



Social Development Index 2014

Press Release

29 May 2014



香港公益金

THE COMMUNITY CHEST

Acknowledgement: The Community Chest

Outline of the Release

- 1. Introduction of Social Development Index (SDI)**
- 2. Report on SDI and sub-indexes with major observation**
- 3. Observations and Recommendations**

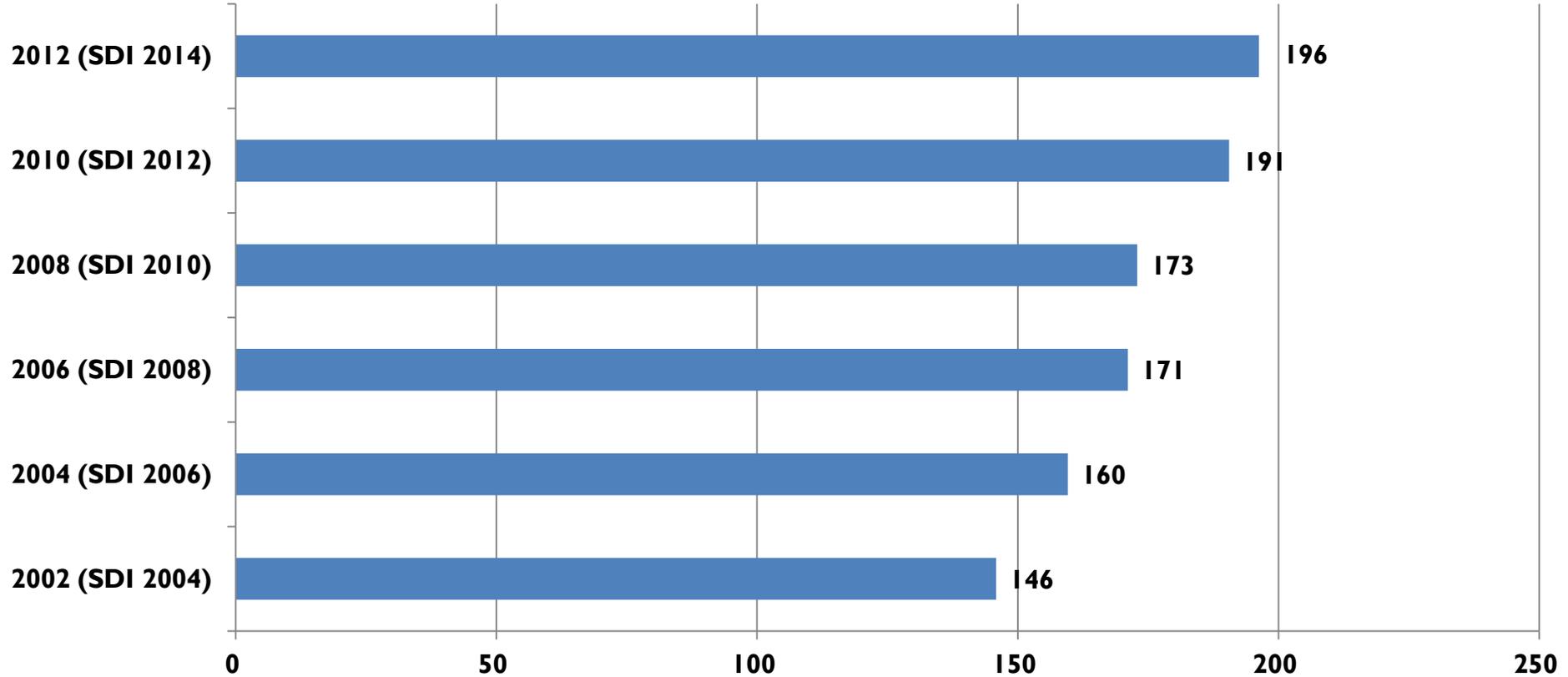
Introduction of Social Development Index

Introduction of Social Development Index (SDI)

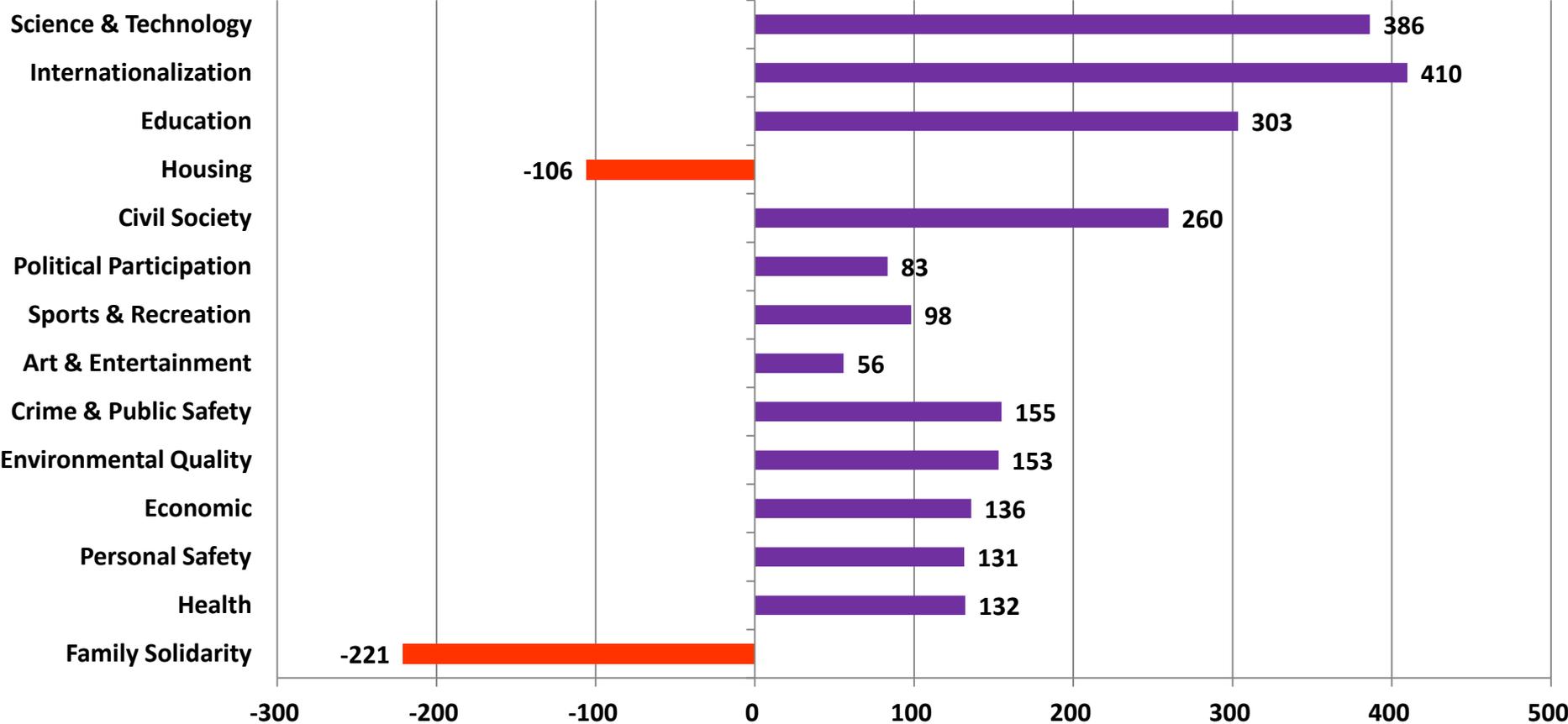
- **A system of objective indicators including:**
 - **14 Domains of Development**
 - **5 Population Groups**
- **By using the data in 1991 (SDI=100) as the benchmark, SDI aims to track local social development and assess overall social and economic needs.**
- **Indexes serve as warning signals, drawing the public attention to specific patterns of development of various domains and groups.**
- **SDI 2014 uses the data in 2012 to describe the social development of Hong Kong in 2012.**

Report on SDI and sub-indexes with Major Observation

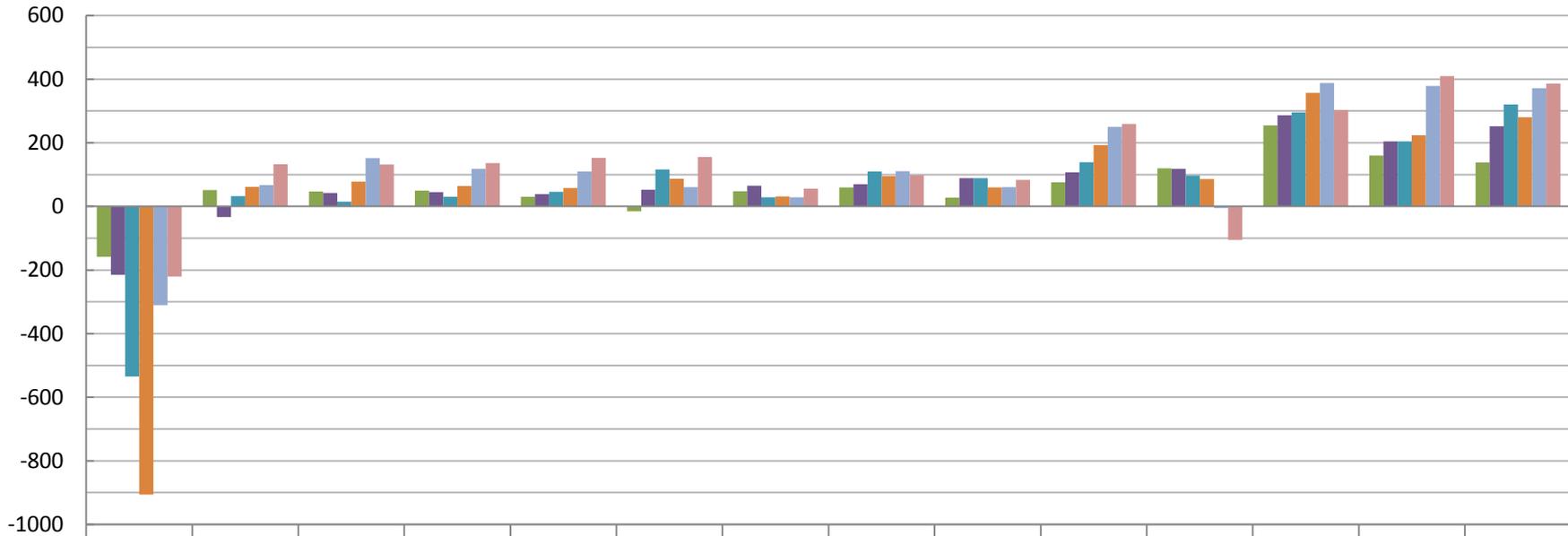
Standardized Weighted SDI Scores (2004 – 2014)



Overview of Social Development Sub-indexes



Social Development Trends by Sub-index (2002-2012)



	Family Solidarity	Health	Personal Safety	Economic	Environmental Quality	Crime & Public Safety	Art & Entertainment	Sports & Recreation	Political Participation	Civil Society	Housing	Education	Internationalization	Science & Technology
■ 2002 (SDI 2004)	-158	51	47	50	30	-15	48	60	28	76	120	255	160	138
■ 2004 (SDI 2006)	-215	-33	42	45	39	52	65	70	89	107	118	287	204	252
■ 2006 (SDI 2008)	-535	32	15	30	46	116	29	110	89	139	97	296	205	320
■ 2008 (SDI 2010)	-906	61	78	64	58	87	31	95	60	193	86	357	224	280
■ 2010 (SDI 2012)	-311	67	151	118	110	61	29	111	60	250	-5	387	378	372
■ 2012 (SDI 2014)	-221	132	131	136	153	155	56	98	83	260	-106	303	410	386

Trends of Sub-indexes (Rising parts)

- **Economic** sub-index has been on the rise since 2006. The Gross Domestic Product and foreign reserve keep growing.
- **Crime and Public Safety** sub-index rose remarkably due to the drop of violent and non-violent crime and the number of corruption crime convictions.
- There is seen a significant rise of **Health** sub-index due to the drop of infant mortality rate, tuberculosis cases, number of adults smoking, the deaths from coronary heart diseases and suicide rate of adults.
- **Environmental Quality** rose sustainably as 100% of gazzetted beaches has been ranked as good/fair quality and domestic units fresh water consumption per capital has dropped.

