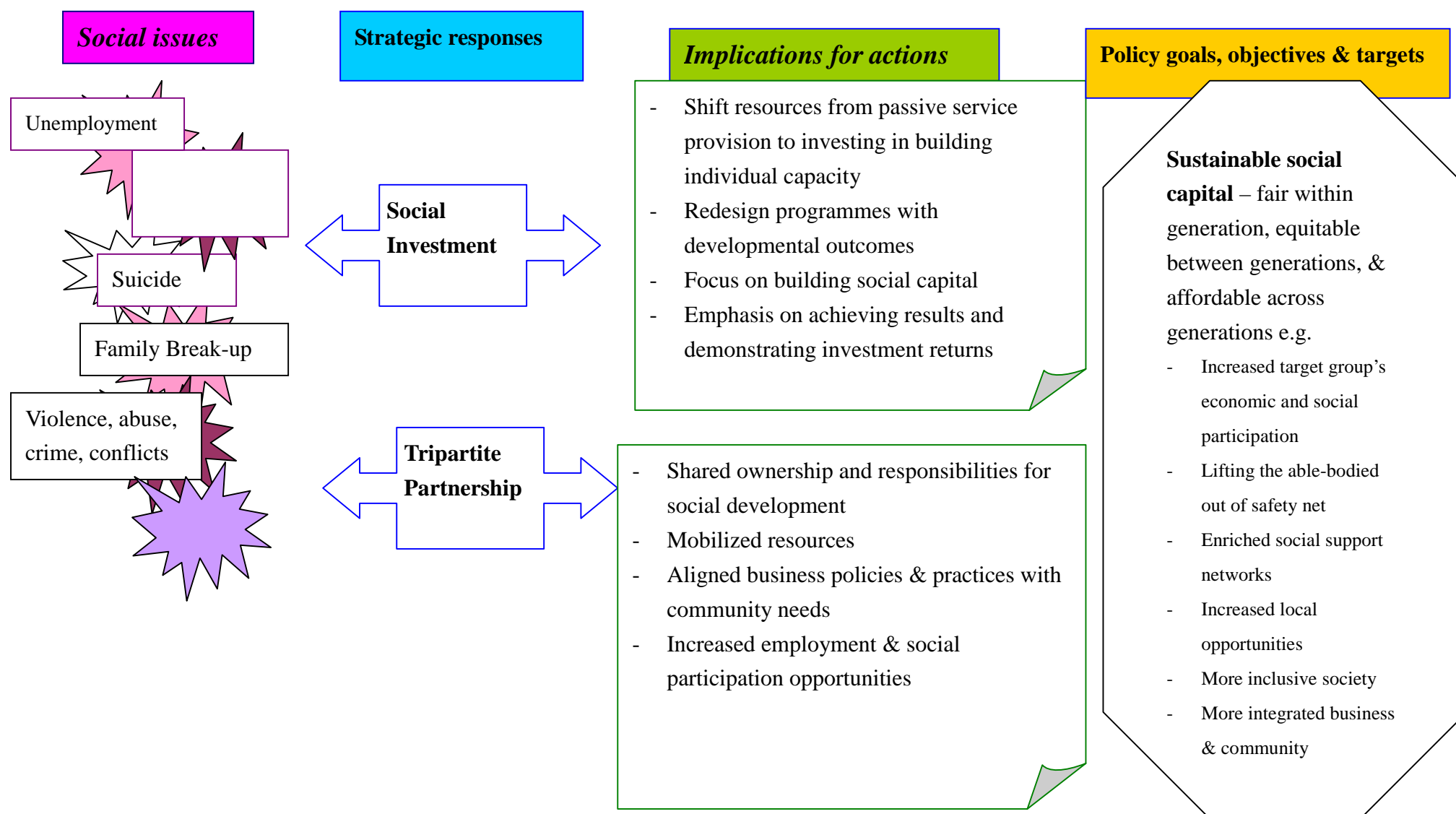
53. Globalisation has brought rapid changes to our social environment, with some groups and individuals facing difficult problems of adjustment. At the same time, we also face the problems and challenges brought on by an ageing population. We need to actively develop a strategy. In my previous Policy Addresses, I referred to the underlying beliefs guiding our social policies. The Government endeavours to provide the ideal environment, in which every person in Hong Kong will have the opportunity to realise his or her goals in life through individual effort. For those who face setbacks or encounter adversity, we should provide the support necessary to help them enhance their capacity and to realise their full potential. While education and training are important for self advancement, welfare, medical and other public health services provide the key co-ordinating and supporting role. We need to ensure that the services or assistance provided by Government can encourage self-help and mutual assistance so as to promote self-reliance and development of individual potential to the full.

