

*Squaring the Welfare Circle in
Post-1997 Hong Kong*

Wong Chack-kie

香
港
亞
太
研
究
所



HONG KONG INSTITUTE OF ASIA-PACIFIC STUDIES

THE CHINESE UNIVERSITY OF HONG KONG

SHATIN, NEW TERRITORIES

HONG KONG

**Squaring the Welfare Circle in
Post-1997 Hong Kong**

Wong Chack-kie

Hong Kong Institute of Asia-Pacific Studies
The Chinese University of Hong Kong
Shatin, New Territories
Hong Kong

About the Author

Wong Chack-kie is a professor at the Department of Social Work, The Chinese University of Hong Kong. His academic interests include comparative social policy, welfare attitudes, and Chinese social welfare. He has published various articles in social policy journals and is an author of the book *China's Urban Health Care Reform* (Lanham: Lexington Books, 2006), and co-editor of *East Asian Welfare Regimes in Transition* (Bristol: Policy Press, 2005) and *Poverty Monitoring and Alleviation in East Asia* (New York: Nova Science, 2003).

Acknowledgements

The survey findings that this study presents are part of the research output undertaken by the writer and his colleagues from a research project funded by the Research Grants Council, Hong Kong (Project no. CUHK4237/02H). The writer is grateful to the financial support of the funding authority.

Opinions expressed in the publications of the Hong Kong Institute of Asia-Pacific Studies are the authors'. They do not necessarily reflect those of the Institute.

© Wong Chack-kie 2006

ISBN-10: 962-441-178-6

ISBN-13: 978-962-441-178-2

All rights reserved. No part of this book may be reproduced in any form without written permission from the author.

Squaring the Welfare Circle in Post-1997 Hong Kong

Introduction

This study looks at governance in social policy in the post-1997 era in Hong Kong. It assesses the ability of the Hong Kong Special Administrative Region (HKSAR) government to strike a proper balance between a rising demand for social services and benefits on the one hand, and a simultaneous demand to limit public expenditures on the other, while maintaining popular legitimacy. George and Miller (1994) used the term “squaring the welfare circle” to describe the dilemma that governments in the affluent societies of the West are now facing. The ability to square the welfare circle is not only about resources, but also about the management of public expectations. In theory, public demands for social services and benefits are unlimited; hence, governance plays an important role in the challenge to square the welfare circle.

Social policy refers to the social actions taken by policy-makers to improve human well-being or welfare. Social actions refer not only to those taken by the government, but also by societal actors such as families and the market. But social policy originated from the study of state actions on society. The mechanism and underlying rationale of social policy are to redistribute resources from the economy, via taxation, to rectify the undesirable consequences of market and family failures. For example, in the processes of industrialization and modernization, the family is weakened and is unable to provide care and welfare for its members; while the market only recognizes those who have the ability to pay. Hence, those who do not have the family or the ability to pay to meet their needs have to look to the state for help. There are also some state actions such as health care and education that are provided for different reasons — they are important for economic development; while their provision by the state also has the benefit of economies of scale. The major programme tools of

social policy — that is, the state’s social actions — are the “big five” of social services — education, health care, housing, personal social services, and social security. In Hong Kong, personal social services, that is, social welfare services, and social security are classified under the category of social welfare.

Social actions require financial support. In the case of governments, they have to extract resources from society, particularly from the economy. This is where the issue of squaring the welfare circle comes into play. In George and Miller’s (1994:1) view, the term is used to convey the message of the continual and intensifying struggle of governments in all advanced industrial countries to (1) meet the constantly rising need and demand for social service provisions and benefits and (2) simultaneously meet demands to limit public expenditure. The background of the squaring the welfare circle dilemma is the drastic social and economic changes that the welfare states are facing: an ageing population, changes in the labour market, economic globalization, and weakened families. All of these social and economic changes have put pressure on welfare states so that they are in a state of “permanent austerity,” a term used by Pierson (2001). In this study, we will look into the case of Hong Kong to determine whether it will follow the footsteps of western welfare states in terms of responses to squaring the welfare circle, despite the fact that it is not a mature welfare state. The study is organized as follows. First, the main features of Hong Kong’s welfare system will be examined. This will provide an understanding of the heritage of the present welfare system on which various social policies are founded. Second, efforts of the Hong Kong government in the post-1997 era to square the welfare circle will be studied. Third, the findings of a social survey of public opinions will be reported. This survey will reveal public expectations of the welfare system of Hong Kong. It is clear that the squaring the welfare circle dilemma reflects not only the inadequate provision of social services and benefits, but also the seemingly unlimited demand fuelled by rising social needs due to structural economic and social changes. Last, but not least, the question is raised of what the HKSAR government should do if the aim is to achieve a fine balance between contextual changes, popular support, and welfare arrangements.

Main Features of the HKSAR's Neo-liberal Welfare State

A state is a political entity; a welfare state is that political entity with welfare features. According to Briggs' (2000:18) definition, "a welfare state is a state in which organized power is deliberately used in an effort to modify the play of the market forces in at least three directions — first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain 'social contingencies'... which lead otherwise to individual and family crises; and third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services." What we unveil below about Hong Kong's welfare system shows that Hong Kong possesses these basic features of a welfare state.

On the basis of their analysis of social policy before the 1997 handover of sovereignty, Walker and Wong (1996) conceptualized Hong Kong as a neo-liberal welfare state. A neo-liberal welfare state is one that typically provides minimal state welfare. When public services and benefits are provided, they tend to be strictly means-tested and confined to those who are less advantaged. In other words, most people living in a neo-liberal welfare state have to rely upon their own arrangements to meet their welfare needs; for example, through the private sector or the support of family members.

However, a neo-liberal welfare state can provide more than a minimum level of state welfare if social policy is in favour of economic growth. This is the case in Hong Kong. For example, it is not surprising to see that free and universal basic education was a feature of the welfare system in Hong Kong before 1997. This was primarily because education was regarded as essential for economic growth; it had a pro-production function. Even in post-compulsory levels, i.e., upper secondary education and above, the government also provided substantial subsidies to students. For example, university tuition fees were set at 18% of the full cost; students from low-income households could also apply for loans and grants. This provided an institutional

environment where no one in Hong Kong was denied educational opportunities simply because of a lack of means. The HKSAR has carried on this social policy legacy.

