



Adult and child deprivation in Hong Kong

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Abstract

There is growing interest in the application of Townsend's deprivation approach to provide estimates of poverty that more directly reflect the living standards of those on low income. The consensual approach is applied here using data from the second wave (conducted in 2015–2016) of the Trends and Implications of Social Disadvantages in Hong Kong survey. The article draws on a related study that identifies separate lists of items deemed “necessary for all” by a majority of adults (aged 18 years or older) and children (aged 10–17 years). Those unable to obtain at least three of these items are identified as deprived, and the profile of household deprivation is examined in terms of the family types most affected, age groups, and numbers of children. Further analysis focuses on the disparity between children identified as living in households identified as deprived according to information provided by adults and children whose deprivation status reflects their own views. Finally, the overlaps between deprivation and four measures of poverty—two objective and income based and two subjective and perception based—are examined and discussed. The results indicate that deprivation and poverty are different but that, however it is measured, more needs to be done to address poverty in Hong Kong, including further improvements in the coverage and adequacy of health service provision and social security benefits.

KEYWORDS

child deprivation, consensual approach, deprivation, poverty

1 | INTRODUCTION AND BACKGROUND

Hong Kong is characterised by extremes of wealth and poverty, coexisting alongside each other within its geographically dense but economically dynamic borders.¹ Signs of affluence abound in its prestigious residential properties and luxurious shopping complexes, but there are many visible signs of poverty on its streets and in its high-rise communities. Growing concern over poverty has produced pressure for government action, and it has responded with a range of recent initiatives, including a new allowance for the aged, the introduction of a minimum wage, and, most recently, a family allowance targeted at low-income working families. These policy reforms have raised the incomes of many low-income families but have made little in-road into the headline poverty rate, which remains high.

The contours of poverty are being mapped regularly by the Commission on Poverty, first established in 2005 but abandoned two years later, before being re-established in 2012 with a greater remit and solid government backing. The latest report from the Commission indicates that the poverty rate in 2017 was 14.7%—down slightly from its level of 16.0% in 2009 but hardly unchanged since 2013, a 4-year period over which the economy grew by around 3% a year, whereas the unemployment rate declined slightly from an already very low 3.3% to 3.1% (Government of the Hong Kong SAR, 2018). With such an impressive economic performance, the ongoing tolerance of a poverty rate that is high by OECD standards is disappointing—the more so because the Commission's poverty line, set at 50% of median income before taxes and transfers, is also low by comparative (OECD) standards.

Despite this and other limitations of the poverty line used by the Commission (see Saunders, 2015 for a summary), the establishment of the Commission and the scope and quality of its monitoring work has set a solid platform for recent reforms and augurs well for the future. Its focus is mainly limited to income-based poverty measures, and this means that policy impacts are also captured largely through their impact on household incomes, even though many important initiatives—particularly those introduced through and funded by the Community Care Fund—provide support and assistance in forms that are not always reflected in the level of household incomes. The latest Commission report implicitly acknowledges the limitations of focusing solely on income by its introduction of a supplementary poverty line for older households that live in owner-occupied housing without mortgages or loans and thus “own property of a certain value.” This new measure is designed to counter any tendency to overestimate poverty among older homeowners and will “to a certain extent, make up for the current analytical framework's limitation of not taking assets into account” (Government of the Hong Kong SAR, 2018, p. 8).

This development is consistent with median income-based poverty studies in countries such as Australia (Saunders, 2017; Saunders, Wong, & Bradbury, 2017) and the United Kingdom (Cribb, Keiller, & Waters, 2018; Department for Work and Pensions, 2018; Jenkins, 2017) that measure poverty both before and after deducting housing costs.² The after-housing costs poverty measure recognises that some people have access to resources other than income (e.g., owner-occupied housing) that can be used to satisfy their basic needs and thus escape (or alleviate) poverty. This consideration has strong resonance in Hong Kong, where space is very limited and housing costs are exorbitant.³ But it also suggests more broadly that an alternative framework might be warranted, one that focuses on the living standards that can be achieved rather than on the resources available—however broad the scope of the latter.

Such an approach is consistent with the deprivation approach associated with the work of Townsend (1979) and as subsequently refined in studies by Mack and Lansley (1985), Gordon (2006, 2018), Guio et al. (2016), and Guio, Gordon, and Marlier (2017). The approach is based on identifying a social consensus on items that are necessary or essential for everyone and identifying who is unable to afford these items. Those so identified under the consensual approach (as it has come to be called; see Nandy & Main, 2015) are deprived of what is needed to achieve an acceptable standard of living in their community, measured against the standards set by community members.

