

Excerpts from a Speech by SHWF on the Policy Address in respect of Welfare  
(February 2004):

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Hong Kong is going through a period of restructuring - in both the economic and social arena. The pace of change has escalated and the movements in business and people have increased. More individuals and families are facing varying degree of changes: with uncertainties in terms of the relevance of skills and qualifications, in terms of security of employment and in terms of stabilities in their family relationships. In rising up to these renewed challenges, it is timely for us to reflect on our policy directions.

Hong Kong should position ourselves in the light of new challenges. Our Mission in the policy areas of health, welfare and food is to build a 'Caring and Healthy Society', a society with rich diversity recognising the strengths of differently endowed individuals. We seek to build a community that celebrates family solidarity and a network of mutual care, trust, support and reciprocity that embraces all individuals, nurtures their healthy development, and enable them to participate in economic and social life with dignity and self-reliance.

We are all born with different abilities and potentials and acquire capabilities and skills as we develop. In encountering different circumstances at different stages in our lives, the life skills that we have acquired would either enable us to meet life challenges or create vulnerabilities. We therefore need to act today to preserve tomorrow. Our policies and programmes should be directed at enhancing physical and psychological well-being by strengthening preparedness and building resilience. In this regard, capacity building, of both an individual and the community, is the key.

We invest heavily in the health and well-being of our people. The figures speak for themselves. Currently over 30 per cent of our budget (amounting to \$69.4 billion) is invested in our public health care system, social services, providing a safety net for the needy and ensuring food safety and hygiene. This level of investment, made on the basis of a low tax regime, is substantial both on its own and in relative terms when compared with other developed economies which have a much higher rate of taxation. Our challenge remains to ensure the effectiveness and efficiency of such investment and in this regard, our policies need to be fair within generations, equitable between generations and sustainable across generations.

We recognise that we must take on an approach which adopts social investment perspective in order to build the capacity of individuals, families and the community to meet the evolving challenges and to build a more inclusive and participatory society. Each person can aspire to fulfill his or her life goal and contribute to a mutually supportive community. Such an approach enables us to cover human, social natural and physical dimensions of our society. A broader partnership

base is required. Individuals, families and communities, as well as professional and business sectors must all be engaged in exercising our social responsibilities for strengthening the health and social fabric of our society.

## **Health**

✧ On the health front, we will ensure quality, equitable, efficient, cost-effective and accessible health care systems and to organise the infrastructure for coordinated health care delivery through an interface of public and private systems. We have already said that we will target subsidies to ensure that we will offer protection to the community from significant financial risks that may arise from catastrophic or prolonged illnesses and avail affordable quality care to the disadvantaged in our community. We will strengthen the community mode of health care delivery so as to provide better quality and more cost effective care to the elderly and the chronically ill as well as the population at large and at the same time this will reduce the reliance on hospital care and reduce the need for hospital beds. We will continue our work to address the long-term financial sustainability of our public health care system.

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## **. Welfare and Rehabilitation**

In the social welfare arena, we must shift from the 'service provision' orientation to the 'social investment' and approach in our services. We need to ensure that the services that we are supporting are in fact investing in individuals, families and the community to enhance their capacity to cope with changes and adversities, and seek to maximise individual's strength, promote self-reliance and self-betterment. Our social programmes will need to be re-orientated to ensure that we are not encouraging passive recipients of resources and services and that involve people in active learning and problem solving, we should help to instill in them self-esteem, self-respect and a sense of control.

In this connection, I note that there are calls by the welfare sector to introduce and resurrect the planning mechanism and develop this blueprint for Hong Kong. Obviously the old rigid planning mechanism which sought to match service provision with population level has already served its useful purpose. As resources are finite, we need to look beyond the conventional approach. I recognise the need to develop new strategic directions to achieve the paradigm shifts from 'service provision' to 'social investment', and I certainly agree that we should not develop such strategic directions in a vacuum. I've already started the work to communicate with my NGO welfare partners to revisit the philosophical basis and the values of our social

welfare system and assess our efforts in focusing on the 'social investment' approach in our services. At the end of the process, I look forward to enhancing the sustainability of our social investment strategies and develop priority investment areas that would best serve the interest of our community. I certainly look forward to working with the sector to developing the so-called blueprint.