54. Globalisation has aggravated poverty generally in many places around the world and we are no exception. We provide a safety net under the Comprehensive Social Security Assistance Scheme to assure a basic standard of living. We attach importance to individuals who can work to enhance their capacity for self-reliance and self-betterment. We will further examine how to help poor people elevate themselves, and to improve their economic situation through sharing the opportunities that arise from social development.

55. The Secretary for Health, Welfare and Food will engage relevant parties in developing our strategies to enhance 'social capital'. The social welfare sector has been encouraging volunteerism, and has proposed many new ideas to involve the business community to participate in community affairs. In addition, we established the Community Investment and Inclusion Fund in 2002. These have sown the seeds for a tri-partite partnership between government, the business community and the third sector (not-for-profit sectors). I have asked the Secretary for Health, Welfare and Food to examine, in consultation with the Social Welfare Advisory Committee and the Community Investment and Inclusion Fund Committee, ways to develop this tri-partite partnership, and to

consolidate and promote the successful experience of the Community Investment and Inclusion Fund. We seek to inculcate this concept in the community to help it take root.

**Enhancing Social Capital: a schematic framework**



## **Draft Discussion Paper**

### **Strategic Framework on Social Welfare**

#### **Conceptual Thinking**

##### **Preamble**

This DRAFT Strategic Framework on Social Welfare is part of an evolving process in consultation with our major stakeholders -

- It builds on the discussion started at the conference on “social investment and tripartite partnerships” on 3 April 2004, and subsequent meetings with representatives from the sector and the academia.
- It sets out our vision, outlines our understanding of the underlying causes of social problems, and proposes strategic responses to tackle the risk factors rather than just addressing the symptoms.
- The objective of this exercise is to help re-orientate our thinking on social welfare towards a greater emphasis on **actively building the capacity** of individuals, families and the communities, so that our systems and services will remain responsive, effective, accountable, efficient, affordable and sustainable for Hong Kong today and in future.
- We hope to reach shared understanding through discussion and engaging stakeholders.

##### **Background**

2. Our social policy is set out in the 2000 Policy Address (see paragraphs 47 to 50). Our social policy is complementary to the economic policy of “maximum support and minimum intervention”. Both policies share the

belief that self-motivation is the basis for both individual and societal progress, and stress that Government's primary task is to create the conditions necessary to foster, maintain and enhance self-motivation.

3. On economic development, we remain firmly committed to upholding our system of free enterprise and will adhere steadfastly to the philosophy of small Government with prudent fiscal management (living within our means). Our target is to restore fiscal balance by 2008-09, and we remain committed to reducing public expenditure to 20% of the Gross Domestic Product or below. A low, simple and predictable tax regime and a flexible labour market are amongst the keys to maintaining our competitiveness.