The application of the deprivation approach in Hong Kong has a long history, with the important study by Chow (1983) being one of the first to replicate Townsend's original U.K. study. In a recent reflection on that study, Chow (2017, p. 10) refers to it as adopting a “lifestyle approach” in which the definition of poverty “goes beyond basic

biological needs and is based upon the living standards of the whole society and also takes more account of being a member of society.” Chow’s important contribution has not been built on by others in Hong Kong until recently, when the Hong Kong Council on Social Services funded the study by Saunders, Wong, and Wong (2014a, 2014b) that derived estimates of material deprivation (going without necessary things) and social deprivation/exclusion (missing out on common activities). A similar approach has been applied recently by Lau, Pantazis, Gordon, Lai, and Sutton (2015, 2017) as part of the *Poverty and Social Exclusion in the UK* study (see also Gordon, 2018). These studies have highlighted the important role that deprivation research can play in understanding the extent of agreement about what constitutes a minimally acceptable standard of living (defined in terms of consumption of basic goods and participation in customary activities) and the characteristics of those who cannot afford these items.

This article builds on these recent studies and applies the consensual approach to examine the extent and nature of deprivation in Hong Kong among adults and children. It takes as its starting point a list of necessary items, identifies who cannot afford them, and then examines the characteristics of those so identified as deprived—adults and children—initially together as household members but also when treated separately as individuals. The remainder of the article is organised as follows: Section 2 describes the data we use, and Section 3 sets out the methods used to identify and measure deprivation and examines the overall deprivation picture, focusing on the characteristics of deprived households using a threshold approach and one based on a simple sum-score index of deprivation severity. Both approaches are applied (where possible) to adults and children separately, and the results are used to identify key differences in the perceptions of these two groups and the implications this has for who is identified as deprived. Section 4 examines the overlap between measures of deprivation and a series of income-based poverty measures, and the main conclusions are summarised in Section 5.

2 | SAMPLING METHODS

The data used here come from the second wave survey of the *Trends and Implications of Poverty and Social Disadvantages in Hong Kong: A Multi-disciplinary and Longitudinal* study funded by the Hong Kong Research Grants Council under its Strategic Public Policy Research funding scheme. The first wave of data for the study was collected through face-to-face interviews conducted with a random sample of Hong Kong households in 2013, although this study analyses the second wave of survey data, which was conducted between February 2016 and March 2017. In Wave 1, a sample of 25,000 addresses and 200 segments (areas) was obtained from the Census and Statistics Department based on the frame of quarters it maintains.⁴ A two-stage stratified sample design was adopted, with the records in the frame of quarters first stratified by geographic area (i.e., the respondents’ living areas by District Council Districts) and then stratified by type of quarter (i.e., differentiating between those living in public and private housing). One household member aged 18 years or above in each sampled household was chosen randomly according to the date of last birthday to answer the adult questionnaire. For those households with children or young people aged 10 to 17 years (hereafter referred to as children), all children in this age range were asked to complete the child questionnaire.

A total of 4,947 addresses were sampled, and contact was made with 3,791 (76.6%) of these.⁵ Of those contacted, 2,282 households with adult respondents aged 18 years and over completed the survey, a response rate of 60.2%. A separate questionnaire was completed by 804 child respondents aged 10–17 years (a response rate of 88.4% of those invited). Of those who responded to the first wave of data collection, 1,480 households (64.9%) also answered the adult questionnaire in the second wave. The sample used for this analysis includes the 1,473 of these household respondents who provided valid answers about key variables, including their age and gender, and the other variables needed to establish their poverty and deprivation status. In addition, 606 children aged 10–17 years who were full-time students at the time of the study and provided answers to the key questions are also included in the analysis of child deprivation. Weighting factors based on the age and sex distribution of the Hong Kong population at the end of 2015 obtained from the Census and Statistics Department were used to weight the adult and

children data to make both samples representative of the Hong Kong population. The results that follow are all based on the weighted data.

3 | THE DEPRIVATION PROFILE IN HONG KONG IN 2016–2017

As explained above, the consensual approach begins by asking people whether or not they perceive a list of items as being necessary for all members of society. The items themselves are intended to meet universal basic needs and thus reflect prevailing customs, as identified in focus group discussions held prior to the survey with low-income groups and/or as included in international deprivation studies (modified appropriately to suit local Hong Kong conditions and cultural norms). In the current case, adults were shown a list of items on a set of cards and asked to sort them into items perceived as necessary for all adults in Hong Kong. For those items/cards identified as necessary, they were then asked to separate them into those that they did and did not have and, for the latter, to identify whether this lack was because they could not afford the item. Children were asked the same first two questions in the same way (by sorting cards) but for the third were simply asked if they wanted an item that they did not have. This application of the deprivation approach to children follows the procedures used in the studies of child deprivation conducted by Main and Bradshaw (2012; 2014), Gordon and Nandy (2012), and Guio et al. (2017).