### Partnership with Third and Business Sectors

Life in this millennium is complex and intense. Regardless of one's disposition, we would all face vulnerabilities in one form or another at some stage in our lives. Of course none of us is immune to this. I cannot over emphasise the need to enhance our overall capacity to cope with such situations. Individual efforts alone at times may not be sufficient and naturally, people look to Government for support. Our investment in human development caters for the different endowments of individuals as far as possible. We also provide a safety net of basic support for the needy and a mechanism exists to help able-bodied recipients to gain self-reliance and re-join the labour market and be economically active. Nonetheless, while Government offers opportunity to all, we also look for responsibility from all. I therefore see the need for a multi-pronged approach of drawing the best out of our community resources, with Government, the third sector and the business sector working together in close tripartite partnership. By resources, I am looking beyond the narrow monetary definition to include mutual help, sharing of innovative ideas, operational experience and management skills and volunteerism, just to quote a few. I see such resources working at two levels. At the community level, cross fertilisation of skills and expertise between government, the third and business sectors would work to the benefit of all. Mobilizing the efforts of all three sectors would tremendously enhance the community's capacity to cope with changes and challenges. At the individual level, through the new and effective modes of capacity building programmes the community can provide, they would be better positioned to tackle life's challenges and stand a better chance to return as active and participating members of our society instead of descending into a downward adversity cycle.

The Chief Executive's Policy Address states that the seeds of tripartite partnership between government, the business community and the third sector was sown when we established the Community Investment and Inclusion Fund in 2002. We now need to explore more effective means to further entrench this cross-sectoral partnership concept at the local community level at a faster pace. I have exchanged initial ideas with the Community Investment and Inclusion Fund Committee and the Social Welfare Advisory Community, and in the coming months, we will be working hard with the relevant Committees, the third sector as well as the business community to devise effective measures in this regard.

### Capacity Building

I am conscious of society's concern on how to help individuals and families in need to elevate themselves and to improve their economic situation. .... I am of the view that capacity building remains the key in this regard. We are obviously conscious of the importance of ensuring the effectiveness of the social investments we have made in relation to those in vulnerable situations. Members are aware that The Director of Social Welfare will conduct a study on the effectiveness of the Department's Active Employment Assistance (AEA) scheme and 'Intensified Employment Assistance Projects' with a view to help the recipients to elevate themselves and become more self-reliant. The Director would involve our NGO partners in this study and that would throw some light as to how we should approach this issue of lifting people out of adversities and helping the most in need in a more positive manner.

### Social Security

We remain committed to implement an effective and sustainable safety net, particularly through the Comprehensive Social Security Assistance (CSSA) Scheme, to look after those least able to help themselves, such as needy elders and the disabled. I would also wish to clarify the adjustment of the CSSA were on the basis of the deflationary adjustment and there were no cuts to the basic rates. In 2003-04, estimated social security spending of \$22.38 billion has increased by 4.5 percent, accounting for 10.8 per cent of Government's recurrent expenditure.

As over 30 percent of CSSA cases involve able-bodied adults, we will ensure CSSA can serve as a springboard to self-reliance for these individuals. In this connection, we have intensified our Support for Self Reliance measures since June 2003 to help those able-bodied recipients to go back into the workforce. We will continue with our effort to help them to become self-reliant.

### Elderly Services

Against an ageing population, we will continue to work with the Elderly Commission (EC) to promote active and healthy ageing in the community. We will work with the EC to network with different sectors to promote work in these areas, and assist the EC with research on ageing issues to support its work. The EC has identified four priority areas for consideration, namely, lifelong learning; financial security, retirement and work practices; intergenerational solidarity; and transport and building environment.

### Women

In respect of promoting women's well-being, we shall continue to tap the advice of the

Women's Commission on implementing the three-pronged strategy of gender mainstreaming, empowerment of women and public education.

I hope that in this very brief presentation, I have been able to demonstrate that we will continue with our policy to build a caring and healthy society and we have substantial and substantive strategies and measures to take this forward.