Pre-1997 Hong Kong also had a British-style national health service in place, which provided basic health care to its people at a low cost. The basic structure of universal health care was set in the mid-1960s, when the colonial government realized from a survey report that half of the respondents could not afford unsubsidized general out-patient medical care, and 80% of them could not afford unsubsidized in-patient treatment (Hong Kong Government, 1964:10). The policy of providing public health care at low cost was then established; such a policy was considered essential for enhancing labour productivity and promoting economic growth. The implication is clear: fees at public health care facilities were extremely low and could be basically regarded as a free provision, especially in the case of hospitalization. For example, a government report in 1993 found that patients at an in-patient general ward received subsidies to the tune of 90% to 98% (Hong Kong Government, 1993:7). Apparently, a universal health service has the great benefit of equalizing health care protection; this is an enormous achievement. But a low-fee universal health care system, such as that of the HKSAR, does not have a viable built-in mechanism against misuse and abuse, except for long waiting times. In addition, the system is financially unsustainable.

Public housing was another social policy in colonial Hong Kong that had a strong economic flavour. The Housing Authority, a statutory body established in 1973, is responsible for planning, building, and managing all public housing programmes for the government. One important structural impetus for building massive public housing, especially in the case of rental flats in the colonial age, was to ensure a supply of stable and cheap labour for industrial production (Keung, 1985; Castells, Goh and Kwok, 1990). In this regard, rent could be regarded as an indirect production cost — its low level helped provide a favourable economic environment where labour did not need to ask for higher wages, if other factors were constant. The median rent-to-income ratios of households living in private housing and public housing are illustrative: in 1997, this was around 26% for the former and 9% for the latter (Hong Kong Housing Authority,

2000). The difference represents a social wage for the public housing tenants and a social cost that society must pay. In other words, public rental housing is redistributive, but this social equality function is latent — it does not work through the tax system, traceable in public finances, but is disguised as a means-tested state provision. Hence, the progressive, egalitarian nature of public housing, rentals in particular, did not attract opposition from neo-liberal economists and property developers in society. It was only after the establishment of the HKSAR, when the then Chief Executive of the HKSAR government, Mr Tung Chee-hwa, initiated the policy of building 85,000 housing flats, that strong criticism came from property developers. This led to the eventual withdrawal of the policy and to the end of the various public home ownership schemes in 2002.

Apart from social policy as a function of economic growth, the other defining feature of a neo-liberal welfare state is its anti-redistribution stance. Social security captures this important feature of pre-1997 Hong Kong. The main social security programme is the Comprehensive Social Security Assistance Scheme (CSSA). This is a means-tested income maintenance programme, which provides a safety net for those who cannot support themselves financially. The scheme is designed to bring the income of such individuals and families up to a prescribed level to meet their basic needs. It is basically a social assistance or poverty relief programme. In mature welfare systems like those of the West, the defining social security programme is usually its retirement benefits scheme, and which is basically a pay-as-you-go system, meaning that there is an inter-generational redistributive element in retirement protection (see below).

The type of retirement protection for Hong Kong, chosen in 1995 by the colonial government, reflects the neo-liberal values underlying Hong Kong's welfare system. The Mandatory Provident Fund (MPF) is an employment-based forced savings scheme; it helps employees save money, with matching contributions from employers for retirement protection. The alternative option is a state pension that is supposed to benefit all people, not only employees. In principle, a state pension, primarily a pay-as-you-go system, has the following redistributive functions. It is inter-generational, between retirees

and the working population; inter-class, between high-income and low-income groups; and cuts across employment status, between employees and non-working persons. Apparently, these redistributive functions were not in line with the orthodoxy underlying the neo-liberal welfare state of colonial Hong Kong. Its rejection simply on this rationale should not be surprising. But the MPF also has an important economic objective — it is a means to develop Hong Kong's financial market and to socialize the whole working population to investment activities (Chan, 2003). Therefore, the MPF fitted perfectly well with Hong Kong's neo-liberal welfare state in its pre-1997 era.

The social policy programmes briefly outlined above sound substantial and comprehensive. Social services and benefits ranging from health care to housing, and education to income maintenance should apparently be able to meet basic needs for daily living. More than that, due to rising economic standards, people expect more from the welfare state. This is particularly clear in the case of two major universal social services — health care and education. But a comparative perspective highlights the inadequacy of HKSAR's neo-liberal welfare state because of its comparatively limited budget. For example, Hong Kong's social expenditure as a percentage of GDP in the second year of the new millennium was slightly lower than the OECD average of 13.1% in 1960, but is comparable with those of Norway, Ireland (both 11.7%), the USA, and Australia (both 10.9%) in that year (Marmor, Mashaw and Harvey, 1990; Walker and Wong, 2005:Table 1.2).

Even at this level of provisions and benefits, the neo-liberal welfare state does not have a reliable and sustainable fiscal base to support it. It has relied heavily upon growth dividends for its funding, especially from the huge revenue from land sales and property taxes. For example, land transactions comprised 13% (or HK\$27 billion) of government revenue in 1996-97. But this figure shrunk to 2.6% (or HK\$5.4 billion) of the HKSAR government's operating revenue in 2003-04 (HKSAR Government, 1998:63, 2005:72) — the year when Hong Kong's economy was severely affected by an outbreak of severe acute respiratory syndrome (SARS). As such, revenue from land sales is unstable, being subject to economic fluctuations. What is worse is that it is needed when it is in least supply. Clearly, land sales

are also a good proxy for economic growth. Moreover, Hong Kong has also relied upon property taxes for revenue to a greater degree than other countries. For instance, a government-commissioned tax-base study found that taxes on property constituted 5% and 10% of tax revenues in 1997-98 in OECD and Asia-Pacific countries, respectively, while the corresponding figure for Hong Kong was 24% (KPMG, 2001:38).

Now we turn to the supply side of the welfare circle. Does Hong Kong have a sound fiscal base to support its welfare state? The neo-liberal welfare state sketched earlier depicts a picture of *nearly all non-contributory* social services (e.g., health care and education) and benefits (e.g., social assistance and the old age allowance), with the exception of the recently introduced MPF and public housing (still subsidized). From a financial sustainability perspective, this is definitely unhealthy. Hong Kong's welfare system does not have a secure and sustainable fiscal base. This is due to the following.

First, Hong Kong has a low-tax regime: the corporate tax rate is 16% and the individual income tax rate is 17% (KPMG, 2001:3). Its tax base is narrow, with only 1.2 million out of 3.2 million employees having paid salary taxes in the financial year of 2001/02 (Task Force on Review of Public Finances, 2002:28). In other words, the majority of the population does not pay salary taxes. They do not see that they have a personal financial responsibility for funding the welfare state, but do feel they have a right to enjoy the fruits of its expansion.