Tables 1 and 2 show for adults and children, respectively, the items included in the adult and child questionnaires and, for each item, the (weighted) percentage that regard the item as necessary for all adults or all children and the deprivation rate for each group—defined as those that do not have and cannot afford the item (for adults) or that do not have but would like the item (for children). All of the 23 adult items are perceived as necessary by a majority of adults and thus satisfy the “political validity” condition for being included as a deprivation indicator (see Gordon, 2006). Only one item (a regular dental check-up each year) received less than 60% support, whereas support for 14 items exceeds 90%. The strength of community consensus for the list of basic necessities was thus high. Support for the child items being perceived as necessary among children is generally lower than adult support for adult items, but even here, only one item (tutorial lessons after school) fails (just) to reach the 50% support threshold. However, further analysis conducted by Lau, Gordon, Zhang, and Bradshaw (2019) in the accompanying article in this Regional Issue indicates that when a more sophisticated analysis is applied, support for this item exceeds the 50% threshold, so it has been kept in the analysis.

One of the aims of this analysis is to give appropriate weight to the views of children when measuring their deprivation status, rather than (as is common practice) using adult views to identify child necessities and the deprivation status of children. We also wish to get an insight into what difference this makes, and so we first use the adult views (about adult and household items) to establish the deprivation status of each household and later use children's views (about child items) to determine the deprivation status of the children living in those households. We can then compare differences in the deprivation status of children when it reflects the deprivation status of their household and when it reflects their own views (about both which items are necessary and whether or not they have and want them).

Looking first at adult deprivation, Table 1 indicates that the item-specific adult deprivation rates are generally low—below 3% for 11 out of 23 items—although there are several notable exceptions. There are four instances where the deprivation rate is at least 10%: a regular dental check-up; cannot replace worn-out furniture; unable to go out with friends once a month; and unable to consult a private doctor when sick. Two of these items identify forms of health deprivation and point to deficiencies in the coverage and/or accessibility of health services, whereas the “worn-out furniture” item is indicative of a sustained period living in, or at the margins of, poverty.

The child deprivation rates in Table 2 tend to be higher than those for adults in Table 1, with deprivation being below 3% for only two out of 18 items. There are nine items where the child deprivation rate exceeds 10% and five where it exceeds 13%: unable to go out with family or friends monthly; unable to save money; tutorial lessons after school; educational games; and participation in extra-curricular activities. The last three of these items represent

TABLE 1 Perceived necessities for adults aged 18 years and older in Hong Kong and adult deprivation rates for each item (weighted percentages)

Items for adults	Agree the item as necessary	Deprivation rate
Three meals a day	97.7	0.4
Fresh fruit or vegetables every day	96.8	1.0
Eat fresh/frozen poultry for special occasions (e.g., Chinese New Year)	90.8	1.7
One or two pieces of new clothes in a year	89.6	3.3
Enough warm clothes for cold weather	99.2	0.7
One set of decent clothes (e.g., for job interview/Chinese New Year celebration)	90.8	3.1
Able to consult private doctor when you are sick	89.3	11.2
Able to consult Chinese medicine practitioner when you are sick and purchase prescribed medicines	83.6	7.3
Regular dental check-up once a year	57.2	24.4
Can pay for spectacles if needed	86.8	3.9
Some amount of money to spend each week on yourself, not on your family	97.5	3.7
Have toilet inside a self-contained apartment, with no need to share with other residents	99.5	0.9
A mobile phone or landline telephone	99.2	0.6
A washing machine	98.4	1.5
An air conditioner	97.6	1.4
A computer device with internet connection at home	78.9	2.7
Able to replace worn out furniture	88.2	12.2
Able to replace/repair broken electrical goods (e.g., refrigerator or washing machine)	95.9	8.4
Celebrations on special occasions (e.g., Chinese New Year)	93.2	2.2
A meal out with friends or family at least once a month	87.9	6.6
Go out with friends or family for leisure activities at least once a month (e.g., watching movie, taking part in sport activities)	75.3	12.7
Can offer a gift of money on occasion of wedding	95.2	3.6
Give red pocket money (<i>laisee</i>) during Chinese New Year	95.5	1.3

forms of education deprivation, whereas the results overall reflect the priorities that children attach to what is important in their lives, with greater weight given to social and educational deprivation and less to the material (and, not surprisingly, health) deprivation concerns that are more prevalent for adults. The first conclusion is thus that the nature (and extent) of child deprivation is markedly different from that experienced by adults.

Table 3 provides estimates of the severity of deprivation. These have been derived by summing the number of item deprivations experienced by adults and children separately and combined and then reporting the average score across these three groups. The adult and child index scores are based on the items shown in Tables 1 and 2, respectively, whereas the combined index is based on all 41 necessary items.⁶ In each case, results are presented for those experiencing no deprivation, one or two instances of deprivation, and those experiencing three or more instances. These latter two groups are later referred to as being marginally deprived and deprived, respectively. The most striking feature of these results is the higher level of child deprivation revealed by the measure that reflects children's views. On this measure, almost one third of children are deprived and a further one third are marginally deprived,

TABLE 2 Perceived necessities for children aged 10–17 years in Hong Kong and deprivation rates for each item among children (weighted percentages)