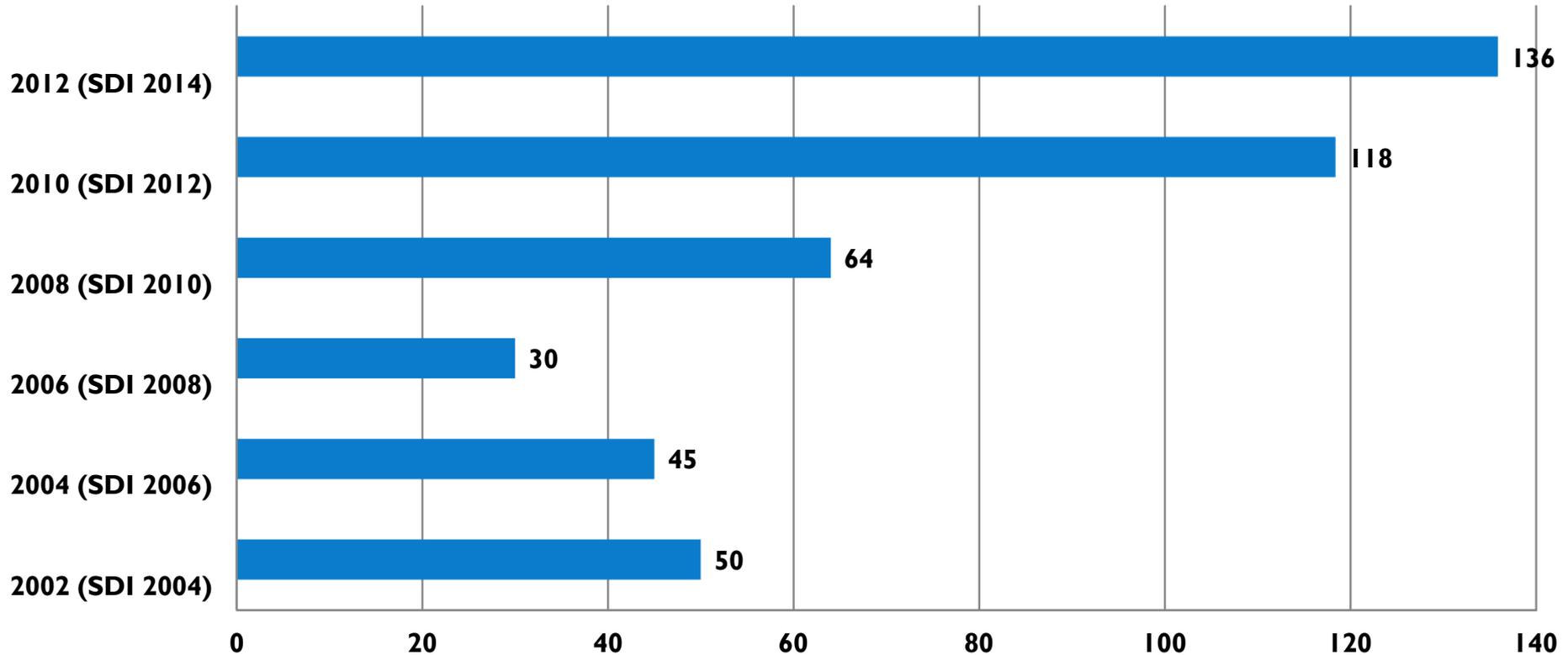
Trends of Sub-indexes (Rising parts)

- **Political Participation** sub-index rose as the percentage of district board candidates with political party affiliations and the turnout rate in the most recent District Board Elections increased.
- **Civil Society** sub-index rose subject to the growth of the number of charitable institutions and trusts recognized as qualifying for tax exemption as well as the number of persons participating in unions.
- **Family Solidarity** sub-index recorded a reversal of decline but still stayed at negative level because of domestic violence case and the relatively high divorce rate. Although the number of domestic violence case had dropped, it is still higher than level before 2004.

Trends of Sub-indexes (Falling parts)

- **Housing** sub-index recorded a persistent decline subject to the surge of waiting list applicants for Housing Authority rental flats, up from 145 thousands people in 2010 to nearly 190 thousands people in 2012.
- There is a dip in **Personal Safety** sub-index due to the increase of reported food poisoning cases, number of occupational fatalities and number traffic fatalities
- **Sports & Recreation** sub-index dropped compare with the sub-index in 2012 due to the reduced size of delegation participating in major games.
- Both the percentage of persons aged 20 or above with upper secondary educational attainment and the percentage persons aged 15 or above having attained post-secondary education slightly increased, yet the number of adults in continuing education dropped compare to that in 2010 along with the commencement of new academic structure, resulting in an overall decline of the **Education** sub-index.

Social Development sub-Index - Economic



➤ **Economic sub-index increased by 15% compared with the last release.**

Social Development sub-Index - Economic

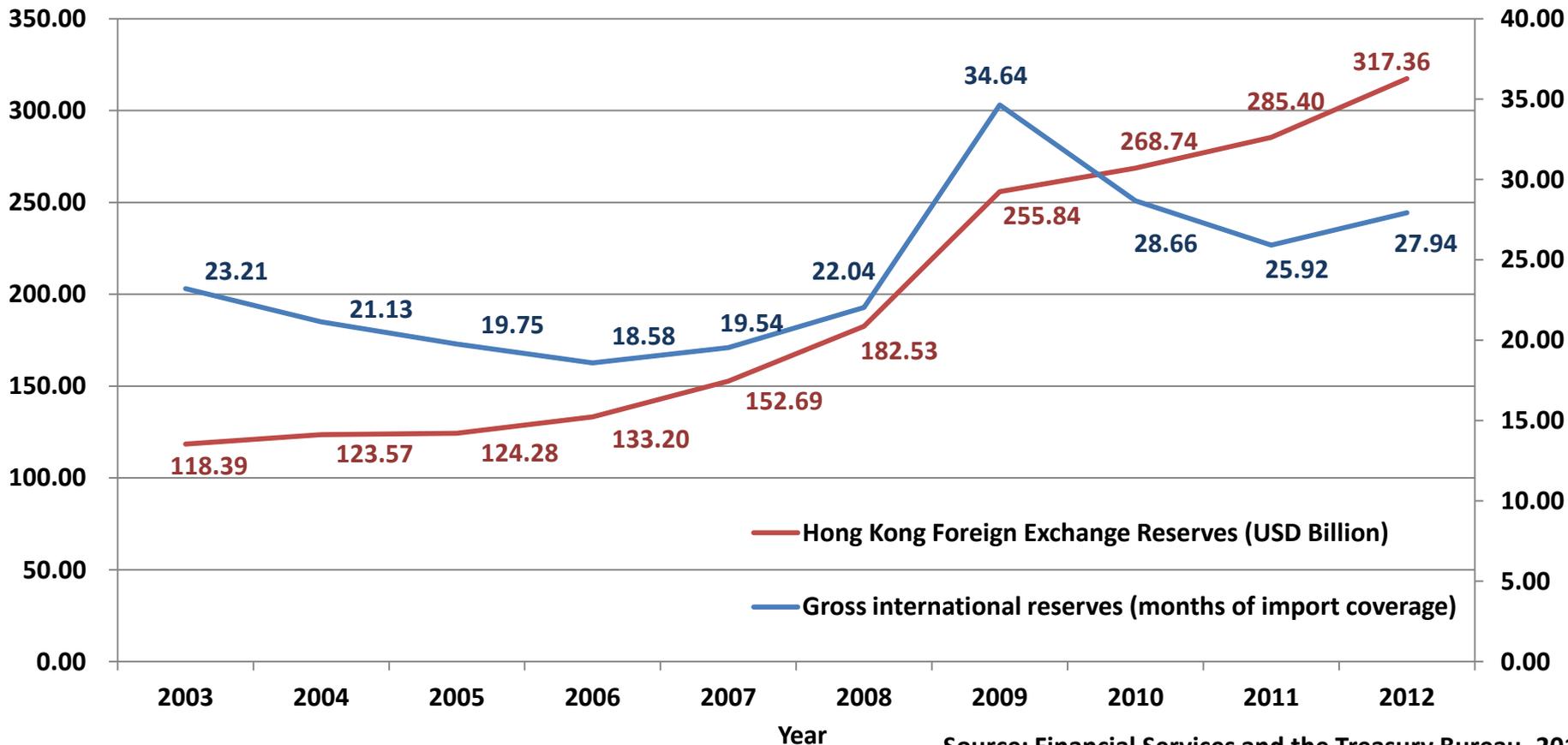
	Raw Data					
Economic sub-index	2002	2004	2006	2008	2010	2012
Per capita GDP	187,745	209,095	237,755	254,770	262,878	274,670
Gross international reserves (months of import coverage)	22.63	21.14	18.58	22.03	28.66	27.94
Percentage of total household income earned by the bottom 50% of households	18.1	18	17.7	17.5	16.8	17.6

- **Per capita GDP increased by 4.5% in 2012 compared with 2010.**
- **The percentage of total household income earned by the bottom 50% of households increased lightly by 1%.**

Stock of Foreign Currency Reserve

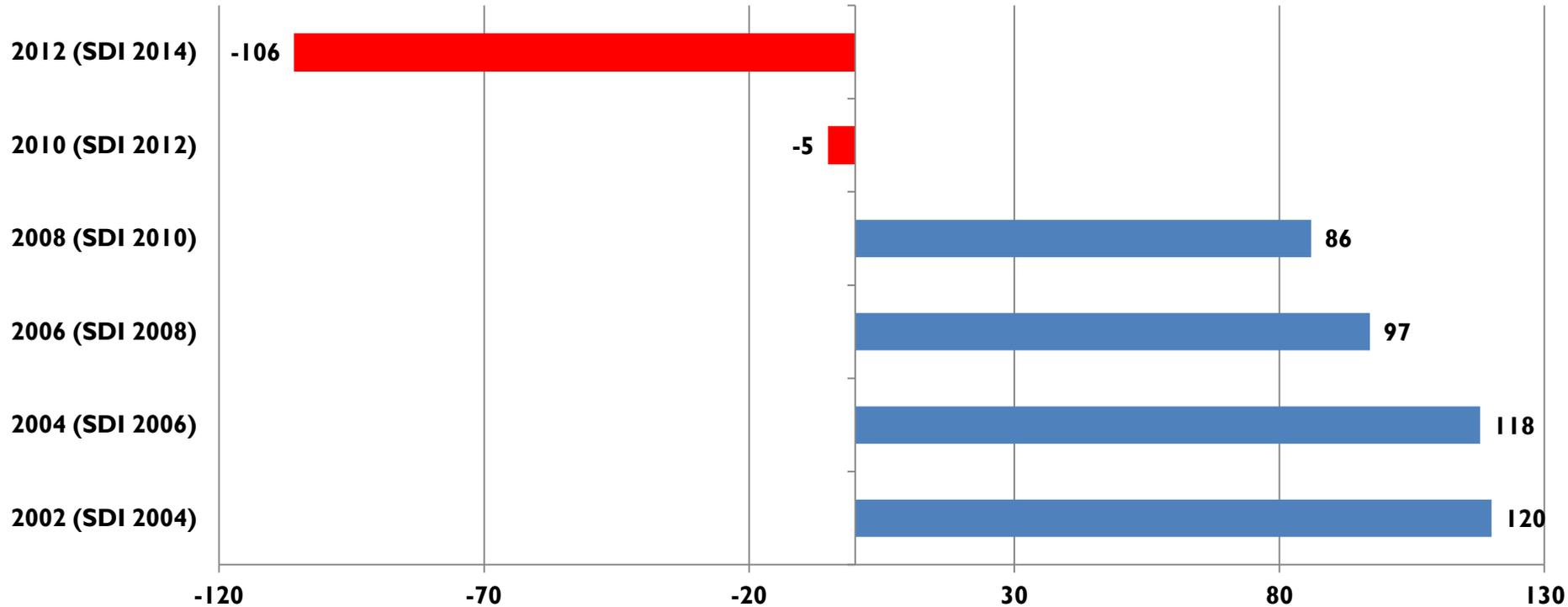
Billion US Dollars

No. of Months



Source: Financial Services and the Treasury Bureau, 2013

Social Development sub-Index - Housing



- Housing sub-index recorded a gradual regression since 2002. It has a drop of 20 times compare with the index in 2012.