Second, fees and charges for social services, health care in particular, are set at low levels that do not allow for substantial cost-recovery. This financial structure fuels abuses and poses an inherent obstacle to the provision of quality services. It will attract more demand to a level beyond the capacity to cope.

Third, the way the social security system is financed in Hong Kong has added pressure on government revenue. Its retirement plan, the MPF, is basically a personal savings scheme that does not have any inter-class or inter-generational redistribution functions. In other words, the poor and those earning low wages will have to rely upon social assistance for old-age income protection. That a high percentage of CSSA beneficiaries are elderly is a cause for concern. Furthermore, the lack of unemployment insurance has forced unemployed people

to rely upon CSSA for income support. This is adding further pressure on the means-tested non-contributory social assistance scheme.

All of these features underscore important beliefs about Hong Kong's neo-liberal welfare state. First, means-tested social services and benefits such as CSSA and public housing are for the poor, while universal services such as education and health care are perceived as social services for all. The former attracts less public support than the latter. Second, universal social services have stronger public support not only because of their wider scope of coverage, but also because they are associated with economic development (Wong, 1997). This is a primary feature of a neo-liberal welfare state. In other words, the structure of public support for social policy in Hong Kong is partly explained by its function of promoting economic development. Third, most of the population do not pay taxes or subscribe to insurance for the services and benefits they enjoy; if they do pay, the fees and charges are low. Hence, the fiscal side of the welfare circle is seldom a concern to users and the general public — they delegate that responsibility to the government. In sum, people take a positive view towards universal social services and have an aversion to means-tested benefits for the poor. They place a premium on social policy that has an economic development function. Finally, the provision of social services and benefits is regarded as a matter for the government, not for the public. Such beliefs are divisive, instrumental, and do not foster a society in which social obligations and empathy for the poor and the vulnerable are part of the culture.

Apparently, these popular beliefs also engender a classic moral hazard mentality — strong in rights but weak in responsibility — on the part of the users and the general public. Nevertheless, a local empirical study of social citizenship found that Hong Kong Chinese are generally “right-deficit” at the practice level because they also expect themselves to have similar or more responsibilities in many social rights such as the right to a job, a basic living, a basic education, and child care (Wong and Wong, 2004). However, the subjective indicators depicted in that local empirical study may reflect the inadequate social rights that people enjoy in a neo-liberal welfare state; it does not specifically address the issue of its narrow and weak fiscal base.

The Efforts of the HKSAR Government to Square the Welfare Circle

In terms of squaring the welfare circle, the HKSAR government has performed poorly. It had increased social expenditure in the post-1997 era, both in absolute terms and as a percentage of total public expenditure, except in the case of housing if we use 1997-98 and 2004-05 as the comparators (Financial Secretary, 1998, 2005). Social welfare saw the largest percentage gain in the same period (from HK\$22,260 million to HK\$34,119 million, for a rise of 53.3%); followed by education (from HK\$48,510 million to HK\$55,732 million, for a rise of 14.9%). The large rise in social welfare expenditures was largely due to an increase in social assistance benefits payments, an open-ended entitlement primarily for the elderly poor, the unemployed, and single-parent families. The only decrease in housing, that is 34.7% between 1997-98 and 2004-05, was primarily a result of the abandonment of massive housing building projects from 1999-2000 by the HKSAR government due to a serious slump in the property market during that period; housing expenditures peaked in that year and began to decrease.

Moreover, the HKSAR government's substantial increases in social expenditure should be placed against the background of continued budget deficits in the same period of time. In the first eight years of the existence of the HKSAR, from 1997-98 to 2004-05, the HKSAR government incurred budget deficits for six years, the highest being -5.2% of GDP in 2001-02 (Financial Secretary, various years). In other words, in spite of the overall economic downturn and fiscal deficits, the HKSAR government still committed itself to spending more in the area of social policy.

However, people expect still more from the HKSAR government. The following two cases illustrate the dilemmas facing the HKSAR government. In 2004, a few public housing tenants filed a lawsuit in the courts against the Housing Authority, demanding that their rent be cut because in the deflationary environment that followed the establishment of the HKSAR, the overall median rent-to-income ratio had exceeded 10%, a standard set in 1997 by the legislature during an inflationary economic environment (*Wen Wei Po*, 23 November

2004). Their lawsuit reflected not only the expectations generated from the 1997 legislation, but was also a reflection of their personal hardships due to the overall economic downturn. For example, 5.7% of full-time employees earned less than HK\$5,000 a month in the third quarter of 2005 (Financial Secretary, 2006). That, in general, is regarded as a working-poor wage. From their perspective, whether or not public housing finances could be sustainable after a rent cut was not a concern. Apparently, they did not see themselves as having any responsibility for ensuring that public housing finances are sustainable. If expectations of this kind towards the HKSAR government continue, the welfare circle can hardly be squared. The Court of Final Appeal's ruling was in favour of the Housing Authority — it decided that the Housing Ordinance does not impose a duty on the Authority to carry out a rent review every three years, or to keep rents at below 10% of median household income. In other words, the Housing Authority was allowed to carry out a flexible rent system for sustainable development.

The second case is about the listing of public property. When the Housing Authority decided in July 2004 to list its shopping malls and car parks by means of a real estate investment trust in the local stock exchange, it was once again faced with legal challenges. Two elderly public housing tenants, both social welfare recipients, had sought an injunction to block the listing. They alleged that the Authority's disposal of shopping malls and parking space was a breach of the Housing Ordinance. Underlying their litigation was the worry that the sale of public assets might affect their interests — they might have to pay a higher price for goods and services as the new management would have the incentive to raise rents in shopping malls. Due to their injunction, the Authority was forced to delay the listing of HK\$21.9 billion of its assets until the end of 2005.