Items for children	Agree the item as necessary	Deprivation rate
Properly fitted shoes (e.g., leather shoe and sport shoe)	90.4	2.1
Able to have some new clothes	55.5	10.9
Enough warm clothes for cold weather	89.4	3.2
Outdoor leisure equipment (e.g., racket or football)	50.7	11.6
Your own mobile phone	81.4	9.0
A computer device with internet connection at home	85.0	3.5
Some pocket money each week to spend on yourself	82.6	7.7
Some money that you can save each month, either in a bank or at home	74.3	16.8
School uniform of correct size	93.6	2.4
Educational games (e.g., chess)	52.5	13.9
Books at home suitable for your ages (including reference books and supplementary exercises)	72.8	8.3
A suitable place at home to study or do homework	85.9	10.6
Participation in extra-curricular activities (e.g., sports and music)	69.3	13.3
Tutorial lessons after school	47.8 ^a	14.6
A meal out with friends at least once a month	62.6	11.8
Somewhere nearby like a park where you can safely spend time with your friends	76.1	7.0
Access to public transport like the railway networks or bus services	89.0	4.1
Go out with friends or family for leisure activities at least once a month (e.g., watching movie or taking part in sport activities)	64.0	19.6

^aAs explained in the accompanying article by Lau et al. (2019) in this Regional Issue, when more complex analysis was used, support for this item increased to more than 50%, so the item was included in the list of child necessities.

TABLE 3 Household, adult, and child deprivation rates (weighted percentages)

	No deprivation	Deprived of one or two items	Deprived of at least three items
Household deprivation (based on 41 items)	57.6	19.8	22.6
Adult deprivation (based on 23 items)	66.8	17.2	16.0
Child deprivation (based on 18 items)	37.8	32.5	29.7

whereas the corresponding figures for adults are about half as high in both cases. If the more comprehensive (household-based) measure is used, less than one quarter (22.6%) of children are identified as deprived, whereas when the child-focused measure is used, this figure rises by one third, to 29.7%.

We set a deprivation threshold of at least three necessary items to identify deprived households. This threshold has been used in the previous recent Hong Kong studies cited earlier and produces an estimated adult deprivation rate of 16.0% (see Table 3) that is close to the Commission of Poverty estimated poverty rate of 14.7% in 2016 (Government of Hong Kong SAR, 2017) and to the income poverty rate estimates derived from the survey data that are presented later. This similarity means that we have two roughly equal-sized groups identified as disadvantaged using different methods that can be compared.

First, however, we examine the profile of household deprivation using the 23 adult necessities and a deprivation threshold of three or more items. The results are designed to focus attention on specific sociodemographic features of the household that are of policy interest and have been at the forefront of recent policy reforms in Hong Kong. We thus estimate household deprivation rates by three key characteristics: family type; age (including whether or not the household contains an older adult, defined as aged 65 years or older); and household size (including the total number of children aged 17 years or under). These estimates will (at least to some extent) capture the immediate impact of recent reforms to the Hong Kong social safety net, including improvements in the systems of support for the aged (through changes to the Old Age Living Allowance), for low-income working families with children (through the introduction of the Low-Income Family Allowance), and for the low-paid (through the introduction of the minimum wage).⁷ These reforms have increased the degree of support provided to many people and extended it to others, thereby raising individual and household incomes and combatting the deprivation that would otherwise exist, although no attempt has been made to pinpoint the actual impact of these policies.⁸

Extended, multigenerational households are common in Hong Kong, partly a reflection of long-standing cultural factors and practises but also because housing is so expensive, making joint habitation a necessity for many extended (multigenerational) families. This increases the diversity and complexity of household types, making it difficult to capture them effectively in the simpler schemes commonly used in western poverty studies, where two-generation nuclear families (composed of parents and children only) are the norm.

After experimenting with several alternative classifications, we distinguish between seven household types in terms of the age and numbers of members and show in Table 4 the percentage of households of each type and the (adult-based) deprivation rate of each household type. Over three fifths of households fall into the last two categories that contain at least two adults, all aged under 65 years, many of which are nuclear parent-child couple families (some with older children still living at home). The deprivation results highlight the vulnerability of older people (as can be seen by comparing the estimates for H2 with H1, H4 with H6, or H5 with H7), of sole parents (H3), and of households containing children in general (H3, H5, and H7). Children tend to face lower deprivation when they live with more adults, particularly non-older adults. The group with the lowest deprivation rate by far—7.4%, less than half the average rate of 16.0%—is non-older adults living without children.⁹ This implicitly highlights the greater susceptibility of children to deprivation.

Figure 1 shows the household deprivation rates (based on adult reporting of adult goods, as in Table 3) separated by the number of dependent children (aged 0–17 years) in the household (left-hand panel) and by the age of individual household members (right-hand panel). The latter estimates assume that all household members have the same deprivation status as the household, although we vary this assumption later.