Social Development sub-Index - Housing

	Raw Data					
Housing sub-index	2002	2004	2006	2008	2010	2012
No. of waiting list applicants for Housing Authority rental flats	91,578	92,556	106,575	111,264	145,000	189,500
Percentage of expenditure on housing as share of total household expenditure	32.2	32.2	30.6	30.6	32.8	32.8

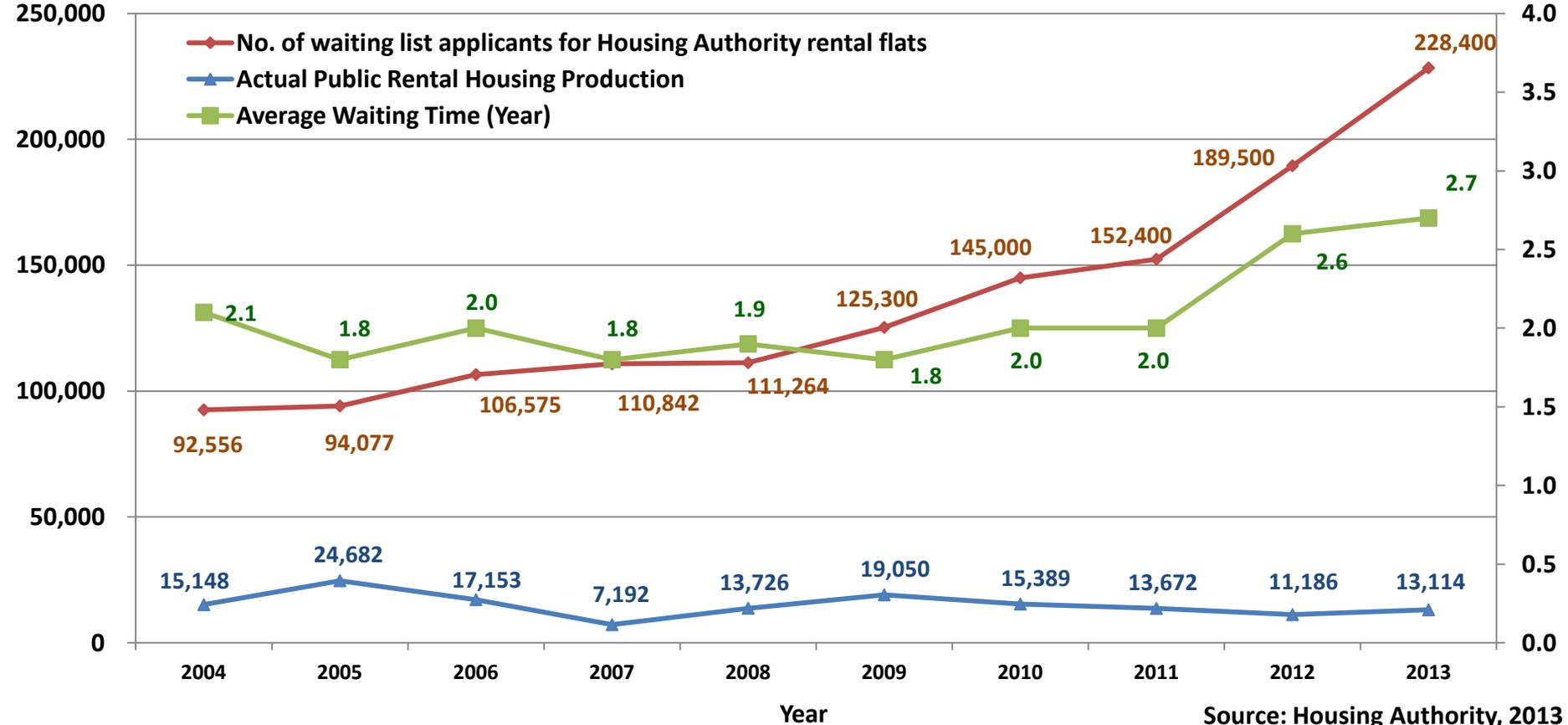
Source: Housing Authority, 2013

- **The number of waiting list applicants for public rental flat keeps increasing. The number surged to 230 thousands in 2013 from 190 thousands in 2012.**
- **The percentage of expenditure on housing as share of total household expenditure of 2010 and 2012 is 32.8%, which is at decade high.**

Waiting list of Public Rental Housing

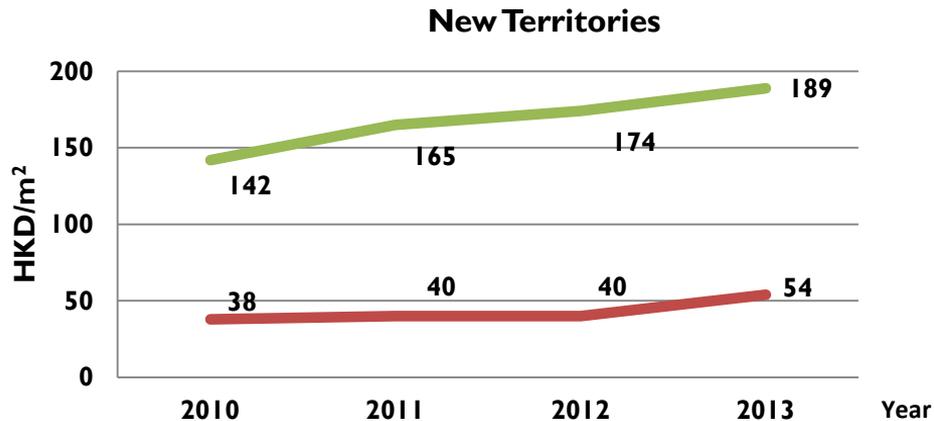
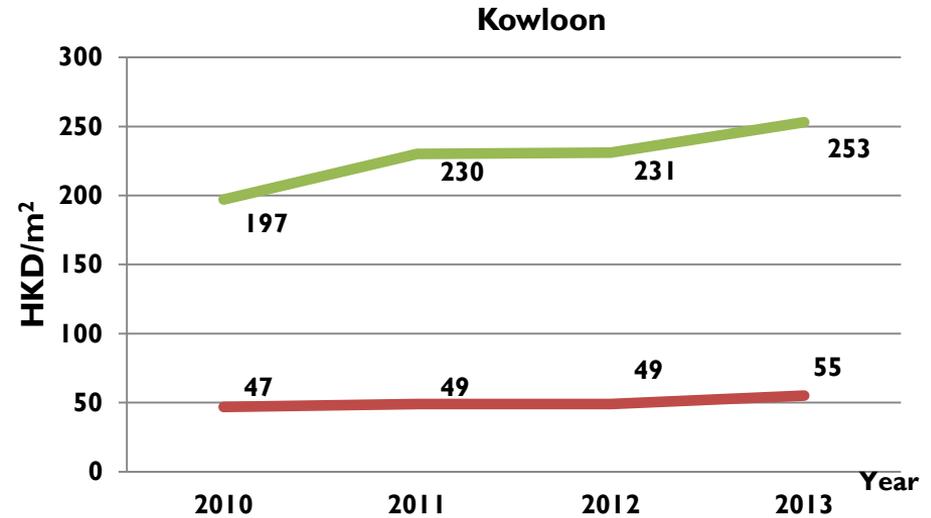
No. of people