These two cases indicate the dilemma facing the HKSAR government. It was not very successful in managing the expectations of the people, especially welfare beneficiaries, in a way that was compatible with the new economic and fiscal realities. In other words, governance in social policy, in the case of the HKSAR government, is not simply a matter of adequate social resources. It is a matter of how well a social welfare system can be restructured

to deal with the problems and the challenges of the time, and of how well people's expectations of the government can be moderated. The lawsuits on rent cuts and the listing of government property assets are a case in point. Evidently, the HKSAR government does not have a great deal of political legitimacy, despite its strong financial commitments for social policy in an environment of economic downturn. But the increased expenditures for social policy purposes cannot be maintained in the long run. So far, it has been supported by the reserves accumulated before 1997, primarily from land sale revenues. The economic growth in 2004 through 2006 has given the government some breathing space; for example, it had a surplus of HK\$12 billion in 2004-05; although if the proceeds from the issuance of government bonds are discounted, there would be a deficit of HK\$13.4 billion. In the long run, the government needs to take up the challenge of squaring the welfare circle. For example, in his 2006-07 budget speech, the Financial Secretary (2006) raised the idea of introducing a Goods and Services Tax (GST) with the intention to broaden the tax base. In this regard, the dilemma facing the HKSAR government is three-fold.

First, it has to meet the basic needs of its people arising from worsening poverty, a widening income gap, an ageing population, unemployment, families breaking down due to rapid social and economic changes, and many other serious social problems. Many of these problems are structural and have tremendous implications for social policy. For instance, according to the 2001 census, the bottom 40% of households made only 11% of the total household income, while the top 20% made 56.5% (Census and Statistics Department, 2001:63). Apparently, many low-income households have to rely upon social services and benefits to meet their basic needs; hence, they are likely to fiercely resist any rise in fees and charges for public and social services. The fees charged to patients admitted to the casualty wards of public hospitals are a case in point. A nominal fee of HK\$100, out of a real cost of HK\$570, was introduced in late 2002 in an attempt to halt the misuse or abuse of this public health service. However, it was still strongly opposed by patient advocacy groups. They argued that the introduction of fees would deter the poor and patients with long-term illnesses from seeking medical consultations.

The ageing of Hong Kong is another structural social change that has significant implications for social policy. Those aged 65 and above made up 11.7% of the population in 2003, and this figure is forecasted to rise to 27% by 2033 (Census and Statistics Department, 2004). Clearly, an ageing population will add pressure on social policies for health care and income protection; at the same time the labour force will decline, resulting in reduced revenues. Take the case of income protection for example. Nowadays, more than half of CSSA cases involve elderly people. This is a phenomenon that is unique in advanced countries, where the main recipients of poverty relief are usually single-parent and low-income families. Clearly, the underlying reason is that Hong Kong does not have a state pension system. The MPF is a personal forced savings scheme in which time is required for participants to accumulate adequate income for protection. This retirement protection model does not offer income support for current elderly people. Hence, they have to rely upon the government for poverty relief. In the long run, due to the scheme's personal savings nature, it is quite clear that low-income workers and non-contributors such as housewives will have to look to state welfare when they get old.

There is more to the list. But the point is clear that rapid social and economic changes, such as a widening income gap, rising unemployment, and growing numbers of working poor, are structural problems that pose serious challenges to a government with a limited budget, especially against the backdrop of a shrinking economy.

Second, the HKSAR government has to restructure social service provisions and benefits to reduce costs and enhance the competitiveness of the economy. Social services and benefits cannot be isolated from the needs of the economy. Restructuring social policy needs to be part of a larger effort at economic restructuring (Chau and Wong, 2002). The review of the CSSA is a case in question. It was implemented in June 1999, with the aim of providing assistance to the needy without reducing their incentive to work (Social Welfare Department, 1998; Chau and Wong, 2002). Its Support for Self-reliance Scheme is in fact a *workfare* programme, which requires employable recipients to seek jobs and to perform community services in exchange for benefits. The standard benefit rates were cut to ensure that they were not better

off than citizens who were employed (Social Welfare Department, 1998:14-15). The implication is clear — employable recipients are “encouraged” to seek jobs; hence, wages at the lower end of the labour market were driven down.

Despite the HKSAR government’s efforts to restructure social policy, expenditures for social assistance benefits keep rising. For example, despite the fact that elderly people on CSSA declined from 57.3% of the total cases in 1997-98 to 50.7% in 2004-05, their absolute caseloads rose from 112,067 to 150,399, respectively. In fact, the declining share of elderly people on CSSA was taken up by an increase in the categories of single-parent families and the unemployed, which rose from 8.8% and 9.8% of cases in 1997-98 to 13.4% and 14.9% in 2004-05, respectively (Census and Statistics Department, 1998:250, 2005:331). The percentages of elderly, unemployed, and single parents on CSSA have stabilized recently; for example, in February 2006, 151,839 elderly were on welfare, that was equivalent to 51% of the total caseload (Information Services Department, 2006).

It is clear that the structure of “expressed” needs, a term used by Bradshaw (1972) to indicate those who express their needs by using social services or benefits, has changed. It has changed especially in the case of the unemployed and single-parent families; these categories of people have to rely upon public welfare primarily due to economic restructuring. In this regard, despite the cuts in standard rates of CSSA and the *workfare* initiatives, as mentioned earlier, CSSA expenditure has increased from HK\$9,441 million in 1997-98 to HK\$17,631 million in 2004-05 (Commission on Poverty, 2005: Annex F). This represents a hike of 86.7% in seven years. In a similar vein, the HKSAR government’s reform initiatives in education were fuelled by increases in spending. The successful case — of slower growth in social expenditure, not of revenue reduction — was in public housing. It was, ironically, not due to deliberate government effort, but was largely a result of lower production costs in a deflationary environment and the abandonment of massive housing projects due to an economic downturn.

Third, the HKSAR government has to manage the rising public expectations of a citizenry that has greater aspirations for quality

social policies, but is also not well prepared to fund them. This is most vividly illustrated in the case of health care financing. A Harvard report on Hong Kong's health care system projected that in order to maintain the 1998 level of quality and access to public health services (against the background of an ageing population, continued innovations in medicine technologies, and rises in public expectations for quality health services), public health care expenditures might have to increase from 14% in 1998 to 20-23% of the total government budget by 2016 (Harvard Team, 1999:5-6). Clearly, this is impossible, as expectations for other social services would also rise. Hence, it was logical for the Harvard health experts to recommend the insertion of an element of individual responsibility into the health care system by increasing user fees, and other viable financial options such as health care savings plans. Unfortunately, the public wanted to stick to the current system, which is not financially and organizationally sustainable (Herdman, 2002). The failure to adopt the Harvard health experts' recommendations for change is not an isolated incident; earlier in 1993, the health care financing initiatives of the colonial government were met with fierce resistance and little progress was made in implementing them.

