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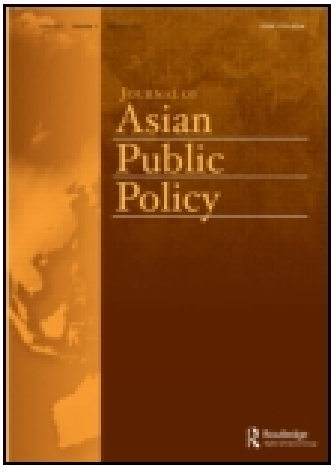

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Signposting disadvantage - social exclusion in Hong Kong

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RESEARCH ARTICLE

Signposting disadvantage – social exclusion in Hong Kong

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Concern over high and persistent levels of poverty and inequality have focused attention on the broader issue of social disadvantage in Hong Kong. The social exclusion framework provides a new perspective that shifts the focus away from purely economic causes to the social processes that prevent people from participating, although conceptual and definitional ambiguities present conceptual and practical challenges to empirical research on exclusion. This paper presents results from a comprehensive survey that allows the extent and nature of social exclusion in Hong Kong to be estimated for the first time. Attention focuses on examining the broad profile of exclusion, and on the association between social exclusion and a series of indicators of subjective well-being (SWB). The overlap between social exclusion and poverty is also examined, the results showing that the two are different and are associated with different levels of well-being.

Keywords: social disadvantage; poverty; social exclusion; subjective well-being; overlap studies

Introduction

Over the last two decades, the concept of social exclusion has generated interest and debate within the academic community, while the promotion of social inclusion has become a policy goal in many countries. The latter development has occurred despite the continuing disquiet that many academics have about the meaning and value of the concept (Saraceno 2002). Combating social exclusion first emerged as a policy priority under the Blair Labour Government in Britain and has since gained prominence in the EU social policy agenda and since 2007, under the social inclusion agenda in Australia. The notion of inclusion has appeal to politicians and policy-makers because it resonates with issues of opportunity, agency and aspirations that are perceived to tap into the motivations (and hence voting behaviour) of voters. At the same time, however, the concept of social exclusion has been criticized for diverting attention away from issues like poverty and inequality that present enduring policy challenges (Béland 2007).

Although social exclusion has yet to emerge as a major policy issue in Hong Kong, there is growing concern over poverty, which has been stuck at around 17% for most of the last decade (Hong Kong Council of Social Service 2013).[1] There is also concern over the level of income inequality, which is estimated by the United Nations Development Programme (UNDP) to be higher than in other developed economies (see UNDP 2010). These concerns challenge the community support within Hong Kong for free enterprise and sit uncomfortably alongside the material prosperity that most residents enjoy. The

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government is reluctant to introduce new spending initiatives that may require taxes to be raised – a possibility that would contradict one of the tenets of the Basic Law introduced following the return to Chinese rule in 1997 – although the recent establishment of the Commission of Poverty (previously abolished in 2007 after 2 years of largely ineffective activity) is a sign that change may be in the wind.

Given its small size and concentrated population, the possibility that social exclusion might be an issue in Hong Kong seems somewhat far-fetched. However, the fact that poverty remains high combined with a policy environment that favours economic development over social protection suggests that this is not the case. Previous studies have produced evidence that specific groups face exclusion as a result of economic and social policy failings, including immigrants from the Chinese mainland (Law and Lee 2006), unemployed youth (Wong and Ying 2006) and women who have been subjected to violence (Chan and Chan 2003). However, no study has yet examined the extent and profile of social exclusion among the general Hong Kong population, although a study funded by University Grants Committee of Hong Kong and the Economic and Social Research Council (ESRC) in the UK with which the current authors are involved has recently commenced.