No. of Year



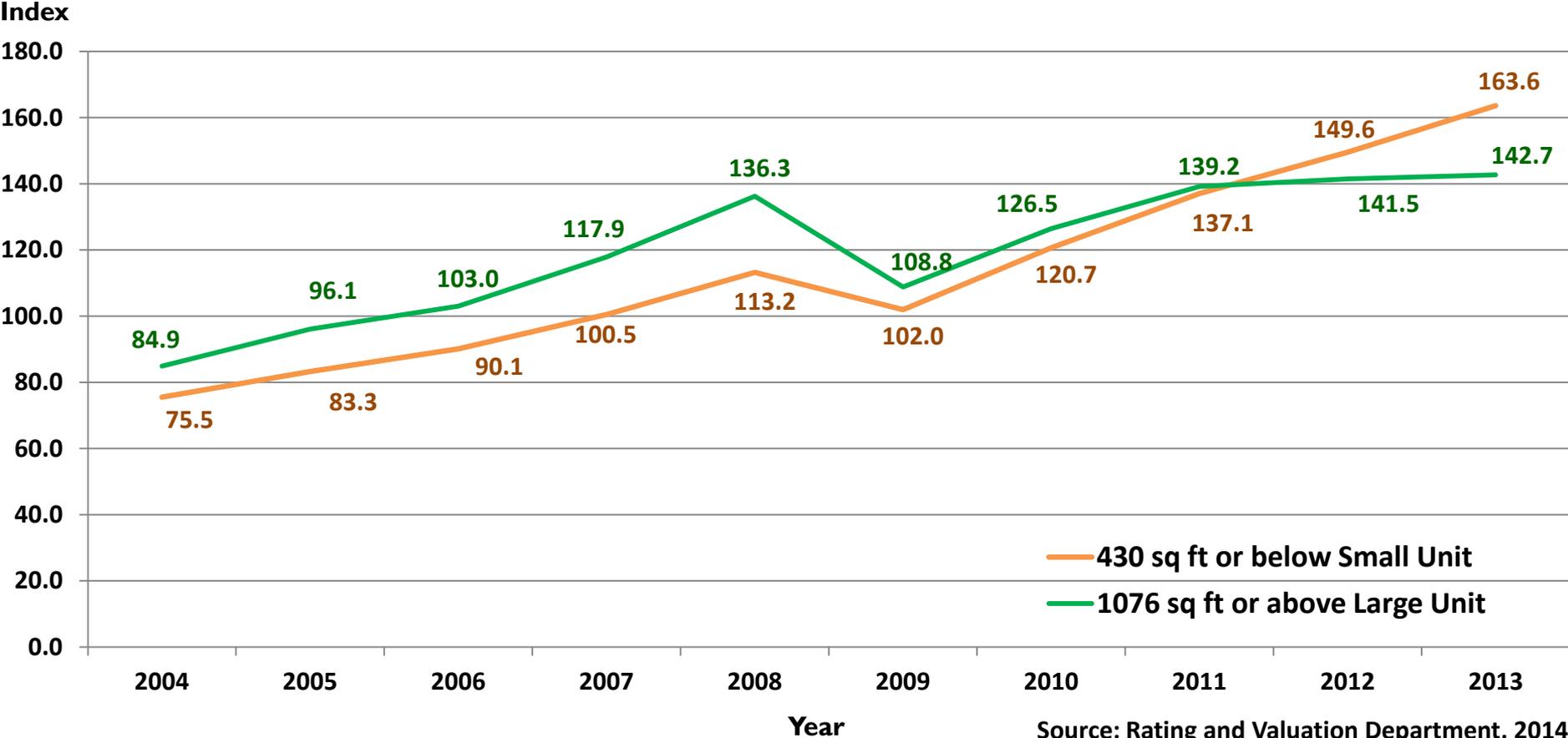
Source: Housing Authority, 2013

Change of Rent of Private Permanent Housing



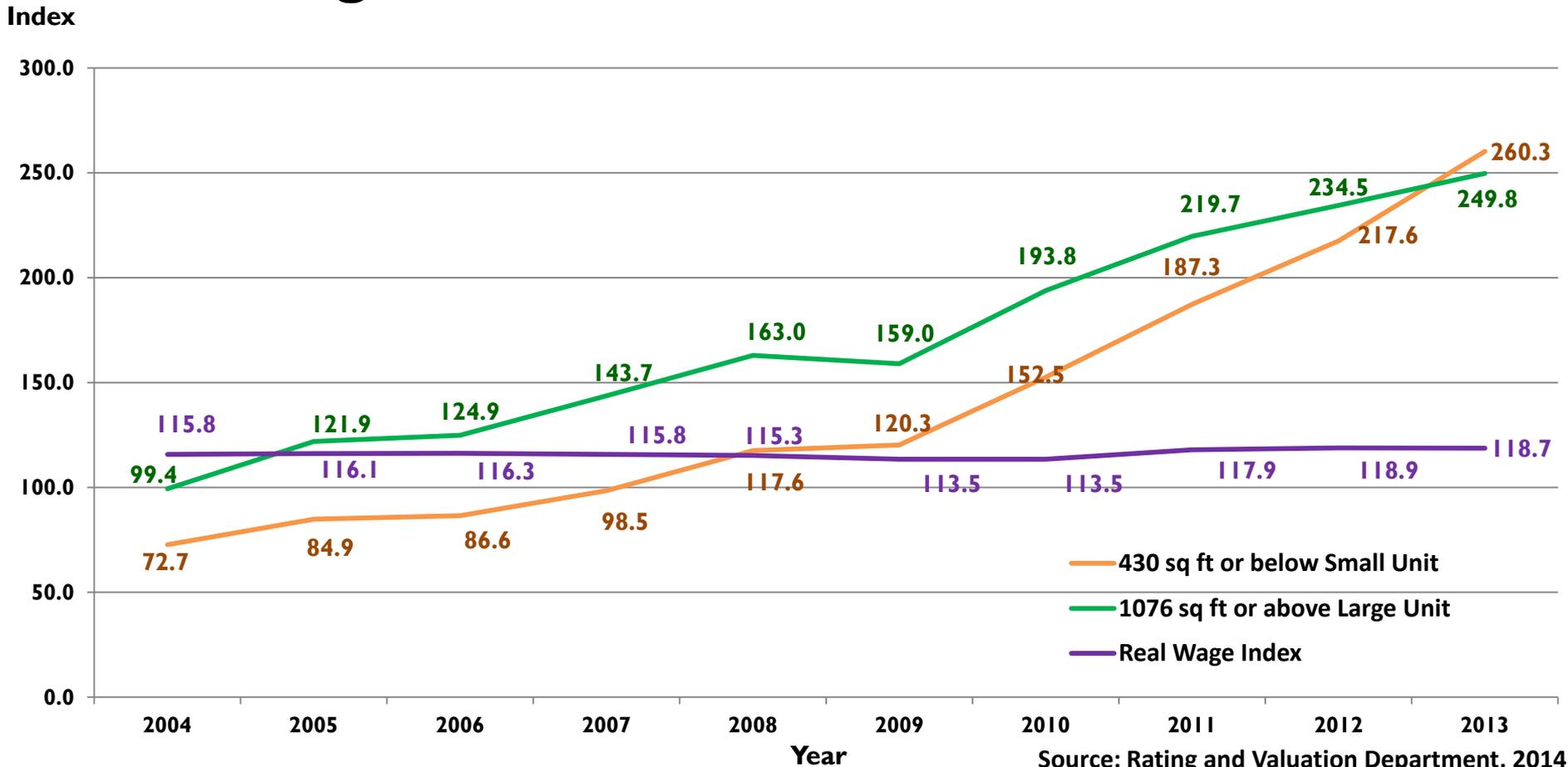
■ Private Permanent Flats
■ HA Public Rental Housing Flats