Squaring the Welfare Circle: A Public Expectations Perspective

Now we come to report the findings of a social survey of the general population about several assumptions underlying the dilemmas facing the HKSAR government in terms of squaring the welfare circle. As we mentioned earlier, governance in social policy is not simply a matter of adequate social resources, but how well a social welfare system is restructured to deal with problems and challenges of the time and how well people's expectations with the government are managed. If the size of the budget for social policy is evidence for assessing the government's performance in terms of squaring the welfare circle, it can be concluded that the performance has not been successful, at least in output terms. Social expenditures were on the rise in the post-1997 era.

It may be argued that there are enormous needs to meet —

worsening poverty, a widening income gap, an ageing population, and many others. But the worsening social conditions that generate needs is one side of the story; the ability of a government to square the welfare circle by managing public expectations is the other side. Governance in social policy is also about understanding public expectations of social welfare. The following three questions reflecting the essential assumptions about the welfare circle challenge are pertinent:

The first question is where do people perceive the responsibility for causing major social problems to lie? If people believe social problems such as poverty, income inequality, and unemployment to be a matter of individual failure, it is quite reasonable to expect them to believe that the government need only have a small or residual role in handling them. It is clear that what people believe to be the cause of the problems is closely related to their expectations of how roles and responsibilities on social welfare should be divided, the government being the principal actor in this regard.

The second question is how reliant are people upon social services and benefits? This is an empirical test of the extent to which social protection is needed in a modern and affluent society like Hong Kong. Even if people believe in a minimal role for the government in the livelihoods of ordinary people, the harsh reality of the vulnerability of living in a modern society may lead them to depend on public welfare occasionally or permanently.

The third question is, are people willing to pay taxes to improve social welfare? A welfare state needs a fiscal base for its support; such a base can also be regarded as a built-in mechanism that checks its expansion. Only when people are willing to foot the bill for social welfare will a welfare state be more sustainable, even if such contributions are not equal.

In answering the above three questions, the findings of a face-to-face survey with a stratified random sample will be used. The survey was conducted between December 2003 and March 2004, and the total sample consisted of 1,040 adult Chinese respondents aged 18 and above.¹ The upper row of Table 1 presents the attributes that explain poverty in society as perceived by the respondents. Only one-sixth of the respondents regarded poverty as caused by personal factors such as bad luck and laziness, while more than half blamed social

causes such as injustice and inevitability. This pattern of findings on explanations for poverty seems to be even less personal than that of a 14-country European survey conducted in 2001. In that survey, 35.1% of Europeans endorsed the above two personal factors as compared with 16.5% in Hong Kong. Perceptions of the two social causes were similar, with 53.3% for Europe and 53.8% for Hong Kong (European Opinion Research Group, 2002:18).

The lower row of Table 1 presents the findings of the question asking the respondents about the perceived causes of two other major social problems — the gap between rich and poor and unemployment. It was found that far fewer respondents endorsed individual factors for the two social problems — 8.1% for the gap between rich and poor and 7.2% for unemployment. The overwhelming majority, 76.6% and 81.7% of the respondents respectively, chose socioeconomic and policy explanations for the gap between rich and poor and unemployment. Together with the pattern of findings on the perceived causes of poverty, it was very clear that few of the Hong Kong Chinese respondents attribute personal failures as the cause for the three major social problems in Hong Kong. With this in mind, it is reasonable for them to look for collective means to tackle these social problems.

Table 2 depicts a situation in which we can assess how much people in Hong Kong have to rely upon social services and benefits. Apparently, people are quite dependent upon social welfare, despite Hong Kong's classification as a neo-liberal welfare state. Somewhat less than one quarter of the respondents replied that they or their families are recipients of services for the elderly; Hong Kong, as an ageing society, should explain this finding. Nearly half of the respondents had associations with public housing and education in Hong Kong, while the figure was 44.2% in the case of health services. The high associations can be accounted for by the universal nature of the services in the case of education and health services, and the wide coverage of public housing, as mentioned earlier. In terms of the means-tested social assistance scheme, the CSSA, only 11.7% of respondents had an association with it; the percentage was even lower in the case of retraining or job creation, at 9.9%. The latter two services are now regarded as effective tools for increasing employment.

If our respondent sample is representative, this means that the

Table 1 Respondents' perceptions of the cause of social problems (%)

	Bad luck	Laziness	Total personal causes	Injustice	Inevitability	Total social causes	None of these	Don't know	(n)
Poverty	3.0	13.5	16.5	15.7	38.1	53.8	15.6	14.1	(1037)
			Individual factor	Socioeconomic factor	Government policy	Total social and policy causes			
Gap between rich and poor	—	—	8.1	48.6	28.0	76.6	—	15.1	(1033)
Unemployment	—	—	7.2	49.1	32.6	81.7	—	11.2	(1035)

Table 2 Respondents' reliance on social services and benefits (%)

Recipients of government social services or benefits in the past five years	Yes	(n)
Elderly	23.7	(1036)
Public housing	49.5	(1037)
Education	49.0	(1036)
Health services	44.2	(1036)
CSSA	11.7	(1036)
Retraining or job creation	9.9	(1036)
Importance of government social services or benefits to the respondents ¹	Important/ very important	(n)
Elderly	72.2	(241)
Public housing	85.9	(506)
Education	87.4	(506)
Health services	88.9	(573)
CSSA	87.6	(121)
Retraining or job creation	63.7	(102)

Note: 1. Only those who have been recipients were asked to reply.

neo-liberal welfare state of Hong Kong should have benefited quite substantial sections of the population, even if to different extents. It ranged from about 10%, in the case of social assistance and an active labour market policy, to half of the population, in the case of public housing and education. However, the above findings do not inform us of the different extents to which respondents are dependent upon social services or benefits. The findings of the second statement in Table 2 fill this gap. Accordingly, the respondents or their family members are very dependent upon all reported social services or benefits, if their perceived importance is a valid proxy. The lowest score was retraining or job creation at 63.7%, the next lowest was the elderly at 72.2%, and the rest are all above the 80% threshold at 85.9% for public housing, 87.4% for education, 88.9% for health services, and 87.6% for CSSA. The above findings seem to provide

subjective indicator evidence to confirm that many people in Hong Kong have to depend upon public welfare to cope with social risks of different kinds at different stages in their life. For example, elderly services for those who are old, education, retraining, and job creation for those who are young and of working age. Seemingly, the harsh reality of individual vulnerability and dependability is serving as the fuel igniting the demand for the welfare circle.