TABLE 4 Deprivation rates by household type (weighted percentages)

Specification of household type	Population share	Deprivation rate
H1: Single older person (≥ 65)	5.0	45.9
H2: Single non-older person (< 65)	4.2	24.6
H3: Sole parent with at least one dependent child (< 17)	4.2	35.5
H4: Two or more adults, at least one older adult (≥ 65), and no dependent children (< 17)	17.4	16.0
H5: Two or more adults, at least one older adult (≥ 65), and at least one dependent child (< 17)	7.7	19.5
H6: Two or more adults, all non-older (< 65), and no dependent children (< 17)	29.5	7.4
H7: Two or more adults, all non-older (< 65), and at least one dependent child (< 17)	32.0	14.6
All households	100.0	16.0

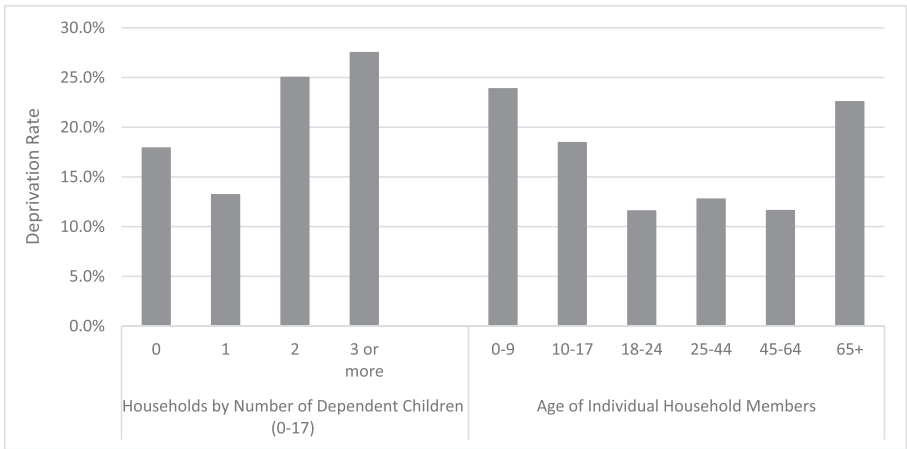


FIGURE 1 Household deprivation rates by number of dependent children (aged 0–17 years) in the household and by age of individual household members (weighted)

There is a clear gradient linking the deprivation rate with the number of children in the household, with the rate for households with three or more children more than double that for households with no children and the rate for households with two children almost double that of households with one child. The steepness of the deprivation gradient by number of children points to the inadequacy of social security provisions for families with children under the existing system (although this may change as a result of the recent introduction of the Working Family Allowance referred to earlier). The right-hand side of Figure 1 shows the familiar inverted U-shaped relationship between age and deprivation, with deprivation highest among the youngest (under 10 years) and oldest (65 years and older) groups.¹⁰ For both age groups, the deprivation rate is around 23%, close to double that for prime working-age adults aged between 18 and 64 years.

A major weakness of the disaggregated results presented above is that they assume that the deprivation status derived for the household from information provided by adults applies to all household members. This may be a reasonable assumption to make for adults that are living together as partners, but it cannot be presumed to be the case for children, who have their own needs and perceptions of how they are (or are not) being met. This hypothesis can be tested by estimating the deprivation status of children directly using the results summarised earlier to estimate child deprivation based on their perceptions of what items are necessary for children and whether or not they have and want them. This child-centric view of child deprivation can then be compared with what is implied by the adult-centric approach presented and discussed above.

To further understand the results, we follow the procedure used in Table 3 and classify adults/households and children separately into three groups: those who are not deprived (deprivation score equals zero); those who are marginally deprived (missing out on one or two items, with a score of 1–2); and those who are deprived and above the deprivation threshold (with a score of 3 or more). The results are summarised in Table 5. The unit of observation here is the child, so the sample is reduced to the 464 children for whom we have data and are able to link the child deprivation status to that of their household. It should be noted that this is not possible in all cases, and this explains the (minor) differences in the household estimates from those presented earlier, which are based on the full sample of households.

First, in terms of aggregates, and basing the estimates on this restricted sample of children indicates that, when based on their perceptions of necessary items, the child deprivation rate is 25.7%—considerably higher than the estimated household deprivation rate of 16.0% derived from adult perceptions of what is necessary for adults and slightly higher than the total deprivation rate of 22.6% based on all 41 adult and child items identified earlier (see Table 3). However, nearly half (10.8%) of the 25.7% of all children who are deprived (or 1-in-10 of all children) live in

TABLE 5 Cross-classification of household/adult- and child-centric deprivation status (weighted percentages; $n = 464$)

		Child deprivation status			Total
		Not deprived (score = 0)	Marginally deprived (score = 1–2)	Deprived (score ≥ 3)	
Household/adult deprivation status	Not deprived (score = 0)	27.6	19.8	10.8	58.2
	Marginally deprived (score = 1–2)	10.3	7.8	6.5	24.6
	Deprived (score ≥ 3)	3.9	4.9	8.4	17.2
	Total	41.8	32.5	25.7	100.0

households that are not deprived when identified using adult views. A further 7.8% of deprived children live in households that are marginally deprived when assessed using adult views. Against this, of those 41.8% of children that are not deprived, whereas about two thirds (27.6%) live in nondeprived households, one quarter (10.3%) live in marginally deprived households, and less than 1-in-10 (3.9%) live in households identified as deprived.