Change of Private Domestic Rental Indices

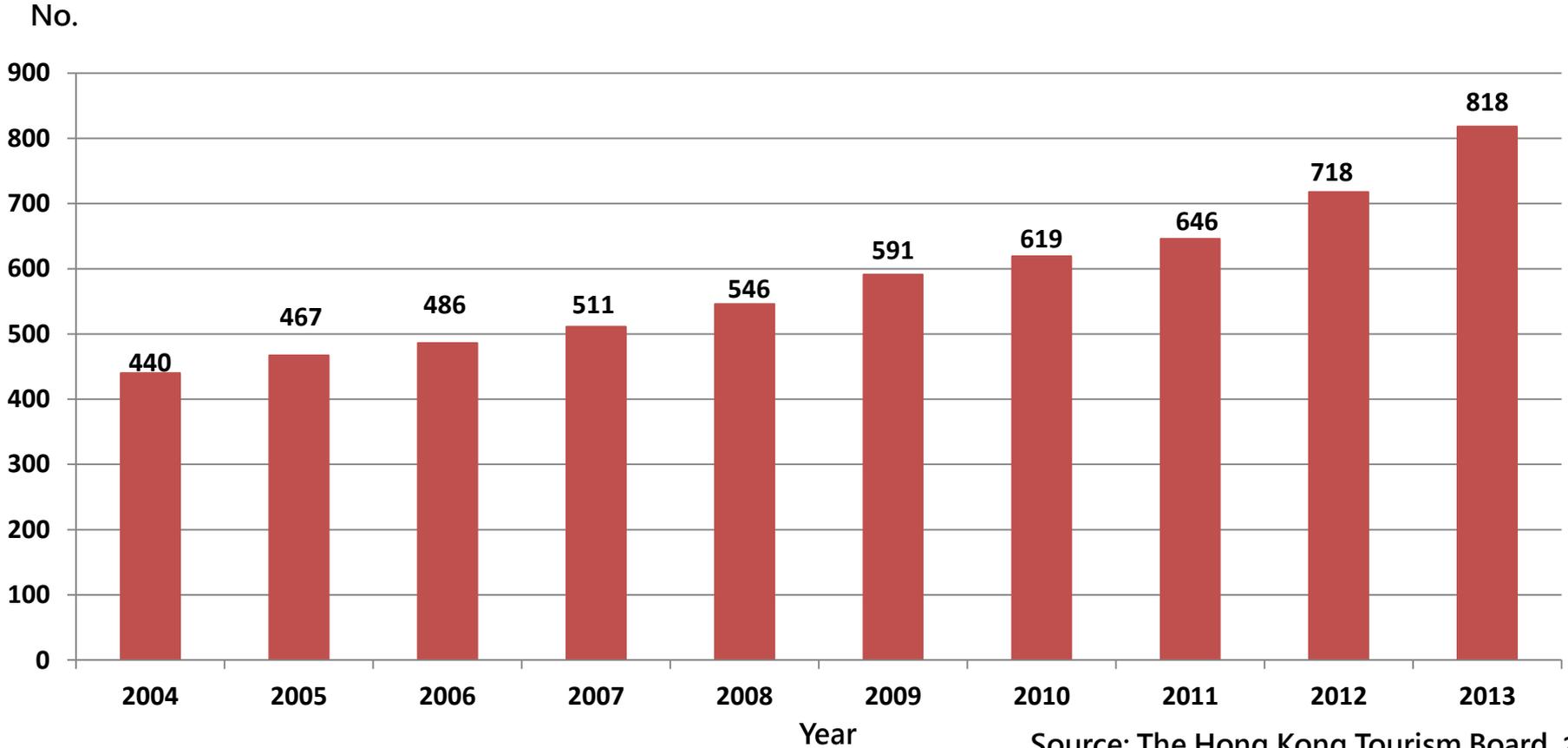


Source: Rating and Valuation Department, 2014

Change of Private Domestic Price Indices

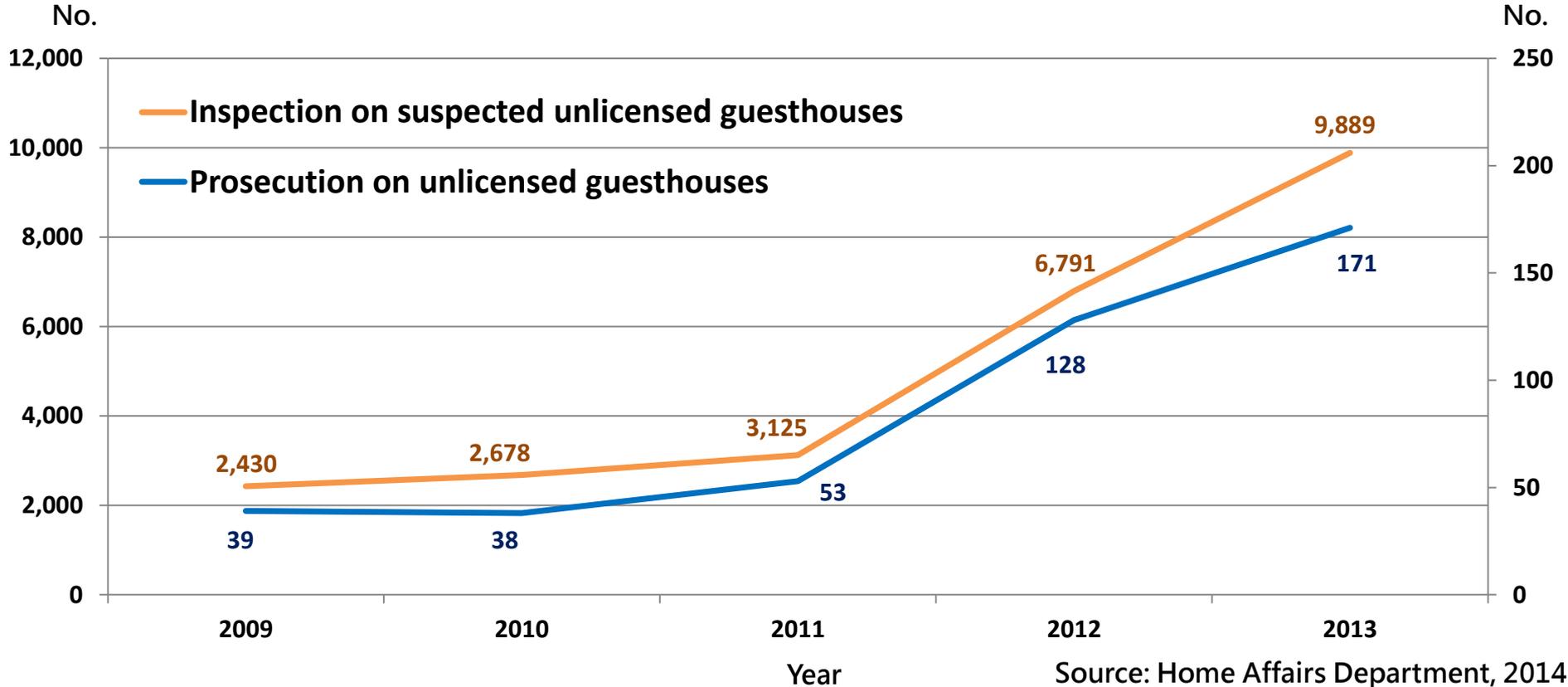


Number of Guesthouses in Hong Kong



Source: The Hong Kong Tourism Board, 2014

Enforcement figures on inspection and prosecution against unlicensed guesthouses



Newly registered non-elderly one-person applicants

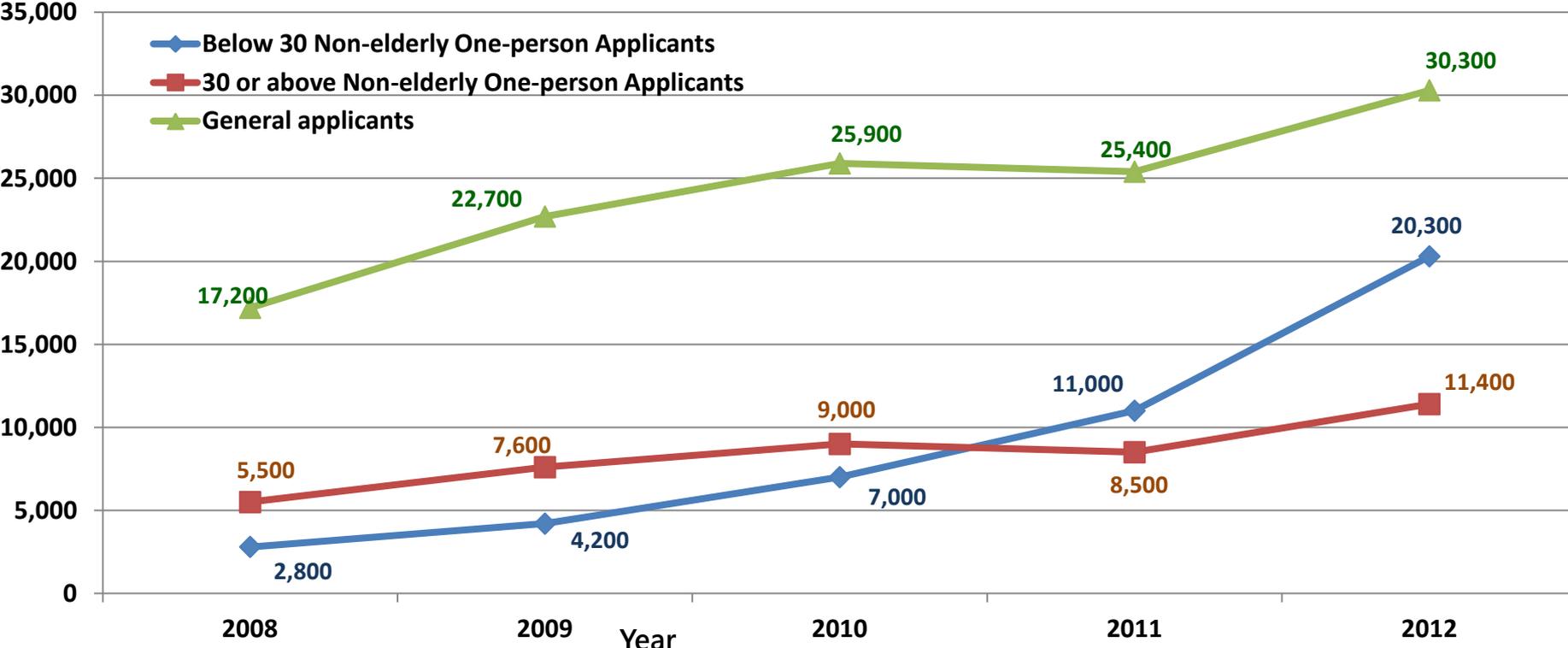
Age	2008	2009	2010	2011	2012	2013
Below 30	2,800 (34%)	4,200 (36%)	7,000 (44%)	11,000 (56%)	20,300 (64%)	19,600 (62%)
30 or above	5,500 (66%)	7,600 (64%)	9,000 (56%)	8,500 (44%)	11,400 (36%)	12,600 (38%)
Total	8,300 (100%)	11,800 (100%)	16,000 (100%)	19,500 (100%)	31,700 (100%)	32,200 (100%)
Average age	37	37	35	32	30	30

Source: Housing Authority, 2013

- Under the Quota and Points System, the number of newly registered non-elderly one-person applicants continues to grow, particularly applicants aged below 30.
- The number and percentage of the newly registered non-elderly one-person applicants aged below 30 edged up to 60% from 30% recorded five years ago.
- The average age of applicants remains at 30, much lower when comparing to the period between 2008 to 2011.

Change of Newly Registered Applicants of PRH

No. of People



Source: Housing Authority, 2013

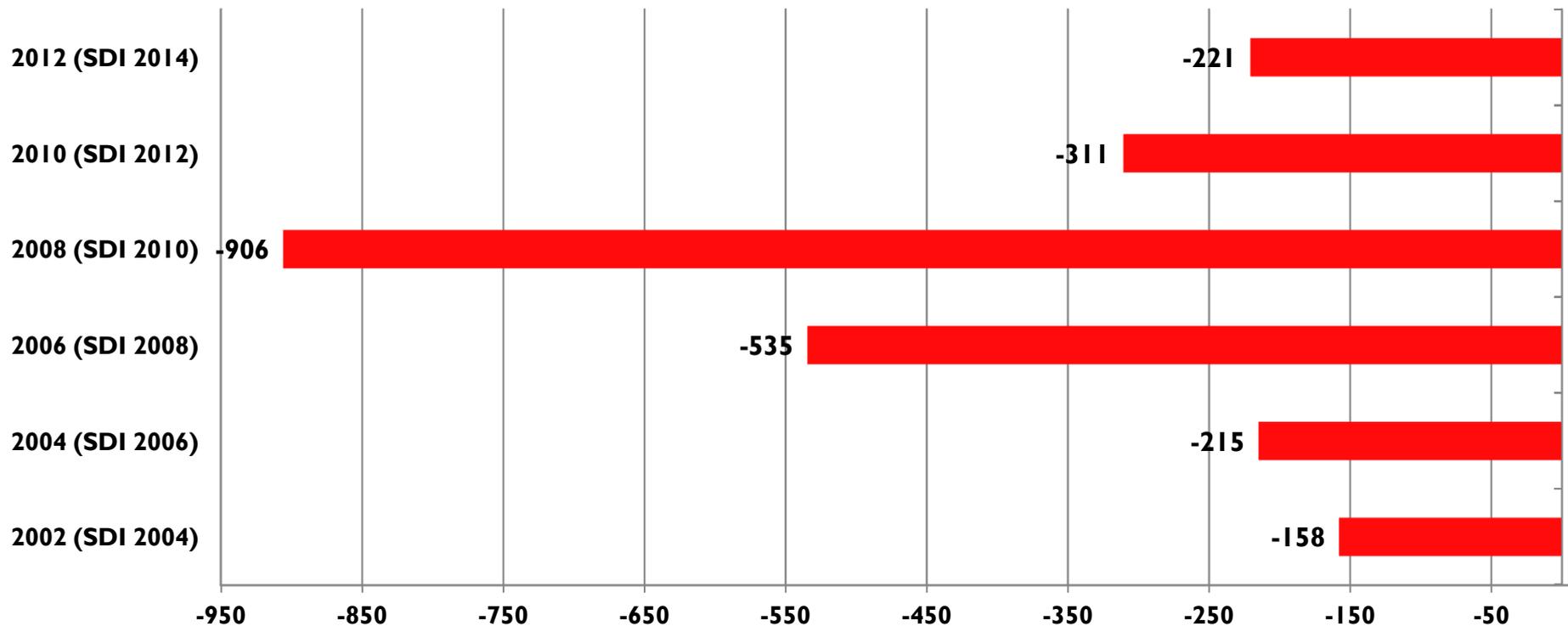
Analysis on Housing Development

- The rent and the price of private housing has been on the rise since 2004. Its rate of increase of small unit is higher than the large units whereas the Real Wage Index remains consistently steady. The expenditure of renting a flat in private market rests heavily on the people. It is very difficult for the people to buy their own flat as there is a wide gap between their purchasing power and property price.
- Meanwhile, the number of private housing of the grassroots is affected by different factors. For example, the number of cheap old private units dropped significantly due to different urban renewal projects (The Urban Renewal Authority had started 61 projects).
- Travel industry develops rapidly. Quite a number of tenders modify their units into guesthouses (both legal or illegal) so as to make greater profit , resulting in a contraction of available cheap housing market in urban area.

Analysis on Housing Development

- Public Rental Housing is the only way out for grassroots families.
- Middle-class people can only resolve their housing need themselves as they are out of the public housing protection.
- Other social development related research conducted by different organizations and institutions also address the housing problem in Hong Kong. The government needs to seek for alternatives other than public rental housing and Home Ownership Scheme.

Social Development sub-Index – Family Solidarity



➤ Family Solidarity sub-index edged up but still stays negative.

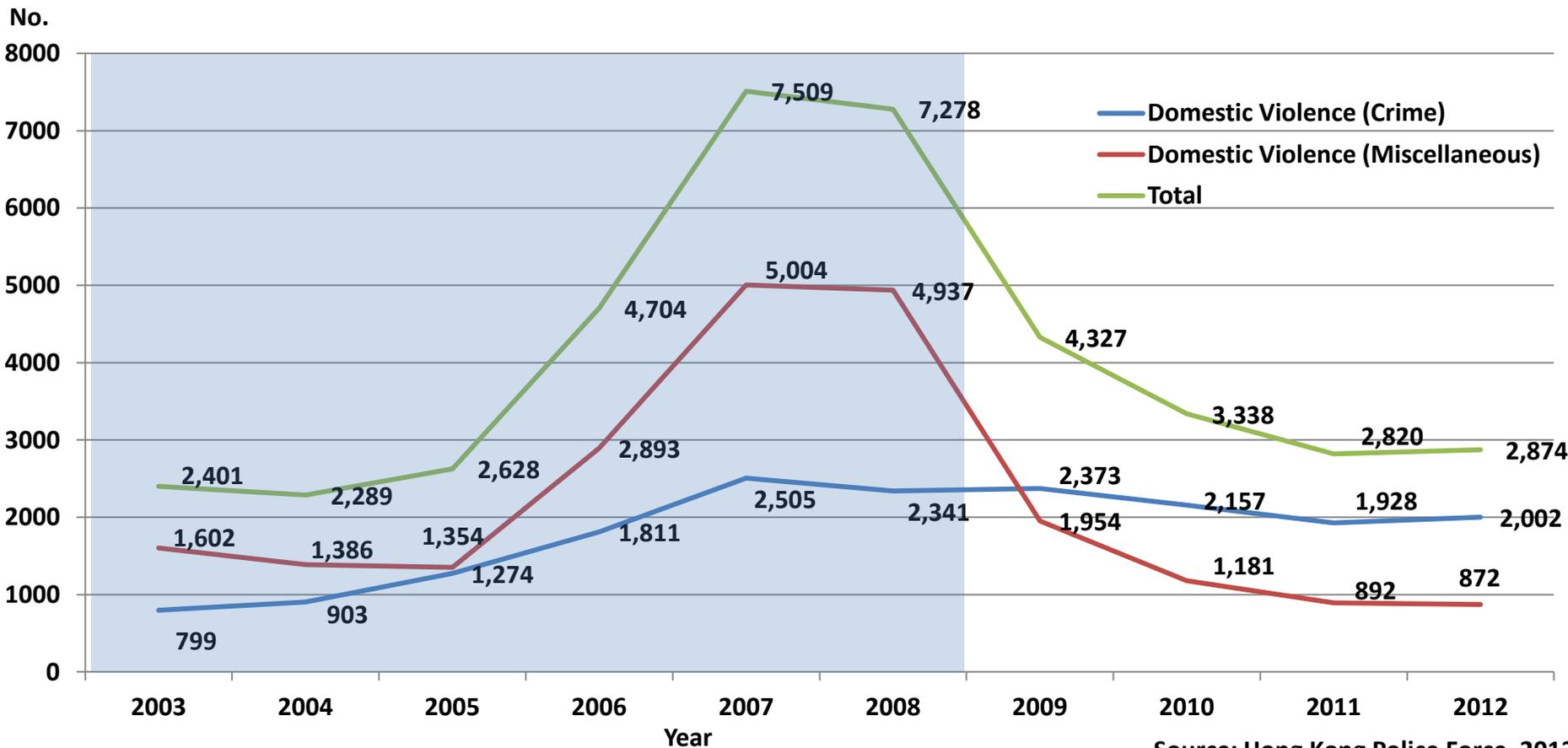
Social Development sub-Index – Family Solidarity

	Raw Data					
Social Development sub-Index – Family Solidarity	2002	2004	2006	2008	2010	2012
Marriages per 100,000 people aged 15+	562	714	849	789	849	952
Divorces as percentage of marriages	40.6	37.8	34.7	37.6	34.6	35
Reported domestic violence cases per 100,000 households	80.03	105.68	211.87	319.34	143.56	120.3