4. Four areas of equal importance lie within the Government's responsibility for social development, towards which social welfare will contribute along with other portfolios such as health, education, employment, housing and transport etc. These areas are as follows -

- (a) we have to create an environment where participation and fair competition are open to all, with special emphasis on the education and healthy development of the young, as well as upgrading the knowledge and skills of the workforce;
- (b) we have to put in place a well-resourced basic safety net to look after the physical and psychological well-being of the elderly, the infirm and the disabled;
- (c) we have to assist the disadvantaged, the poor and the unemployed with an emphasis on enhancing, not impeding, their will to be self-reliant; and
- (d) we have to encourage those in our society with sufficient means to show their concern for the community by organizing, participating in, or supporting different kinds of voluntary work so as to build a harmonious and energetic society.

5. The setting up of the Community Investment and Inclusion Fund (CIIF) was announced in the 2001 Policy Address (see paragraphs 120 to 129). The fund seeks to build social capital, which means social relationships that

help people get along with each other and act more effectively than they could otherwise as isolated individuals (with the key elements being trust, mutuality and reciprocity), by investing in building capacity to address local problems, through self help, mutual help, support networks and cross-sectoral partnerships.

6. In the 2004 Policy Address, the Secretary for Health, Welfare and Food was entrusted to engage relevant parties in developing our strategies to enhance social capital, and to examine ways to develop the tripartite partnerships, and consolidate and promote the successful experience of the CIIF (paragraph 55). Also, we undertook to engage the third sector in the deliberation of their roles in social investment.

7. To many, social policy is social investment in human capital and social capital that can facilitate economic growth, enhance competitiveness, encourage collaboration and promote social harmony. Human capital is needed, so that we can have the knowledge, creativeness, ingenuity, adaptability and resilience to sustain our economic development. As well-documented, a community that has a rich stock of social capital is more capable of facing adversity in times of crises and in achieving well-being in many dimensions.

### **The Strategic Framework**

8. The theme (from welfare to wellness) is “building social capital through tripartite partnerships in social investment”. We need to continue with our pathway towards a more mission-led, people-centred and outcome-focused approach.

**Table 1: Schematic Presentation**

### **Vision, Mission and Values**

9. Our **vision** is to build a caring and healthy society.
10. Our **mission** is to enhance the adaptability, revitalize our resilience and rekindle our ingenuity of each individual, each family and our society. Together, we will -
  - (a) create an environment in which all people get every opportunity to develop their potential;
  - (b) strengthen families as warm, supportive and stable families are what count most in nurturing the healthy development of individuals;
  - (c) foster mutual care and support in the community, so that all individuals are embedded in a network of care, trust, support and reciprocity; and

- (d) ensure that there is a safety net (as a last resort), so that those in need will also participate in economic and social life with dignity and self-reliance.

11. Our **values** include the following -

- (a) Self reliance: We should focus on one's strengths and abilities, and build self-esteem, self-confidence and self-worth;
- (b) Mutual concern: Mutual concern of families, neighbours, relatives, friends, the communities etc. will provide each other with social and emotional support, practical help and networks, thus helping strengthen resilience in face of life adversities;
- (c) Equal<sup>1</sup> opportunities: We refer to availing opportunities to develop one's potential and removing barriers as much as possible for social and economic participation, based on an individual's differing talents and abilities; and
- (d) Fair competition and upward mobility: Level-playing fields and barrier-free conditions are essential for individuals to capitalize on their opportunities.

12. Safety net: The public understands this as a basic level of provision to ensure that none should be deprived of their basic necessities and dignity. Regardless of one's disposition, we all face adversities and vulnerabilities in one form or another at some stage of one's life. One may experience a sense of vulnerability in some time-points of our lives, but none needs to stay vulnerable permanently. When individual efforts, family resources and community support are not sufficient, a safety net is necessary to minimize the adverse impacts on the individuals, their families and the communities.

13. The safety net is a form of social protection, and an expression of our society's value of compassion for each other. Hong Kong provides a safety

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<sup>1</sup> "Equal" does not mean the same footing, nor the same outcome. Those with greater needs should be targeted with more assistance.



net, through the Comprehensive Social Security Assistance Scheme on the one hand, and a range of publicly-funded social services on the other. All these are supported primarily through our taxes, although our tax rates are amongst the lowest, having regard to the position of the OECD countries and Singapore (see Table 2 below). How effective and sustainable this net will be depends on how it is designed, used and supported.