Against this background, this paper examines the extent and nature of social exclusion in Hong Kong that is designed to better understand its dimensions and relationship with poverty, measured in terms of income. The research builds on recent Australian research on poverty and other forms of social disadvantage (Saunders *et al.* 2007, Saunders and Wong 2012) and was commissioned and funded by the Hong Kong Council of Social Service (HKCSS). A key feature of the approach is its grounding of the identification of social disadvantage in actual living conditions and on community expectations about what constitutes a minimally acceptable standard of living. The aim is thus to overcome the criticisms of conventional poverty line studies, including that the poverty line is arbitrary, that the focus on income is too narrow and that the link between low income and poverty is assumed but not demonstrated (Saunders 2011). Social exclusion provides a framework that addresses these limitations but still allows the findings to be compared with those produced using a poverty line approach.

This paper draws on and extends the analysis contained in the full report from the study (see HKCSS 2012) and is organized as follows: the following section provides a brief review of the concept of social exclusion, drawing on recent debates in the literature. This is followed by a brief description of the survey methods and sample characteristics, before the main results are presented. The main implications of the findings are highlighted in the final section.

Defining social exclusion

There has been much debate in the literature about the definition of social exclusion. Researchers in the UK have proposed the following 'composite working definition' that reflects the 'wide range of definitions used in the literature':

> Social exclusion is a complex and multi-dimensional process. It involves the lack or denial of resources, rights, goods and services, and the inability to participate in the normal relationships and activities, available to the majority of people in society, whether in economic, social, cultural, or political arenas. It affects both the quality of life of individuals and the equity and cohesion of society as a whole. (Levitas *et al.* 2007, p. 9)

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This definition makes it clear that social exclusion is broader than poverty, covering not only a lack of participation but also the denial of rights that this often reflects. It also emphasizes explicitly that social exclusion is a *process* rather than a state (or outcome), and underlines the importance of what it gives rise to its *consequences*, for individuals and for society, in both the short run and over the longer term. In terms of its proximate *causes*, social exclusion can be differentiated from poverty, which results from of a lack of economic resources (generally income) required to meet basic needs. In contrast, social exclusion results from failings in institutional structures and the attitudes and behaviours that create barriers that prevent people from participating economically, socially and politically (Saunders *et al.* 2007).

This differentiation between poverty and exclusion has been challenged by Hick (2012, p. 305), who argues that 'a lack of resources cannot be the only constraint of interest for poverty analysis' and that other factors are also relevant. However, this assessment is at odds with the conventional view that a focus on income as the metric used to identify and *measure* poverty does not mean that the *concept* of poverty itself cannot be broader in scope (see Townsend 1979).[2] Hick argues that another issue that has been neglected in most of the literature on social exclusion relates to whether social exclusion is regarded as bad for the individuals affected, or for society as a whole. If it is the former, then the response should focus on identifying and removing the constraints or barriers that prevent participation, whereas if it is the latter, then it is also important to identify and combat voluntary (self-imposed) exclusion in order to reap the positive externalities that result from a more inclusive society.

This distinction is similar to that between active and passive exclusion identified by Sen (2000), although it is important to acknowledge that these are not alternatives, but can co-exist: exclusion may be bad for those affected and also undermine social capital, with negative connotations for society. Nevertheless, the idea that exclusion is bad for those affected suggests a way of confirming whether or not the indicators used to identify exclusion are valid. This involves comparing the subjective well-being (SWB) of individuals identified as excluded with those who are not excluded to see if they differ. If the excluded can be shown to experience lower levels of SWB, then it follows that social exclusion is an undesirable state that needs to be addressed. In contrast, if there are no differences in the average levels of SWB among the excluded and others, then the presumption that exclusion (as identified) captures something that detracts from personal well-being becomes less convincing. This idea is explored in more detail later, when the results are presented and analysed.[3]