Source: Census and Statistics Department, 2013

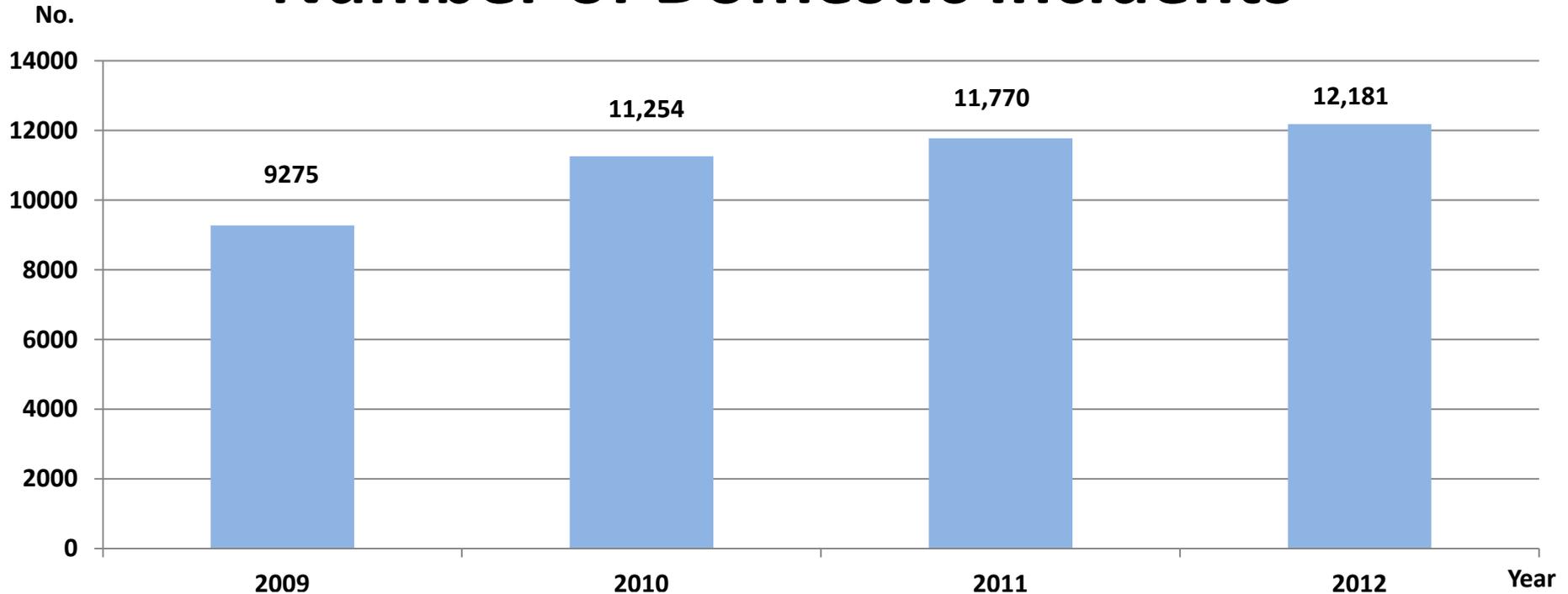
- **Family Solidarity sub-Index rises along with the increase in marriage and the drop of domestic violence cases.**
- **Remark: There is a sharp fall of domestic violence case in 2010 and 2012 compare with the data in 2008 due to the revision of definition of domestic violence. Under the same definition, however, it still recorded a decline of case in 2012 compare to that in 2010.**

Number of Domestic Violence Cases



Source: Hong Kong Police Force, 2013

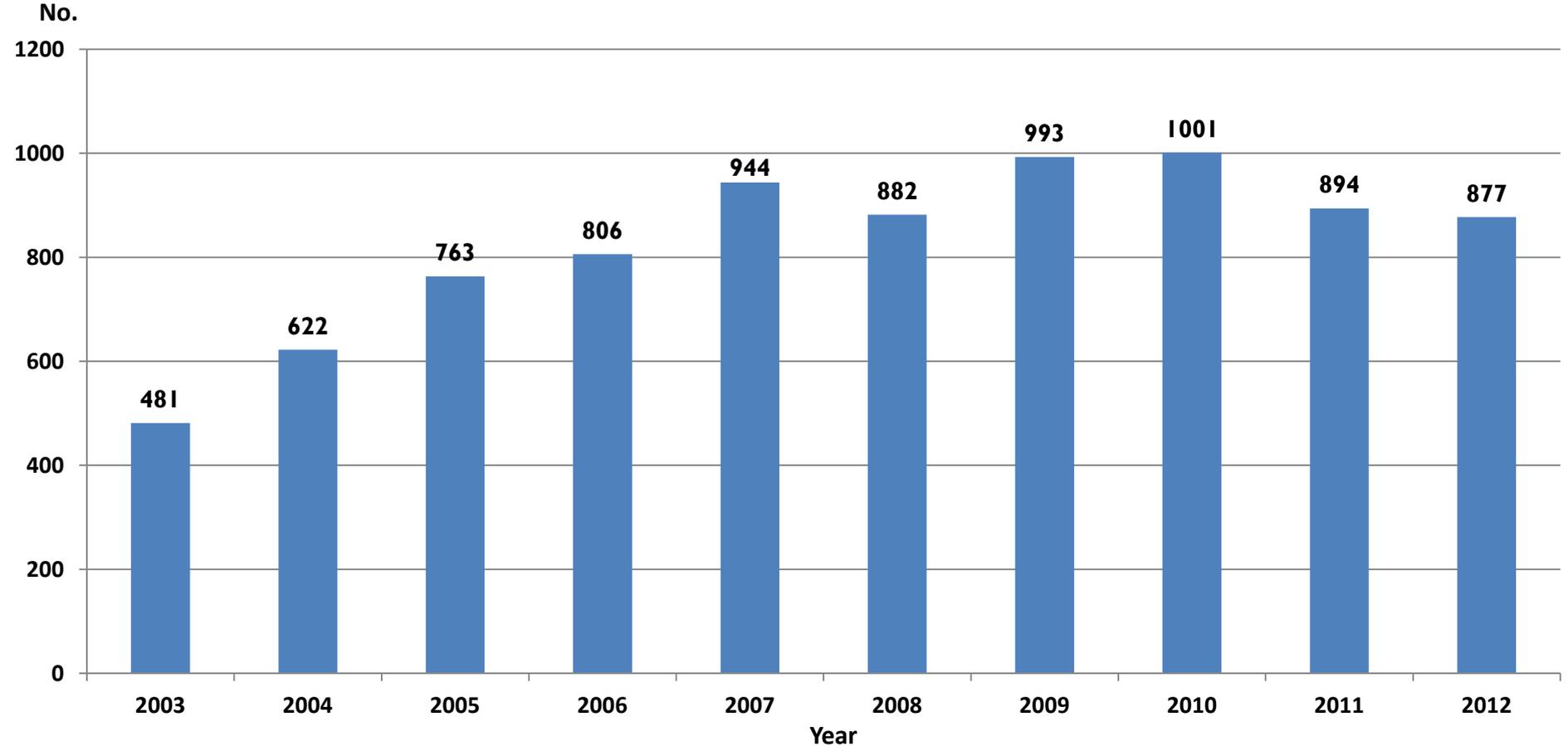
Number of Domestic Incidents



***In January 2009, the Police Force created the “Domestic Incidents” category to include all non-violent incidents involving any persons in a marital or intimate partner relationship (irrespective of the gender). These incidents, such as dispute, nuisance, annoyance, distress or argument, etc. do not have elements of crime, common assault or a breach of the peace.**

Source: Hong Kong Police Force, 2013

Number of Child Abuse Cases



Source: Social Welfare Department 2013

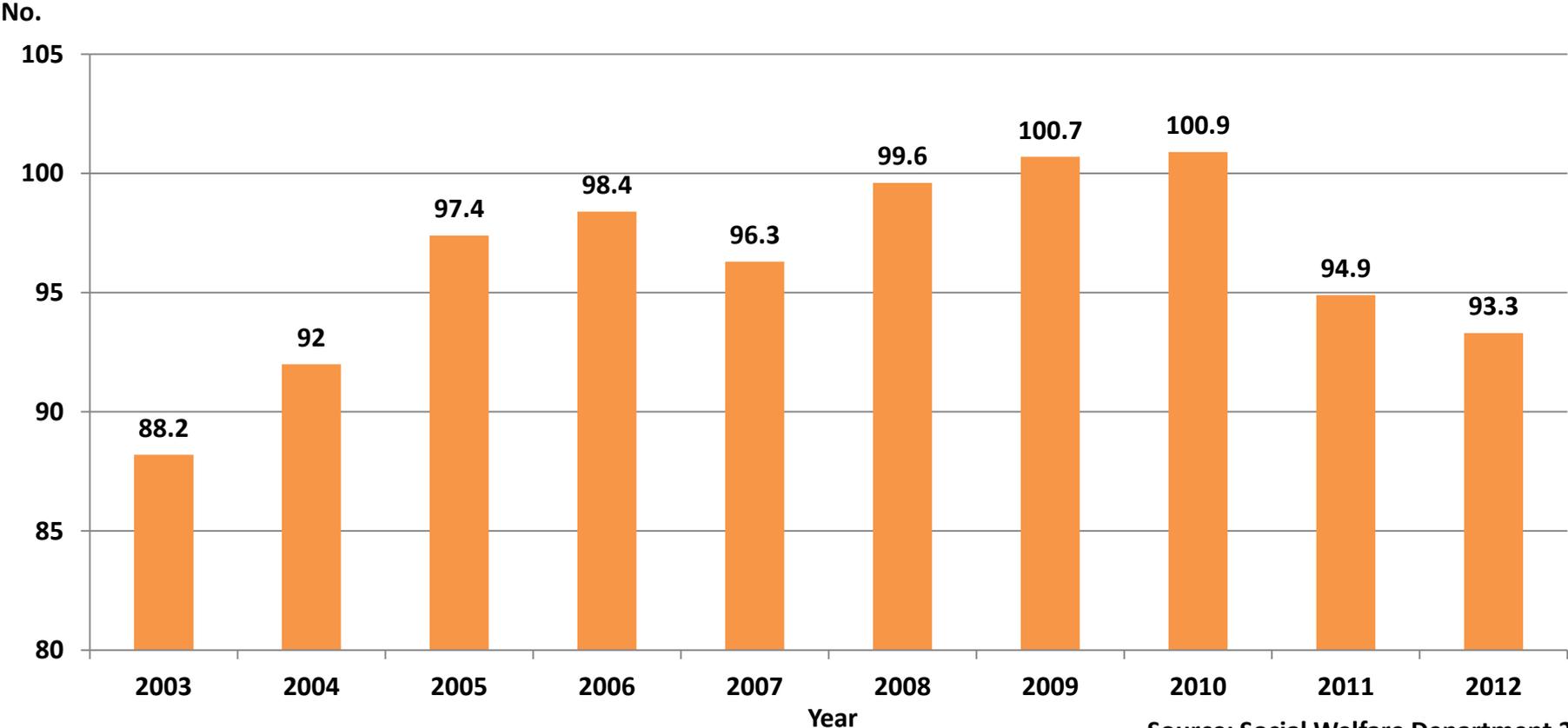
Marriage and Divorce in Hong Kong

		2007	2008	2009	2010	2011	2012
Number of marriages registered		47 453	47 331	51 175	52 558	58 369	60 459
Number of people having first marriage		-	-	-	35 826	39 979	40 841
Median age at first marriage	Male	31.2	31.1	31.0	31.2	31.2	31.1
	Female	28.3	28.4	28.5	28.7	28.9	29.0
Number of divorce decrees		18,403	17,771	17,002	18,167	19,597	21,125