14. The provision of a safety net to offer basic protection helps ensure that financial difficulties do not unduly impair people's abilities to help themselves. With basic needs having been met, individuals and families in need are expected to exercise their own responsibility for themselves and others. They need to become self-motivated to utilize opportunities to improve their abilities and contribute to helping others (for example, by continuing education or training, participating in community work, nurturing vulnerable family members, and striving to improve the family's financial situation and wellbeing). These are efforts towards building human capital and social capital that are important for their present and future economic and social participation in the society. Therefore, we see this safety net function as a springboard that helps people rebound out of adversities into independence.

**Table 2: Tax rates**

(a) **for OECD Countries**  
(Source: OECD tax database)

<b>Summary – in descending order based on Corporate Tax Rate</b>				
<b>Country</b>	<b>Average Personal Income Tax Rate<sup>2</sup> (2001)</b>	<b>Top Marginal Personal Income Tax Rate<sup>3</sup> (2001)</b>	<b>Corporate Tax Rate (2002)</b>	<b>VAT/GST Levy (2003)</b>
United States	24.6%	47.5%	45.2%	Various x state
Belgium	41.7%	65.2%	40.2%	21%
Japan	16.2%	49.5%	40.9%	5%
Germany	40.6%	51.2%	38.9%	16%
Canada	25.3%	43.2%	38.6%	7%
Spain	18.9%	48.0%	35%	16%
New Zealand	19.5%	39.0%	33%	12.5%
United Kingdom	23.3%	40.0%	30%	17.5%
Australia	23.1%	48.5%	30%	10%
Denmark	43.8%	63.3%	30%	25%
Korea	9.3%	48.5%	29.7%	10%
Switzerland	21.4%	49.4%	25.0%	7.6%
Italy	27.9%	45.9%	NA	20%
France	27.0%	48.1%	NA	19.6%

<sup>2</sup> Refers to “all-in” average personal income tax rates at “average production wage” (in national currency) by family type – single, no child

<sup>3</sup> Refers to “all-in” top marginal personal income tax rates

**(b) for Singapore and Hong Kong (2004)**

Place	Personal Income Tax Rate	Corporate Tax Rate	VAT/GST Levy
Singapore	Individual income tax rates (for resident): progressive rates from 0% to 22%, with no standard rate	24.5%	5%
Hong Kong	Salaries tax rates: progressive rates from 0% to 20%, with a standard rate at 16%	17.5%	Nil

**Analysis****(a) Understanding the Issues**

15. To start with, we need to understand the issues involved –

- (a) Individuals: Human development of each individual, in all domains and at different life stage, is important to enable them to participate in and contribute to economic and social life. The approach should be holistic and integrative, longitudinally over an individual's life course and horizontally across different dimensions catering for an individual's unique circumstances. Education, health and welfare programmes support the nurturance of the cognitive, biosocial and psychological domains of an individual for a whole-person and all-rounded development. With such support, individuals are expected to seize the opportunities to exercise their own responsibility and build up their own capacity for improved outcomes.
- (b) Families and the Communities: Social connectedness is important for the healthy development of an individual. Being the first and most intimate group to which one belongs and the most basic building block of social networks, the family provides an intimate environment for the physical care, mutual support and emotional security of its members, and within the family, one learns basic social and moral values, develops relationships, shares with others, copes with conflicts, crises and tragedies, and loves, nurtures and cares for one another.

Many psychological and behavioural problems, such as personality or emotional problems, substance abuse problems, juvenile delinquency, are associated with dysfunctional or broken families. Preserving and strengthening the family as a unit and supporting them in their nurturing roles are vital, as these provide a suitable environment for the physical, emotional and social development of individuals and family members.