These results thus show clearly that the adult-centric and child-centric approaches present a very different picture of the deprivation status of children in Hong Kong. This is the case not only in relation to the overall extent of the problem but more significantly in relation to the mismatch between the deprivation status of households/adults and that of children. These findings imply that addressing the deprivation of adults will not necessarily remove child deprivation as it is perceived by children, because this will require different measures to combat what is a different manifestation of the same underlying problem.

The results for children used in the above analysis cover all those children (aged 10–17 years) who were full-time students who completed the survey questionnaire and answered all relevant questions. Some of these children ($n = 127$) are siblings and living in the same household, and they did not always agree on their deprivation status, so that *even within the same household*, there are differences not only in the deprivation rates of children and adults but also potentially in the deprivation status of different children.¹¹ This raises the question of whether there is any relationship between the estimated deprivation status of the household and the incidence of disagreement among child siblings about their deprivation status. One view would be that these latter differences are basically “noise” in the data that reflects the difficulty encountered by children in completing what is a demanding questionnaire, and, on this view, there would be no clear relationship between the incidence of sibling disagreement and the household deprivation status. An alternative, far more concerning view would be that when households face deprivation, parents are forced to make difficult choices when trying to meet the needs of their children when the resources available are not adequate to achieve this, leaving some children having to go without basic items. On this latter view, one would expect to find that the incidence of sibling disagreement is greater among households that are deprived than among nondeprived households.

Table 6 tests these alternative viewpoints by showing a cross-classification of the incidence of disagreement in siblings' reported deprivation status and the deprivation status of their household. Of the 127 households with children living as siblings, nearly two thirds (63.0%) have a different deprivation status. The incidence of sibling differences in deprivation is markedly greater in deprived households than in nondeprived households. Thus, of the 99 nondeprived households with children living as siblings, 56 (56.6%) have a different deprivation status, whereas among the 28 deprived households with children living as siblings, this figure is far higher, at 85.7%. The samples are small, and the results thus need to be treated with caution, but the pattern is consistent with the view that siblings in deprived households face differing degrees of deprivation because not all needs can be met by their parents who must juggle their competing needs within the constraints imposed by limited resources.¹²

TABLE 6 Cross-classification of household/adult deprivation status and siblings difference of child-centric deprivation items within a household (weighted percentages; $n = 127$ households with more than one child that answered the child questionnaire)

Household/adult deprivation status	Any siblings different in child-centric deprivation items?		
	No	Yes	Total
Not deprived (score <3)	43.4	56.6	100.0
Deprived (score ≥ 3)	14.3	85.7	100.0
Total	37.0	63.0	100.0

4 | THE OVERLAP BETWEEN DEPRIVATION AND INCOME POVERTY

Several existing studies have noted the low overlap (or mismatch) between households identified as poor on the basis of their income and those identified as deprived using the consensual approach (see Gordon, 2006; Nolan & Whelan, 1996, 2007; Perry, 2002; Saunders, Naidoo, & Griffiths, 2008; Saunders & Naidoo, 2017; Saunders & Wong, 2012).¹³ Factors that may be contributing to this low overlap include the following: First, as noted earlier, some households with incomes below the poverty line may have access to other forms of economic or noneconomic resources that can be used to avoid deprivation (e.g., owner-occupied housing); second, as pointed out by Gordon (2006, appendix 1), declines in income will not affect the ownership of necessities that have already been purchased, whereas increases in income will often translate into purchases of necessities only after a lag. These delays will mean that cyclical movements in deprivation will not be perfectly synchronised with cyclical movements in income, leading to a lack of overlap between the two measures at any particular point in time.¹⁴

These factors suggest that households identified as living below the poverty line and those identified as deprived at a point in time will not coincide exactly, although one would still expect there to be an overlap between them if they both reflect the same underlying problem: inadequate resources relative to needs. Note that the overlap being discussed here is implicitly based on data provided by the same people (in this case, by adult members of the household) rather than reflecting different survey responses provided by different household members (e.g., adults and children, as discussed above). Whereas the latter is a consequence of differing perceptions, the former is a consequence of different approaches to the identification and measurement of poverty.