Methods and data

The data on which the following results are based were collected in a survey that involved face to face interviews with a random sample of the general Hong Kong population.[4] Interviews were conducted with 1038 participants between February and March 2011, who provided information about their economic circumstances, social behaviour, attitudes and expectations that shaped the instruments used to measure social exclusion. Examination of the socio-economic profile of the survey respondents (described in greater detail in HKCSS 2012) indicates that it is a good representation of the Hong Kong population, aside from an over-representation of people aged 50 and over and a corresponding under-representation of people aged 30 and under. In order to adjust for this, weights have been applied to the raw survey data that reflect the actual age distribution of the population and, the results reported below are based on the weighted data.[5]

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The content of the survey drew on recent international studies of poverty and social exclusion conducted in the UK (Pantazis *et al.* 2006) and Australia (Saunders *et al.* 2007, Saunders and Wong 2012). The approach adopted in Australia was followed, with the instrument developed there being used as the basis for developing the Hong Kong instrument. The questionnaire developed in Australia (which drew on similar instruments developed in studies conducted in the UK, Ireland and New Zealand) was modified to suit conditions in Hong Kong by drawing on the feedback provided by a series of focus groups held with low-income service users who were asked to identify what is needed to live a decent life in Hong Kong today.[6] The questionnaire included a series of questions about a list of items that are regarded as being important to meet basic needs and attain a decent, if frugal, but acceptable standard of living.[7]

This process of questionnaire development is important, because it grounds the identification and measurement of social exclusion (and deprivation, although this aspect of the study is not considered here) in the actual experience of social disadvantage and allows the measurement tools to reflect community views on what constitutes a minimally acceptable standard of living. It also ensures that the items are not 'drawn from thin air', or identified by expert researchers, but reflect the evidence generated by international research and the views of those who are struggling to make ends meet in Hong Kong. These features of the approach represent an important advance over poverty line studies that can be criticized for not reflecting the experiences of those living at the coalface of poverty.

Participants in the survey were asked three questions about each of the items that emerged from the processes described above. Do you think no one in Hong Kong should have to go without this item? Do you have the item yourself? And if you do not have it, is this because you cannot afford it? Responses to the first question are used to identify the 'key activities' that are relevant to different forms of social exclusion by including only those items that were regarded as essential by a majority (at least 50%) of the (weighted) sample. People were then identified as excluded if they did not have (or did not participate in) each of these items (or activities). No account was taken of responses to the third (affordability) question because social exclusion can arise from a broader range of factors than just a lack of resources. Our interest is in studying what people *do not do*, not just in what they *cannot afford*.

The survey also included a series of questions asking respondents to rate different aspects of their well-being. The focus of these questions and the response categories provided are shown below[8]

Assessed standard of living (ASL): A 5-point scale rating people's current standard of living going from 1 (=very low) to 5 (=very high)

Satisfaction with standard of living (SSL): A 5-point scale measuring how satisfied people are with their overall standard of living going from 1 (=very dissatisfied) to 5 (=very satisfied)

Happiness (HAP): A 4-point scale measuring how people feel generally, going from 1 (=very unhappy) to 4 (=very happy)

Perceived autonomy (AUT): A10-point scale measuring how much choice and control people have over 'your own life and the things that happen to you' going from 'None at all' (1–2) to 'some control' (4–5) to 'much control' (8–10)

Satisfaction with financial situation (SFS): A 10-point scale measuring how satisfied people are with their 'overall financial situation at the moment' ranging from 'very dissatisfied' (1–3) 'fair' (5–6) to 'very satisfied' (8–10)

Indicators were then derived by calculating the mean value response for different subgroups of survey respondents, differentiated by whether or not they were identified as excluded, and what combinations of exclusion and poverty they were experiencing. These indicators tap into different components of SWB but together provide a basis for examining the relationship between social exclusion and well-being. If it can be established that those identified as experiencing different forms (or different levels) of exclusion have consistently lower levels of well-being than those who are not excluded, then the evidence that exclusion is an undesirable state becomes more convincing.