Families do not exist in isolation – families exist in communities. Individuals and families are affected by the wider environment in the local community and the society as a whole, and they need social networks with other groups, such as other families, friends, peers, neighbours, relatives, community groups, institutions such as schools and workplace, for social support and necessary resources for healthy functioning and coping with stress. Developing our society and helping our community to strengthen the social fabric and build social capital are important, so that individuals and families are embedded in a network of care, trust, support and reciprocity.

16. We must recognize, at the outset, that we are committed to a system of low, simple and predictable tax regime. In this context, we recognize that our resources are finite and efficient and judicious social investment decisions are paramount. We also recognize that Government efforts alone cannot be sufficient to bring our social policy goals and objectives into fruition. We need to work together with our stakeholders. We also recognize that social policy is not confined to the social welfare portfolio alone, and covers a broad spectrum of other policy areas, including health, education, housing, employment, economic, public finance policies etc.

**(b) Understanding the Environment**

17. The following sections provide our analysis of the risk factors that undermine our individual, family and community strengths, resulting in problem manifestations such as ill health, drug abuse, family violence, suicide, conflict or crime. Our strategic responses seek to tackle these underlying risk factors. If the risk factors are addressed, then the problem manifestations should be reduced.

18. An initial brief environment scan (as shown in column 1 of Table 1) is summarized below. The challenges include rapid globalization, economic restructuring, greater cross-boundary interactions and an ageing population.

19. Hong Kong has been going through a period of restructuring – in both the economic and social arena over the last few years, as other societies had gone through over the last two decades. With globalization and change to a knowledge-based economy, we are facing keen competition and our employment market is undergoing tremendous changes -

- (a) While the overall employment situation may improve, in practice there will be serious mismatches between job requirements and the qualification of workers with low education attainment. Many workers find their skills obsolete rapidly in the knowledge-based and technology-driven job market, and displaced as structural unemployment sets in. Some middle management and professional staff have found the job security that they enjoyed being eroded.
- (b) Experience from overseas indicates that a certain degree of structural unemployment persists even during an economic upturn due to mismatch between skills and changing job requirements. Therefore, there is increasing emphasis worldwide on life-long learning, and increasing resilience to manage stresses.

20. The expenditure on our public programmes, which is financed by a narrow and low tax-base, has increased substantially because of rising community expectations and commitments made during affluent times. A fiscal deficit has set in, when our economy is still recovering from the Asian financial turmoil and undergoing economic restructuring.

21. Regionally, our closer interactions with the Mainland have provided us with opportunities and challenges. Cross-boundary trips made by Hong Kong residents, visitors from the Mainland, and others have grown significantly. For example, a recent survey shows that about 30,000 frequent trip makers were cross-boundary workers for work on a daily basis while some 184,400 travelled across the boundary usually for business purpose. In some cases, separation from family members and exacerbated stresses in relationships have eroded the strength of families as sources of support.

22. The prevailing family structures are undergoing changes. There is a continual trimming of household size and expansion of nuclear families, rendering some families more vulnerable to adversities. For example, the care capacity of the family for its members may be weakened; families with vulnerable members are more likely to require care; those with poor social networks are more likely to be isolated. Informal support available to families in times of need has weakened.

23. Just like most other developed economies, our population is also aging fast and our demographic profiles are changing, giving rise to further restructuring of our economic and social systems in the coming years. The proportion of persons aged 65 or over will rise from 11.7% in 2003 to 26.81% by 2033, and the proportion of persons at the working age will shrink.

**(c) Problem manifestations and common risk factors**

24. We recognize that the scope to change the environment is limited. To reduce the symptoms of social stresses effectively, we must carefully examine the underlying causes. Many of these problems share some common causes/risk factors, e.g. the loss of a sense of security and confidence (with the loss of work opportunities or the lack of participation in the community), the erosion of family strength to offer protection at times of stress, and the weakening of the community ties to provide mutual support, under a radically changing environment. These are also widely experienced in other countries. If unaddressed, these risks factors would increase the chances of distress being manifested in hopelessness and powerlessness (e.g. chronic ill health or even suicide), damaged relationships and uncontrolled conflicts (e.g. domestic violence, school bullying and community crimes). The remedies to our emotional, social and relationship problems may lie less in one-to-one formal clinical services, but more in reconnecting the individuals with their support networks and collectively creating a more favourable environment.