In order to focus only on the former explanation, we examine the overlap issue using information provided by adults to determine the poverty and deprivation status of each household. As before, households are identified as deprived if they are unable to afford at least three of the 23 items identified as necessities for adults, an approach which produces a deprivation rate of 16.0% (see Table 3). Poverty has been measured both objectively and subjectively and in two ways for each.¹⁵ Two objective measures of income poverty are included in the analysis. The first is the official poverty rate, which (as noted earlier) is based on a pre-intervention poverty threshold for domestic households differentiated by household size presented in the *Hong Kong Poverty Situation Report 2016* (Government of Hong Kong SAR, November 2017). Under this measure, the (monthly) poverty line thresholds are as follows: one-person household, HK\$4,000; two-person household, HK\$9,000; three-person household, HK\$15,000; four-person household, HK\$18,500; five-person household, HK\$19,000; and six-or-more-person households, HK\$20,000. Households with pre-intervention incomes below these thresholds are identified as *officially poor*.¹⁶ The second poverty measure is a standard relative poverty measure that identifies people as poor if they live in a household with equivalised household income below one half of the median equivalised household income (i.e., HK\$6,037.4) for all households in the study at Wave 2. Those people living in households with pre-intervention incomes below this “international poverty line” threshold are classified as *relatively poor*.¹⁷

The first of the two subjective poverty measures is based on respondent perceptions of the adequacy of their income, whereas the second reflects their perceptions of their poverty status. Further information about these two

measures is provided in the notes to Table 7, which shows the poverty rates derived from the four poverty measures and the corresponding poverty–deprivation overlaps.

Once again, it is important to acknowledge that some of the estimates in Table 7 are derived from relatively small samples. However, the focus of this part of the analysis is on gaining an insight into the consistency produced by the different measures (as captured by the similarities and overlaps between them) rather than on providing definitive estimates of poverty in Hong Kong in 2016. The variation in estimated poverty rates is substantial, from a low of 14.7% using the international poverty line to almost twice that (28.3%) using the perceived poverty status measure. The two objective measures differ by almost 9 percentage points, whereas the two subjective measures differ by even more. By construction, the deprivation rate is fixed at 16% across all four measures although there are some small variations from this because of missing values.

The first overlap measure—the percentage of deprived that are poor—varies between 40% and 54% for three of the combinations but rises to over 71% when the second subjective poverty measure is used—primarily because a higher proportion see themselves as poor on this measure. The second overlap measure—the percentage of poor that are deprived—is lower than the first overlap measure, except when the international poverty line measure is used, when it is slightly higher. In general, these overlaps are higher than those estimated for Australia by Saunders and Wong (2012) and Saunders and Naidoo (2017), although they are low enough to suggest that the income (poverty line) and standard of living (deprivation) approaches are capturing different aspects of social disadvantage or that unidentified factors are exerting differential impacts on the two measures. The results suggest that both approaches have something to contribute to a better understanding of the issue and that a composite measure—such as the concept of consistent poverty proposed by Nolan and Whelan (1996, 2011)—would be a valuable addition to the poverty analyst's toolkit.

TABLE 7 Overlaps between deprivation and objective and subjective poverty rates (weighted percentages)

Deprivation status	Objective poverty status (n = 1,424):					
	Official (HKCoP) poverty line ^a			International poverty line ^a		
	Not poor	Poor	Total	Not poor	Poor	Total
Not deprived	69.5	14.5	84.0	75.8	8.2	84.0
Deprived	7.3	8.7	16.0	9.5	6.5	16.0
Total	76.8	23.2	100.0	85.3	14.7	100.0
Overlap (1): % of deprived that is poor			54.4			40.8
Overlap (2): % of poor that is deprived			37.6			44.3
Deprivation status	Subjective poverty status (n = 1,396/1,463):					
	Adequacy of current income ^b			Perceived poverty status ^c		
	Not poor	Poor	Total	Not poor	Poor	Total
Not deprived	73.5	11.0	84.5	67.1	16.8	83.9
Deprived	7.8	7.7	15.5	4.6	11.5	16.1
Total	81.3	18.7	100.0	71.7	28.3	100.0
Overlap (1): % of deprived that is poor			49.8			71.2
Overlap (2): % of poor that is deprived			41.4			40.6

^aThe two poverty lines are described in the main text. ^bBased on the response “A lot below that level of income” when asked to compare their current income with their assessment of how much is necessary to keep a household like theirs out of poverty. ^cBased on the response “Yes” when asked “Do you think you are poor now?”

5 | SUMMARY AND CONCLUSIONS

There are many in Hong Kong who believe that the best strategy for combating poverty is to allow unfettered market forces to generate the incomes that people need to meet their basic needs. There are, however, major doubts emerging about the efficacy of this “trickle down” approach in the face of persistent poverty and growing inequality. There is no doubt that its open markets and vibrant entrepreneurial spirit have produced enormous gains in prosperity for many Hong Kong residents, but it is equally apparent that the economic gains have not benefitted everyone: The rising tide of economic progress does not, has not, and will not lift all boats—at least not to anything like the same degree.

One of the enduring lessons to be drawn from the experience of OECD countries over many decades is that economic growth alone is not enough to address poverty (OECD, 2008). To achieve this requires governments to implement policies that address poverty directly by providing services and income support to those at risk of poverty and experiencing it. The establishment of the Commission on Poverty reflects an acceptance by the Hong Kong Government that more must be done to tackle poverty through social, as well as economic, policies. The decision to research, publish, and monitor poverty rates regularly is an important development that is consistent with new global development agenda that is being driven by the UN Sustainable Development Goals (see Chzhen, Bruckhauf, & Toczydlowska, 2018). Important income safety net reforms have been introduced in Hong Kong in recent years, but so far, they have only succeeded in stemming any increase in poverty and have not managed to drive poverty down.