Source: Census and Statistics Department, 2013

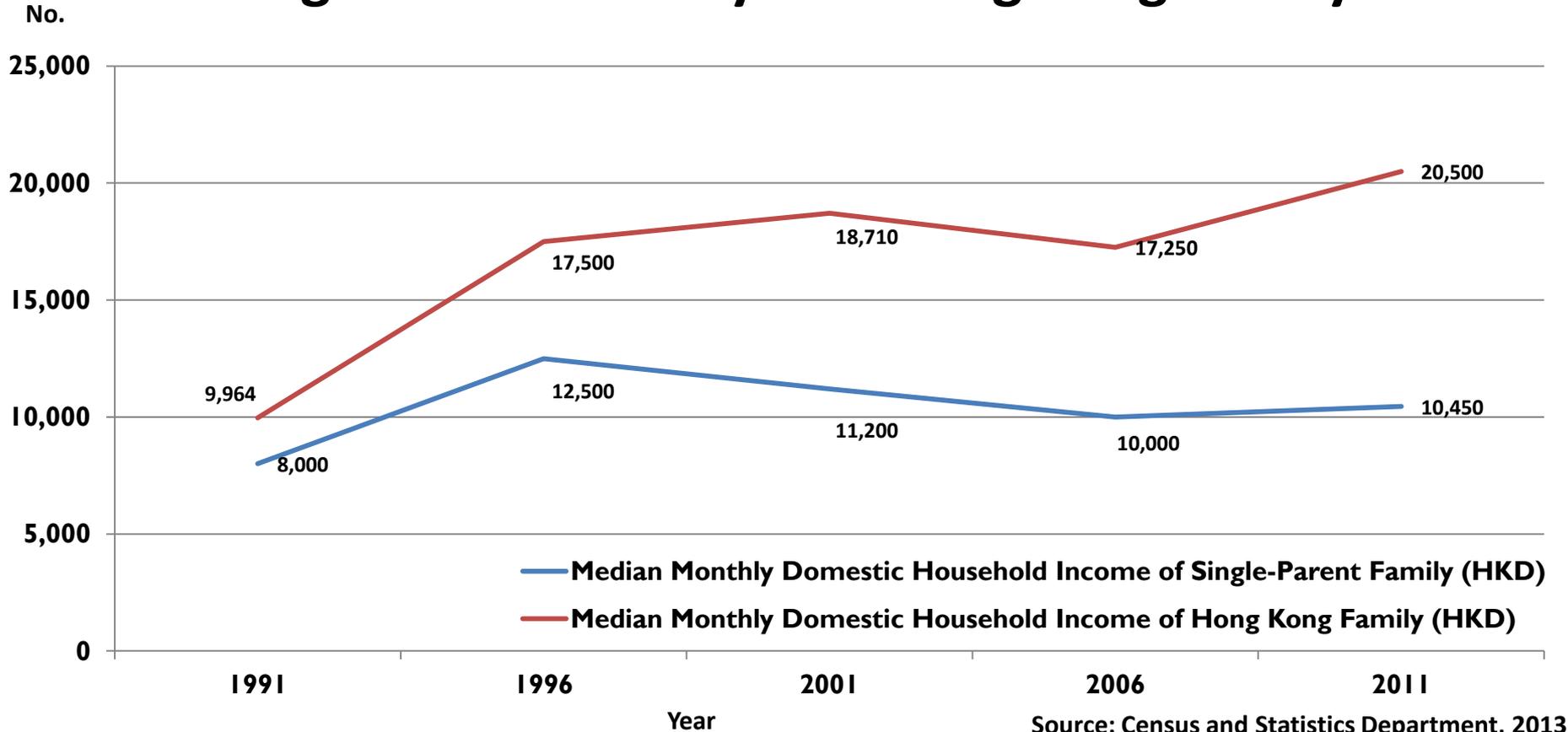
- **The number of marriages registered continuously increased from 2009 to 2012**
- **The number of divorce decrees also continues to increase over the past three years. In 2012, more than 20 thousands divorce decrees were granted, reaching its historic peak.**

Number of Children (aged 0-17) with Single Parent

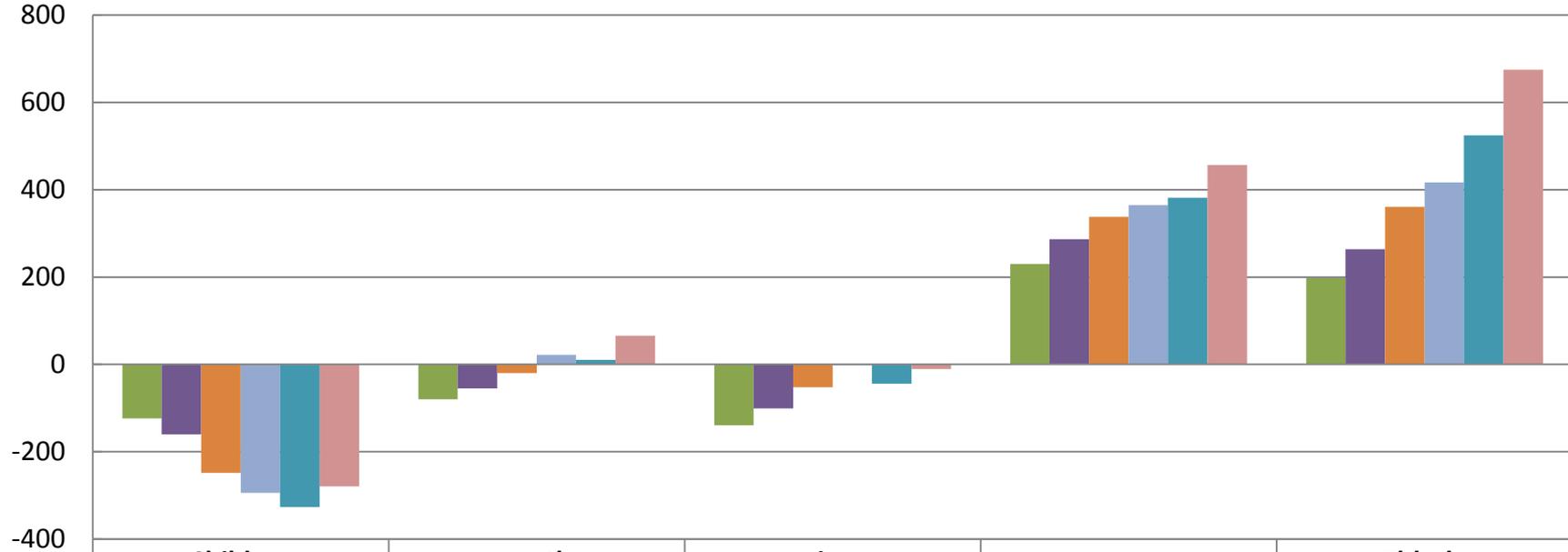


Source: Social Welfare Department 2013

Median Monthly Domestic Household Income of Single-Parent Family and Hong Kong Family



Trend of Social Development of Population Groups



	Children	Youth	Low-income	Women	Elderly
■ 2002 (SDI 2004)	-124	-80	-139	230	198
■ 2004 (SDI 2006)	-160	-55	-101	287	264
■ 2006 (SDI 2008)	-249	-20	-52	338	361
■ 2008 (SDI 2010)	-294	22	-2	365	417
■ 2010 (SDI 2012)	-327	10	-44	382	524
■ 2012 (SDI 2014)	-279	66	-10	456	675

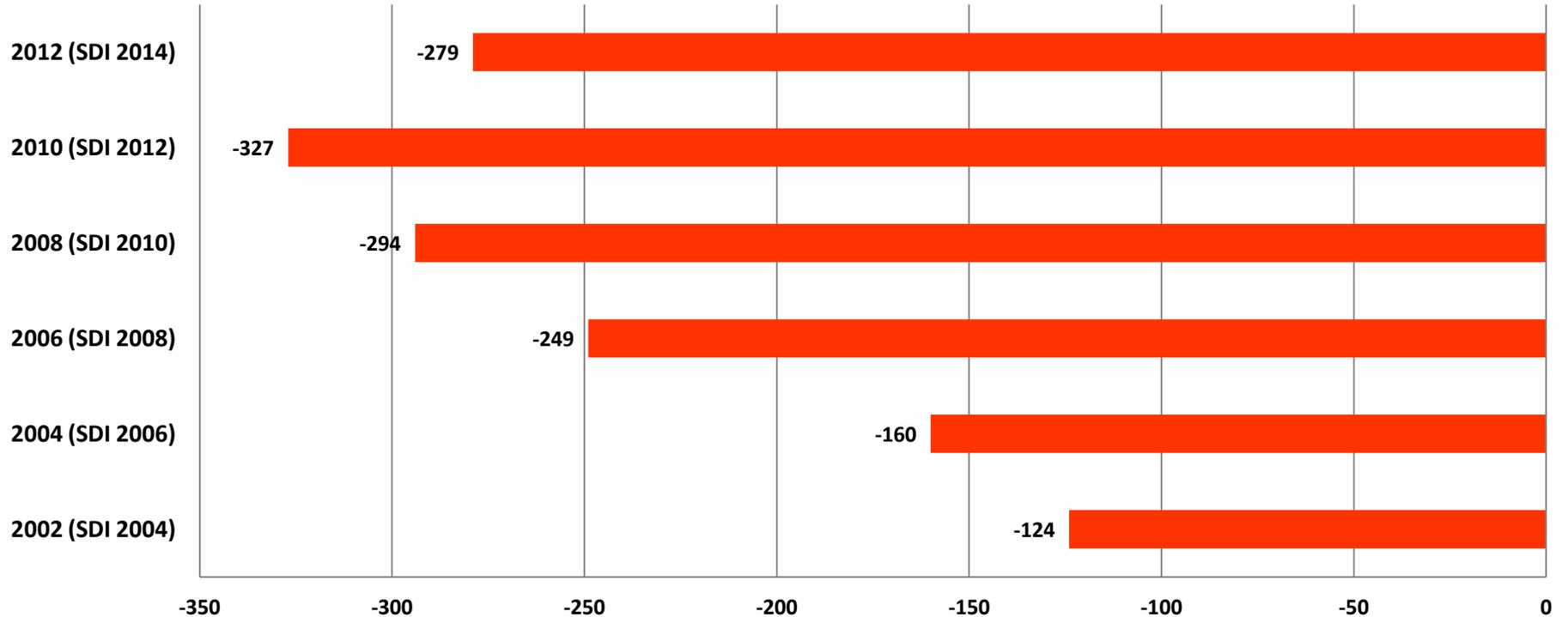
Analysis of the Trends of Social Groups

- **Children Status sub-Index** slightly increased compare to that in 2010 due to the drop of percentage of children in low-income households, the percentage of children living in single parent households, the number of child abuse cases and the number of children arrested. However the index still stays at negative.
- **Low-income group Status sub-Index** recorded progression compare to 2010, attributing to the decline of unemployment rate of this group and the rise of Real Wage Index but the sub-index still stay at negative as a whole.
- **Youth Status sub-Index** rose compare with 2010 due to the decrease of percentage of youth in low-income households and youth unemployment rate. Prevalence of drug use among youth also falls.

Analysis of the Trends of Social Groups (cont')

- **Women Status sub-Index** has been on the rise due to the increase of married women's labour force participation rate and the percentage of women administrators and managers.
- **Elderly Status sub-Index** continues to increase. Major reasons include the rise of percentage of elderly with lower secondary education attainment and turnout rate of elderly voting in most recent district board election, also the decrease in elderly suicide rate. However the percentage of elderly living in low income household slightly increased.