Now we come to the supply side — whether or not people are willing to foot the bill for social welfare development. The picture we are now going to depict is not satisfactory. A general question was asked first: were the respondents themselves, not others, willing to pay more taxes to improve social welfare? Only one-third of the respondents (32.1%) were willing or very willing, while the opposite position gathered a few more supporters at 36.6%, with one-sixth of the respondents being neutral or undecided (16.8%) (Table 3). This pattern was not very promising in terms of squaring the welfare circle. Respondents were then asked: “Among the following social services or benefits, which one are you most willing to pay more taxes to the government so that it can be improved?” For those who agreed or took a neutral stance (very willing/willing plus half-and-half), the structure of public support was as follows: education and health services (31.3% and 27.7%, respectively), followed by elderly services (21.1%). The means-tested service and benefits received the least support (the minimal rate of 1.6% for CSSA and 4% for public housing), while retraining or job creation stood at a rate a little lower than one-tenth (8%) (Table 3). A dual-structure of public support, in terms of paying taxes for more social welfare, is depicted. More wanted universal social services and very few wanted means-tested social services and benefits.

Balancing Rights with Responsibilities in the New Era

As was briefly mentioned, the neo-liberal welfare state of the HKSAR has provided substantial and comprehensive benefits for the majority of its population. This is especially the case in education, health care and, to a lesser extent, public housing. The importance of the neo-liberal welfare state to those who depend upon its various social services

Table 3 Respondents' willingness to pay more taxes to improve social services or benefits (%)

Willingness to pay more taxes to improve social welfare	
Very unwilling/unwilling	36.6
Half-and-half	16.8
Very willing/willing	32.1
Don't know	14.1
(n)	(1027)
Public support for social services or benefits ¹	
Education	31.3
Health services	27.7
Elderly	21.1
Retraining or job creation	8.0
Public housing	4.0
CSSA	1.6
Don't know	6.4
(n)	(502)

Note: 1. Only those who answered "very willing/willing" and "half-and-half" were asked to reply.

and benefits is supported by subjective indicators, as presented in this study. This is a self-perceived importance, interpreted as dependence on social welfare, and it is unlikely to go away as it is also underscored by social, rather than merely personal, causes to three major social problems. With these as the base, the demand for state welfare is genuine; reflecting the fact that many people in Hong Kong have to depend upon state welfare to tackle social risks beyond their personal control. Imagine the bottom 40% of households getting only 11% of the total household income in 2001. The lower-income groups, quite a substantial minority, would have to depend upon state welfare to make up their insufficient market wages. High expectations for state welfare are also a function of the lack of a built-in mechanism, or the inadequacy of such a mechanism, in the transaction of social services and benefits. There had been reasonable grounds for providing non-

contributory universal and means-tested social services and benefits over the colonial era. The initial development of low fees and charges for public health services in the mid-1960s is a case in question. But the low-tax regime and narrow tax base serve as the context where many people do not perceive the need to take any personal responsibility for maintaining the welfare state.

This is not to suggest that those lower-income households are able to pay, but that they need to recognize the fiscal side of the welfare circle. Apparently, a growth-dividend fuelled welfare state desensitizes people to the need to take responsibility for squaring the welfare circle. In hindsight, the colonial era was too good to be true — a “growing cake,” due to a long period of economic development. This development allowed redistribution without “pain” to the majority. But the harsh reality of a continued budget deficit in the beginning years of the HKSAR was a wake-up call to alert people and the government of the need to manage expectations in order to square the welfare circle. For example, when the economy began to pick up, with economic growth for two years in a row, the Financial Secretary, Mr Henry Tang, proposed in his 2006 budget speech of introducing a GST with the intention of broadening the tax base.

The strength of a neo-liberal state is its emphasis on self-reliance, underscored by the value of individualism, which fits well with market operations in a free economy like Hong Kong’s. But one important presumption of self-reliance is full employment, which currently has become difficult to achieve. In addition, the failure of the colonial government to initiate contributory insurance schemes and substantial cost-recovery measures in retirement, unemployment, and health care at a time when it was more affordable to do so, sowed the seeds for the present scenario of the inability to square the welfare circle, to the extent that Hong Kong’s social expenditure as a share of GDP is at a level that is 40 years behind that of OECD countries.

In other words, the present problem in the case of squaring the welfare circle is partly structural — the vulnerability of people to social risks beyond their control; partly due to failure on the part of the state — the colonial government’s inability to plan when the economy was able to make dividends for a “painless” redistribution for the rainy days ahead; and partly institutional — the failure to

establish built-in mechanisms by the taxation system and by levying fees and charges for social service transactions to manage people's expectations. The following suggestions are recommended to tackle these issues.

First, the government needs to be unequivocal about its pledge to guarantee the vulnerable and the poor a basic living, comparable to a standard deemed "decent" by the larger society. But what a decent standard of living is has to be formulated with the widest participation of all sections of the population. This should be treated as part of the squaring the welfare circle exercise. The present policy process in Hong Kong is still predominantly executively-led — the decision-making in the government is in the hands of professional departments, policy branches, and the Executive Council (the advisory organ of the Chief Executive); even non-official members in advisory bodies such as the Hospital Authority and Housing Authority are not necessarily fully informed and involved in major policy changes. The ending of the policy to build 85,000 flats annually in 2002 is a case in question, albeit an extreme, worst case — it was unilaterally announced by the then Chief Executive and did not go through proper policy process. Unfortunately, the political landscape of Hong Kong has changed to one in which the general public and the political parties would like to have a greater say. Hence, it is necessary for the government to solidly build a consensual political process in order to regain political support for its policy programmes. Striking a balance in the welfare circle is basically about managing the government's expectations and those of the people themselves. Hence, it is necessary for the government to canvass the support of the advisory bodies overseeing each policy programme, political parties in opposition, the mass media, and the general public. If such an approach is adopted, the formulation of policy for a "decent" standard, for example, would inevitably bring forth the fiscal side of the welfare circle to public attention and debate. Hence, demand for more social services and benefits, arising out of social problems, needs to be presented against the background of a sustainable welfare state.

Second, policy initiatives such as cost recovery and social insurance are necessary to establish a welfare arrangement that unifies rights with responsibilities. From our survey findings, we

believe that in terms of public support for paying taxes to provide more social welfare, universal social services and benefits such as health care (for social insurance) and education (for cost recovery) should have a greater chance of success. However, these initiatives should be presented together with an unequivocal pledge for the vulnerable and the poor, given that Hong Kong has too many low-income households. In terms of public support, it is also wise to take unemployment benefits out of the means-tested CSSA and to turn it into contributory insurance benefits.