The results presented in this article illustrate the role that deprivation research can play in helping to better understand the problem and thereby devise and develop better policies to address it. It also suggests that different approaches produce different results that can have different policy implications. We have shown, for example, that the views of adults differ from those of children, that poverty measures based on income alone produce different results from those based on deprivation, and that the estimates derived from objective and subjective poverty measures also differ. These differences are not a cause for despair but highlight the fact that how poverty is conceived, identified, and measured makes a difference to understandings of its scale and nature. From this, it follows that no one approach has the capacity to provide all the answers and that a combined approach is the best way forward. Poverty line studies still have an important role to play, but deprivation studies can also contribute to better understanding social disadvantage, either in isolation or in combination with other measures.

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ENDNOTES

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² The recent report by Cribb et al. (2018, p. 38) notes that the after-housing costs poverty measure “provides a much better indicator of recent changes in the prevalence of those facing very low living standards.” The UK’s Social Metrics Commission (SMC) has also proposed a new poverty measure that deducts housing costs from income because they represent “an inescapable cost that reduces the overall level of available resources that a family has” (SMC, 2018, p. 17).

³ Goodstadt (2013, chapter 3) provides a comprehensive and critical analysis of housing policy in Hong Kong and its impact on poverty.

⁴ Analysis of the data from the first wave of data is provided by Chung et al. (2018) and Lau et al. (2015, 2017).

- ⁵ The main reason for lack of contact was no one being at home when the interviewers called (several times). This issue was particularly pronounced among those living in private accommodation. Other reasons for noncontact include change of address, inhabitants on vacation, and death.
- ⁶ For households with more than one child respondent, the results in Tables 2 and 3 are based on the responses provided by the child deprived of the largest number of items.
- ⁷ The Old Age Living Allowance (OALA) was introduced in 2013, then renamed Normal OALA and paid at a higher rate in June 2018. The Low-Income Family Allowance (renamed Working family Allowance in August 2018) was opened for applications in May 2016. It provides, for the first time, cash support for families with children, complementing the Child Development Fund that has provided in-kind support to families since its introduction in 2008. These cash payments are examples of recurrent cash benefits paid under the Comprehensive Social Security Assistance scheme and are accompanied by a range of other targeted cash benefits including the Work Incentive Transport Subsidy scheme and the Rent Assistance Scheme, which provides subsidies to the many Hong Kong residents that live in public housing.
- ⁸ This is an important task that lies beyond the scope of this analysis that requires a more sophisticated and complex analysis than that presented here (and would also need to utilise data that extends beyond 2016–2017 to ensure that the full impact of the reforms is captured).
- ⁹ It is of interest to examine how the groups identified as most susceptible to deprivation vary when alternative deprivation-based measures are applied. Important among these measures are the consistent poverty rate (see Nolan & Whelan, 1996, 2011), which combines deprivation and income poverty into a single composite measure. This measure is the definition of choice in the *Poverty and Social Exclusion in the UK* study referred to earlier and was one of the child poverty target measures in the United Kingdom before they were abandoned. We report on aggregate poverty rates below and will present results on consistent poverty separately.
- ¹⁰ A similar U-shaped pattern has been observed in Australian deprivation studies (see Saunders & Naidoo, 2017, fig. 9.3).
- ¹¹ We are unable to explore differences in the views of adults since (as noted earlier) only one adult in each household completed the questionnaire.
- ¹² This is a finding that warrants further examination based on larger samples that can generate more statistically robust results.
- ¹³ This overlap corresponds to the composite consistent poverty measure discussed earlier (in footnote 9).
- ¹⁴ These lags are likely to be more pronounced for “bulk” items that involve a one-off purchase (e.g., a washing machine, dental check-up, or replacing worn out furniture) than for items that require ongoing expenditure (like many forms of social participation). This suggests that the “lag hypothesis” could be tested at the item level, although this idea has not been explored here.
- ¹⁵ Both measures are derived from information provided in the responses to the same survey and because neither have been validated externally, it can be argued that they both embody a degree of subjectivity. We acknowledge this, but the terminology used here is consistent with the practice adopted in the wider poverty measurement literature.
- ¹⁶ As noted by Saunders (2015), a major limitation of the approach used by the Commission on Poverty is that poverty lines are set for different groups at one half of the actual median income of that group. This means that groups with low incomes (and thus possibly in greatest need of additional assistance) will have the lowest median and hence the lowest poverty line. The approach sets poverty lines that reflect existing intragroup income disparities rather than the relative needs of different groups.
- ¹⁷ The relative poverty line is above the official line for small-sized households but below it for larger households. Since the latter group is bigger, the overall relative poverty rate is below the official rate (see Table 7).

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