Social Development sub-Index – Child Status



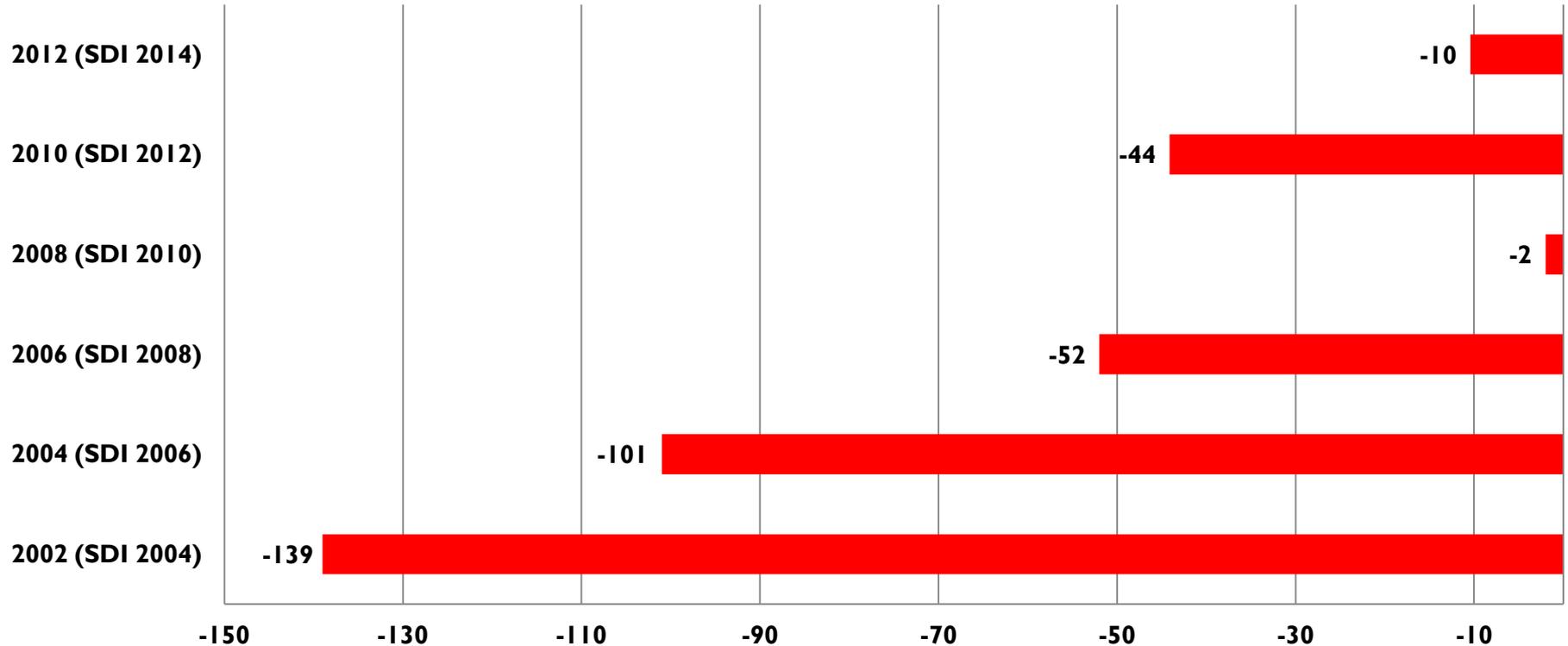
➤ A growth is recorded in Child Status, but it is still at negative level.

Social Development sub-Index – Child Status

	Raw Data					
Social Development sub-Index – Child Status	2002	2004	2006	2008	2010	2012
Percentage of children aged 0-14 in low-income households	27.2	25.8	25.8	25.3	24.8	24.8
Percentage of children living in single parent households	6.73	7.39	8.23	8.8	9.31	8.92
Under age 5 child mortality (per 1000 lives births)	3.34	3.62	2.74	3.13	2.67	2.3
Children aged 2-6 enrolled in kinder & child care centers (per 100,000 children)	62,904	67,271	57,793	58,701	61,750	62,397
Aged 0-17 child abuse cases (per 100,000 population)	40	50	67	78	92	85
Percentage of children immunized against diphtheria, tetanus and whooping cough	86.39	80.17	95	95	95	95
Aged 10-15 children arrested (per 100,000 population)	991	971	909	890	844	683

- The percentage of children living in single parent households and the number of aged 0-17 child abuse cases dipped in 2012 yet they still stayed at high level for the past decade.

Social Development sub-Index – Low-income Group Status



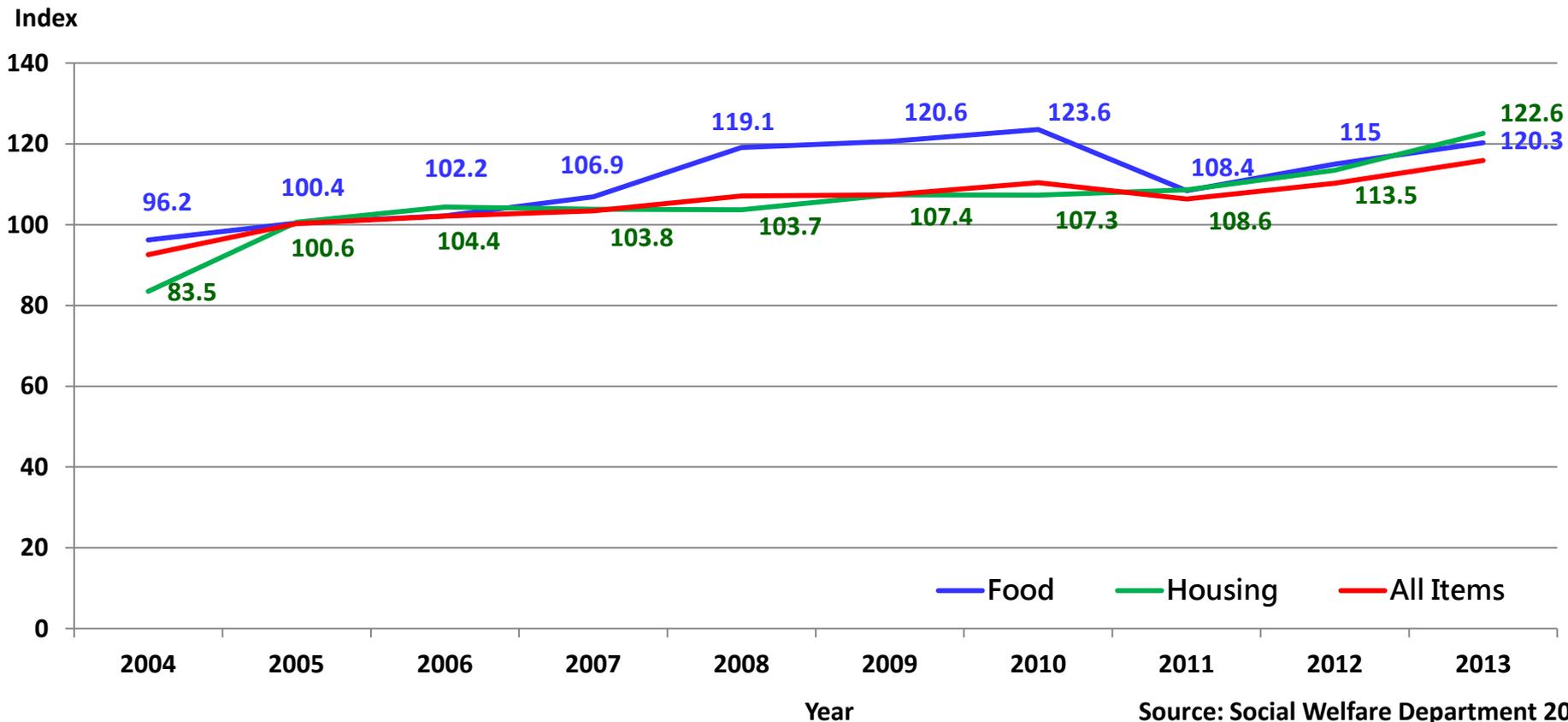
- Low-income Group sub-index reflected a sign of improvement, yet still stays negative.

Social Development sub-Index – Low-income Group

Sub-Index of Low-income Group	Raw Data					
	2002	2004	2006	2008	2010	2012
Number of people in low-income domestic households per 100,000 population	19,200	18,600	18,500	18,200	17,900	17,300
Percentage of household expenditure on housing and food for the low-income households	58.9	58.9	60.5	60.5	62	62
Unemployment rate in low-income households	30	29.1	22.1	17.2	20.1	16.4
Real Wage Index of wage workers	118	115.8	116.3	115.3	113.5	118.9
Homeless people per 100,000 population	12	7	5	5	6	8

- The implementation of the Statutory Minimum Wage resulted in the rise of Real Wage Index and the fall of No. of people in low-income domestic households per 100,000 population
- However, the percentage of household expenditure on housing and food for the low-income households is still at decade high. Despite the Statutory Minimum Wage has come into effect, the improvement of living quality of the low-income group is still limited as most of the expenditure go to basic necessity such as housing and food.

CPI (A) at commodity/service group level



Observations and Recommendations

Overall Observation

- **The economic growth in Hong Kong is significant over the past decade despite the two recessions in-between.**
- **However, social development did not align with the economic growth. The pace of social development slowed down.**
- **The sub-index of the domains related to the livelihood of the people, such as Family Solidarity sub-index, remained negative for a long period, give a strong signal on the vulnerability of family functions.**
- **The drastic drop of the Housing sub-index illustrates not only the housing problems faced by the Hong Kong people, but also the potential risk factor for the stable development of a society.**

Overall Observation

- **Statistics show that the Housing sub-index keeps falling while the extent of drop keep expanding, the main reasons are the rocketing numbers of the applicants of the Public Rental Housing, and the increasing burden of Hong Kong people on housing expenditure.**
- **It is a fact that the purchasing power of the Hong Kong people cannot catch up with the soaring property price. Failing to own their home, some Hong Kong people become pessimistic about their future, and it caused negative effect to the social development.**
- **“Housing” is the prerequisite for stable development of a society, the government should seriously tackle the housing problems.**
- **The situation will be worsen if government intervention is absent, and the discontent of the people will increase, which may cast challenges to the ruling of the Government.**

Overall Observation

- **Family Solidarity sub-index, Child sub-index and Low-income group sub-index remain broadly negative despite their rise.**
- **It is forecast indexes related to low-income group and poverty would record a sign of improvement along with the implementation of poverty relief measures such as Low-income Working Family Allowance.**
- **However, the pick up of Family Solidarity sub-index may not sustain in the next release. Family function may be weakened and child development conditions may deteriorate along with the increase of single parents families and cross border families.**

Recommendations

- **It is important to meet the housing need of the grassroots, particularly the low-income group who are in urgent housing need. We recommend the government:**
 - **To build more public rental housing (especially in urban area) and housing under Home Ownership Scheme. Evaluation on public sector should be conducted, including the role of Urban Renewal Authority in Hong Kong housing provision**
 - **To consider introducing rental adjustment measures, such as setting a longer length of notice for termination so as to protect the bargaining power of the disadvantageous tenants**

➤ **To enhance familial function and support the underprivileged families**

- **To provide supporting service for single-parent families, to minimize the adverse impact on the child through fostering “co-parenting” between father and mother. Support has to be enhanced for the single-parent families, such as the provision of foster care service, so that single-parent could return to labour market if they wish.**
- **To expand the authority and duty of Family Council, provide resource and confer power to it to conduct Family Impact Assessment for government policies.**
- **To foster family functions and cohesion, e.g. enhancing support for cross-border families and setting up standard working hours, etc.**

➤ **To narrow the gap between the rich and the poor, help the poor to get employed and increased**

- **To evaluate the taxation policy in Hong Kong, enhancing its progressivity and redistributive function so that social unrest can be eased**
- **To implement universal pension, easing elderly poverty problem.**

Acknowledgement (in alphabetical order)

- **Agriculture, Fisheries and Conservation Department**
- **Census and Statistics Department**
- **Civil Service Bureau**
- **Constitutional and Mainland Affairs Bureau**
- **Correctional Services Department**
- **Customs and Excise Department**
- **Department of Health**
- **Education Bureau**
- **Financial Services and the Treasury Bureau**
- **Home Affairs Bureau**
- **Hong Kong Law Society**
- **Hong Kong Monetary Authority**
- **Hong Kong Police Force**
- **Hospital Authority**
- **Housing Authority**
- **Immigration Department**
- **Inland Revenue Department**
- **Judiciary**
- **Labour Department**
- **Legal Aid Department**
- **Leisure and Cultural Services Department**
- **Office for Film, Newspaper & Article Administration**
- **Office of the Commissioner of Insurance**
- **Office of the Communications Authority**
- **Radio Television Hong Kong**
- **Registration and Electoral Office**
- **Security Bureau**
- **Social Welfare Department**
- **Thomson Reuters Corporation**
- **Tourism Commission**
- **Transportation Department**
- **Travel Industry Council of Hong Kong**
- **Water Supplies Department**