(d) Our strategic responses: social investment and tripartite partnership to tackle the underlying risk factors

25. In face of changes, social policies in other countries are directed at equipping their citizens to manage these changes and seize the opportunities

that social and economic developments may bring. Building human capital and social capital is therefore important. **Human capital** is easily and better understood. **Social capital** is relatively new. Put simply, it refers to our values – whether we are willing to help each other. It refers to whether people from different background identify with their community and assume a positive role in local networks and associations for mutual support. It refers to whether there are channels for different sectors to work together for the common good.

26. We have formulated a two-pronged approach (see column 2 of Table 1):

- (a) **Social investment:** means investing in strategies that focus on building the capacity of individuals, families and communities to cope and to help each other, thus increasing access to shared resources, creating opportunities and building up pathways, such as increased participation in society and work; and
- (b) **Tripartite partnerships** – means various forms of partnership being formed between the Government, the third sector<sup>4</sup> and the business community<sup>5</sup>, taking a social investment approach to work for solutions that may be more effective in preventing or remedying many of our social problems.

(i) **Social investment means investing in:**

27. **Building individual capacity** - to deal with change, solve problems, manage frustrations and cope with stress, through capacity building to increase their sense of competence. The sense of gaining control over one's circumstances will foster confidence and motivation, and encourage explorations and innovations. Taking responsibilities, thinking positively, and capitalizing on opportunities are essential for one to break away from the constraints of vulnerability to gain greater self-reliance.

28. **Strengthening families:** The family is a fundamental social

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<sup>4</sup> refers to the sector (not-for-profit sector) between the Government and the private sector.

<sup>5</sup> includes not only the corporations, but also their clients and employees etc.

institution that provides essential nurture and support for individuals. Though the structures, functions and capabilities of families have been under considerable stress, it remains one of the few social institutions that have withstood the test of time. Families provide the critical links between the individuals and the wider community. Our strategies aim at strengthening this vital link that the family provides for the individuals and the communities.

29. **Building community capacities and networks:** For our families to function properly, they need to be embedded in various informal networks of support – from relatives, friends, neighbours, workmates, church members etc. These networks are important because sharing of knowledge, experience and company may be sources of personal satisfaction. They are also sources of information, such as about childcare and schools. These networks provide vital links to contacts such as referral to sources about jobs and also opportunities for participating in the community. It is of course vital that a formal support system is in place when all else fails. Nevertheless, it is even more important that our formal system of support does not replace or erode the vitality of our informal system.

**(ii) Tripartite partnerships refers to:**

30. The parts played by the Government and the third sector under the tripartite partnerships would appear familiar. Being an integral part of our community, the private sector is also a key player contributing to the development of a caring and healthy society, which in turn will impact on the business and work environment. Many in the business community see it as in their interest to be good corporate citizens, who enhance the communities where they operate and are seen as a force for the common good.

31. The Government, non-governmental organizations (NGOs) and the business community have all along been contributing towards the cause for the common good. For example, expressing concern for the community through charity and philanthropy, and treating employees in some senses as members of the employer's family are age-old Chinese business traditions. Besides, there is growing awareness that the workplace has an impact on an individual's well-being (e.g. family-work balance) and a happy workforce makes a successful business. There are examples where family-friendly practices have been adopted by employers, which is an example of corporate social



responsibilities<sup>6</sup>.