Definitely, the cost of establishing such a fee-exemption-and-waiver system is expensive and administratively complicated. However, from the perspective of squaring the welfare circle, it makes perfect financial sense to impose a socially inclusive system that can harmonize rights with responsibilities at the point of social consumption. In the case of establishing a contributory insurance scheme such as unemployment insurance, the obstacle will be great because people in Hong Kong do not have any experience with social insurance. Policy-makers need to provide incentives for the introduction of any social insurance scheme that is contributory. It seems that people do not like to contribute to the MPF, particularly low-income people, despite the fact that it is a personal savings scheme.

Third, it is obviously easier to talk about these policy initiatives than to implement them. Therefore, timing is important. They should be initiated at a time when the economy has picked up, making people perhaps more willing to contribute. As mentioned earlier, exemptions and waivers, and incentives to match contributions are seemingly necessary in order to “buy” the ticket for establishing a new system.

Fourth, in terms of welfare arrangements, tripartite contributions from employers, employees, and the government on behalf of those who lack the means in the case of social insurance, seem to be the best option. Apparently, such a system is financially viable when more contributors are involved. Besides, people’s expectations are likely to moderate to a more compromising stance in a system with more participants. In a tripartite arrangement, employees and employers need to negotiate with each other before they ask for contributions from the government. Here, the employers’ part will take the

economic cycle into consideration. Hence, the growth factor for setting a standard for benefits will also be included. In this light, the neo-liberal welfare state will need to incorporate a tripartite concept in its welfare arrangements.

Fifth and last, the recommendations for tax increases and a broadening of the tax base are logical, but are likely to face strong opposition from employers as well as employees. Many concessions will have to be given, such as waivers for a GST. But a GST is good for broadening the tax base if it is targeted at non-basic commodities; hence, low-income households would not be greatly affected. Nevertheless, tax reforms are worthy initiatives because they will arouse heated debate in society. Such a debate is helpful in bringing about a shift in mindset — the need to unify rights with responsibilities to develop a sustainable welfare state for Hong Kong in the long run.

It would appear that, from the perspective of squaring the welfare circle, it is in the best interests of the larger society to see a GST in place for broadening Hong Kong's narrow tax base. As such, concessions by waivers should be as limited as possible so that more people are included, no matter how small their tax contribution. This is so that their personal interests will become linked to the welfare system to which they make contributions, instead of simply being recipients as is currently the case. In this regard, it may be more feasible to tie a GST to benefits, instead of to general revenue. For example, a portion of the GST revenue could be used for matching contributions for health insurance, long-term care insurance or a child development fund. The crux of the matter is that, more people should be included in the tax-and-benefit system so that the welfare circle has a greater chance to be squared.

The above recommendations are formulated in light of the challenge of squaring the welfare circle. As mentioned in the beginning of this paper, since expectations for social services and benefits are rising, the HKSAR government has an unenviable task ahead of it. It has to manage public expectations, both in good times and bad. The HKSAR has inherited a neo-liberal welfare state system that has been funded primarily from an expanded economy, mostly from revenues of land sales. Such an economic context is no longer a sustainable reality

— land sales are an unstable and unreliable source of revenue and such a government revenue system is detrimental to the cost of production. The recovery of the economy and the substantial improvement in the fiscal budget in 2005 and 2006 may provide some breathing space for the government. Given that the social policy issues discussed in this paper are inherently structural and institutional, any short-term gains are unlikely to reduce the fundamental dilemmas facing the HKSAR government. The creation of the Commission on Poverty is a case in point. If it is used as a mechanism to generate more benefits for the poor and the deprived, it may be able to satisfy the demand side of the welfare circle. Judging from the extent of income inequality in Hong Kong, it would be perfectly legitimate for the Commission to pursue as a task. Nevertheless, whether or not it is able to work out a way to square with the supply side of the welfare circle is questionable. It is fair to say that this is not what it was set up to do.

Conclusion

To conclude, it seems that the HKSAR has inherited a neo-liberal welfare state from its colonial past. Consistent with Briggs' definition of a welfare state, the HKSAR provides income guarantees, tackles social contingencies of different kinds, and ensures that the best standards of public education and health care services are offered to all of its citizens regardless of class differences. As such, Hong Kong has a well-established welfare system or welfare state in place, albeit one that is not as mature as those found in the West. The issue at stake is how to square the welfare circle — the unlimited demand fuelled by rising social needs on the one hand, and the narrow tax base and the lack of experience on the part of most of the population in paying taxes or contributing to insurance on the other hand. The subjective data presented in this paper also highlights such a dilemma. From the perspective of sustainability, the neo-liberal welfare state has to be restructured by incorporating tripartite involvement; it should be owned by all of the people — ordinary citizens, employers, and the government alike. The expectations of the government and of the people should be adjusted according to the new socioeconomic reality of the HKSAR era.

Note

1. The sample had the following characteristics, as compared with the general population in 2003 (data obtained from the Census and Statistics Department). For example, our sample consisted of 47.2% male and 52.8% female respondents, while the respective figures for the general population were 48.4% males and 51.6% females. In terms of educational attainment, 30.6%, 51.9%, and 17.5% of our sample had primary, secondary, and tertiary levels of education, respectively. The corresponding figures for the general population were 20.4%, 51.5%, and 21.2%. For occupation, 31.8% of our sample consisted of professionals or managers, while the respective figure for the general population was 32.9%. In other words, our sample is representative of the general Hong Kong Chinese population at the time the questionnaire survey was conducted.

References

- Bradshaw, J. 1972. "The Concept of Social Need," *New Society*, 19(496):640-43.
- Briggs, Asa. 2000. "The Welfare State in Historical Perspective," in Christopher Pierson and Francis G. Castles (eds.), *The Welfare State: A Reader*. Cambridge: Polity Press, pp. 18-31.
- Castells, M., L. Goh and R. Y. W. Kwok. 1990. *The Shek Kip Mei Syndrome: Economic Development and Public Housing in Hong Kong and Singapore*. London: Pion Ltd.
- Census and Statistics Department. 1998. *Hong Kong Annual Digest of Statistics: 1998 Edition*. Hong Kong: Printing Department.
- . 2001. *2001 Population Census: Summary Results*. Hong Kong: Printing Department.
- . 2004. *Hong Kong Population Projections: 2004-2033*. Hong Kong: Government Logistics Department.
- . 2005. *Hong Kong Annual Digest of Statistics: 2005 Edition*. Hong Kong: Government Logistics Department.
- Chan, Chak-kwan. 2003. "Protecting the Ageing Poor or Strengthening the Market Economy: The Case of the Hong Kong Mandatory Provident Fund," *International Journal of Social Welfare*, 12(2):123-31.
- Chau, Kenneth L. and Chack-kie Wong. 2002. "The Social Welfare

- Reform: A Way to Reduce Public Burden?" in Lau Siu-kai (ed.), *The First Tung Chee-hwa Administration: The First Five Years of the Hong Kong Special Administrative Region*. Hong Kong: The Chinese University Press, pp. 201-36.
- Commission on Poverty. 2005. "Comprehensive Social Security Assistance Scheme Able-bodied Caseload: Past Trend and 2014 Scenarios." CoP Paper 20/2005 (<http://www.cop.gov.hk/eng/paper%20index.htm>, accessed on 25 March 2006).
- European Opinion Research Group. 2002. *Social Precarity and Social Integration: Report for the European Commission Based on Eurobarometer 56.1 — October 2002*. Directorate-General Employment and Social Affairs, the European Commission (http://ec.europa.eu/public_opinion/archives/ebs/ebs_162_en.pdf, accessed on 1 June 2005).
- Financial Secretary, Hong Kong Special Administrative Region Government. Various years. *The Budget* (<http://www.budget.gov.hk>, accessed on 1 June 2005 and 25 March 2006).
- George, Vic and Stewart Miller (eds.). 1994. *Social Policy towards 2000: Squaring the Welfare Circle*. London: Routledge.
- Harvard Team. 1999. *Improving Hong Kong's Health Care System: Why and For Whom?* Hong Kong: Health and Welfare Bureau.
- Herdman, Elizabeth. 2002. "'Lifelong Investment in Health': The Discursive Construction of 'Problems' in Hong Kong Health Policy," *Health Policy and Planning*, 17(2):161-66.
- Hong Kong Government. 1964. *Development of Medical Services in Hong Kong*. Hong Kong: Government Printer.
- . 1993. *Towards Better Health: A Consultation Document*. Hong Kong: Government Printer.
- Hong Kong Housing Authority. 2000. *Housing in Figures: 2000 Edition*. Hong Kong: Hong Kong Housing Authority.
- Hong Kong Special Administrative Region Government (HKSAR Government). 1998. *Hong Kong: A New Era*. Hong Kong: Printing Department.
- . 2005. *Hong Kong 2004*. Hong Kong: Government Logistics Department.
- Information Services Department. 2006. "Slight Fall in Social Security Cases," 8 March (<http://www.news.gov.hk/en/category/health>

- andcommunity/060307/html/060307en05003.htm, accessed on 25 March 2006).
- Keung, John. 1985. "Government Intervention and Housing Policy in Hong Kong: A Structural Analysis," *Third World Planning Review*, 7(1):23-44.
- KPMG. 2001. *Tax Base Study for the Hong Kong Government Advisory Committee on New Broad-based Taxes*. Hong Kong: Finance Bureau (http://www.kpmg.com.hk/en/virtual_library/Tax/Tax_Base_Study0107.pdf, accessed on 1 June 2005).
- Marmor, Theodore R., Jerry L. Mashaw and Philip L. Harvey. 1990. *America's Misunderstood Welfare State: Persistent Myths, Enduring Realities*. New York: Basic Books.
- Pierson, Paul (ed.). 2001. *The New Politics of the Welfare State*. Oxford: Oxford University Press.
- Social Welfare Department. 1998. *Support for Self-reliance: Report on Review of the Comprehensive Social Security Assistance Scheme*. Hong Kong: Printing Department.
- Task Force on Review of Public Finances. 2002. *Final Report to the Financial Secretary by Task Force on Review of Public Finances*. Hong Kong: Financial Services and the Treasury Bureau.
- Walker, Alan and Chack-kie Wong. 1996. "Rethinking the Western Construction of the Welfare State," *International Journal of Health Services*, 26(1):67-92.
- Walker, Alan and Chack-kie Wong (eds.). 2005. *East Asian Welfare Regimes in Transition: From Confucianism to Globalisation*. Bristol: Policy Press.
- Wong, Chack-kie. 1997. "Attitudes of Hong Kong Chinese to State Welfare Intervention: A Study of the Relation between Economic Growth and Welfare State Programmes," *Social Development Issues*, 19(2):55-69.
- Wong, Chack-kie and Ka-ying Wong. 2004. "Universal Ideals and Particular Constraints of Social Citizenship: The Chinese Experience of Unifying Rights and Responsibilities," *International Journal of Social Welfare*, 13(2):103-11.

Squaring the Welfare Circle in Post-1997 Hong Kong

Abstract

This paper looks at governance in social policy in the post-1997 era in Hong Kong. It sees that governments in advanced societies face the universal dilemma of striving to achieve a proper balance between a rising demand for social welfare and the simultaneous demand to limit public expenditures. The paper argues that managing public expectations is more important than simply finding more resources to try to meet infinitely rising demands. In other words, in today's new socioeconomic reality balancing rights with responsibilities is significant in squaring the welfare circle. Apart from presenting the main features of Hong Kong's welfare system, the paper also examines the efforts of the Hong Kong government to square the welfare circle, and discusses how people regard their responsibility for funding social welfare.

為後九七香港的福利圈清帳

王卓祺

(中文摘要)

本文檢視後九七香港社會政策的管治，它看到一個普遍存在於富裕社會政府所面對的兩難困境——如何有效平衡公眾對社會福利不斷提升的要求，以及對公共開支的控制。本文認為管理公眾無止境的期望比獲得更多資源遠為重要。即是說，在今天的社會經濟現實下，平衡權責是為福利圈清帳的重要事情。本文除了介紹香港福利制度的特點外，還探討了香港特區政府為福利圈清帳所作出的努力，以及普羅大眾對承擔社會福利的意願。

HONG KONG INSTITUTE OF ASIA-PACIFIC STUDIES

The Hong Kong Institute of Asia-Pacific Studies was established in September 1990 to promote multidisciplinary social science research on social, political and economic development. Research emphasis is placed on the role of Hong Kong in the Asia-Pacific region and the reciprocal effects of the development of Hong Kong and the Asia-Pacific region.

Director: Yeung Yue-man, PhD(*Chic.*),
Research Professor

Associate Director: Sung Yun-wing, PhD(*Minn.*),
Professor, Department of Economics