32. Various forms of partnership (such as amongst NGOs, between NGOs and businesses, or public-private partnerships) have shown to be effective in taking forward innovative models of solving local problems. In fact, engaging the corporate sector in community concerns has evolved through the Corporate Volunteering Scheme launched by the Social Welfare Department. Models of social entrepreneurial ventures have also been developed, involving business and NGO partnerships in offering workplace training, work experience and work opportunities, particularly in the rehabilitation area. Business involvement is also recognized and encouraged through “award schemes” such as the Caring Company Scheme operated by the Hong Kong Council of Social Service. Local models of tripartite partnerships have effectively been promoted through a number of CIIF-funded projects.

33. In our proposed strategic framework, we would build on the above successful experience and focus on applying a social investment strategy through enhanced tripartite partnerships. As the tripartite partnership concepts are not new, what is being encouraged is for enhanced forms of partnership to be further promoted, so that businesses will become actively engaged in the community at a level that would yield demonstrable and mutually beneficial outcomes.

34. We expect that the three sectors will be supportive to fostering tripartite partnerships, with the social needs better understood, the problems commonly owned, the potential benefits of joint solutions more evident, and the potential effectiveness of the partnerships assured. The community will benefit greatly from such joint investment of time and resources and collaboration in terms of efforts and expertise.

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<sup>6</sup> According to the World Bank, corporate social responsibility means that the business community should be a responsible corporate citizen by being accountable for the development, social, gender and environmental implications of their activities and refraining from activities that will bring adverse consequences on these aspects. Rather than aid or charity giving, corporate social responsibility means aligning business strategies with community interests as well as participating in and contributing to the development of the community. Corporate community involvement is a subset of corporate social responsibility.

35. Our vision for future tripartite partnerships aims to enhance social well being and contributing to economic development. Therefore, it extends beyond just seeking philanthropic giving in cash or in kind from the private sector. Some possible forms of partnership include corporate volunteerism engaging their employees, sharing of innovative ideas, operational experience, management skills and professional expertise. We welcome ideas, particularly from the private sector, for different forms of partnership to be promoted.

36. Examples of how the respective roles of the Government, the third sector and the private sector under the tripartite partnerships may further develop include -

- (a) Government – ensuring equal opportunities for people to develop their potentials to the full and providing basic protection (safety nets) for vulnerable individuals;
  - (b) Third sector – innovations in coming up with approaches that will build up the capacity of vulnerable groups and encouraging self-reliance; accountable by promoting appropriate outcome-based services that meet the needs of vulnerable people in cost-effective ways; and
  - (c) Business community – adopting business practices that may alleviate economic and social problems and providing opportunities for the participation of vulnerable people in the economy and the society. Examples include family-friendly employment practices and employing vulnerable people.
- (e) Enhancing human and social capital through social investment and tripartite partnerships**

37. In sum, we should facilitate the development of the full potential of individuals to become responsible, participative and contributing members of the society, strengthen family solidarity, enhance partnerships among the various sectors, and foster mutual care and help in the community, as the means to tackle some of the common risk factors that cause or exacerbate many of the social problems manifested. All must work together to ensure that no

individual and no family are left alone to face adversity. It means shared responsibilities amongst individuals, families, the communities, the Government, the third sector and the business community.

38. There is support for the strategies of tripartite partnerships in social investment, which would maximize individuals' capabilities and life skills to provide springboards to social connectedness, social inclusion, self-reliance and economic participation. They will strengthen our human capital and social capital (column 3 of Table 1), thus enhancing social well being and facilitating economic development. According to literature review and local experience, there is increasing information showing the positive links between social capital and better education outcomes, enhanced child welfare, reduced crime, strengthened neighbourhood vitality, improved health, more happiness, and stronger civic engagement.

### **What Next**

39. The next steps include -

- (a) this discussion paper provides the basis for dialogue within the sector; and
- (b) it is intended that the workshop and possibly a series of district groups and focus groups be held.

### **Conclusion**

40. Feedback is welcome and should be directed to the Health, Welfare and Food Bureau (with contact details listed).

Health, Welfare and Food Bureau  
September 2004