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Identifying social exclusion

Forms of exclusion

As indicated earlier, social exclusion is defined to exist when people do not have each of the items identified as being essential 'for everyone in Hong Kong' using the majority rule threshold specified above. A total of 16 items that are relevant to different forms of social exclusion received at least majority support for being regarded as essential for all in Hong Kong. These are shown in Table 1, along with the percentage support that each item received from the (age-weighted) sample.[9] The 16 items have been grouped into four broad domains that reflect different forms of exclusion, although it should be noted that this classification is used for expository convenience and is not based on any formal statistical analysis of the data.[10] Also shown in the final five columns are the mean scores for the five SWB indicators (defined earlier) for those identified as excluded on each indicator (upper line) and for those identified as not excluded on each indicator (bottom line). The asterisks indicate whether or not the indicator values for the two groups are statistically different.[11]

Of the 16 items used to identify exclusion, 6 received over 90% support for being essential, 8 received between 80% and 90% support, while the two items that received least support were still regarded as essential by over 70%. The exclusion incidence results indicate that, aside from proficiency in English (which since 1997 is no longer the barrier that it once was), exclusion is highest in relation to participation in leisure and social activities and in social support and connectedness. In these two domains, four items have incidence rates in excess of 20% and several others affect over 13% of the community. Around 1 in 10 participants are unable to participate in social customs and a similar percentage does not have access to convenient public transport.

The SWB indicators show that those identified as excluded consistently rate their well-being on average to be lower than those who are not excluded. This is the case for all of the 80 comparisons (16 indicators of exclusion and 5 indicators of SWB) presented in Table 1 – a finding which confirms that the indicators are capturing something that is 'real', not a statistical artefact. Importantly, virtually all of the mean score differences between those identified as excluded and those who are not are statistically significant (p = .001). The only indicator where several of the SWB indicator differences are not significantly different is the mobile phone – an item that is widely owned, except among those who choose not to have one. Another interesting aspect of the SWB results in Table 1 is that there is much less variation in the SWB indicator values across the non-excluded group than among the excluded group.

The three exclusion indicators that are associated with the lowest levels of SWB are three markers of social stigma – not being treated with respect by other people, not being accepted for who you are and not having one set of decent clothes. In all three cases, those

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Table 1. The incidence of social exclusion and its association with subjective well-being (SWB) (weighted percentages/mean scores).

Exclusion indicators	Is it essential? (% who say Yes)	Incidence of social exclusion	Mean SWB indicator scores				
			ASL	SSL	HAP	AUT	SFS
Social status and identity							
To be treated with respect by other people	95.5	6.9	2.31**	2.50**	3.29**	4.00**	3.32**
			2.96	3.15	3.86	5.66	5.32
To be accepted by others for who you are	94.0	6.6	2.33**	2.49**	3.34**	3.90**	3.21**
			2.96	3.15	3.85	5.66	5.32
Has basic English speaking and reading skills	82.6	48.0	2.75**	2.92**	3.70**	5.11**	4.74**
			3.06	3.28	3.94	5.98	5.59
Social support and connectedness							
Has someone to look after you and help you the housework when you are sick	89.4	20.5	2.55**	2.69**	3.54**	4.63**	4.02**
			3.01	3.21	3.89	5.79	5.48
Has someone to give advice about an important decision in your life	90.2	13.0	2.52**	2.66**	3.48**	4.27**	3.88**
			2.97	3.17	3.87	5.74	5.38
Has someone to turn to for money (up to HK$3000) in case of emergency	80.4	21.2	2.57**	2.73**	3.57**	4.69**	4.19**
			3.01	3.21	3.89	5.78	5.46
Has a mobile phone	88.7	4.3	2.66*	2.89	3.59*	4.33**	4.13**
			2.92	3.11	3.83	5.59	5.22
Has access to convenient public transportation in the neighbourhood	95.3	10.5	2.67**	2.84**	3.68*	4.70**	4.50**
			2.94	3.13	3.83	5.64	5.26
Can take transport for visiting relatives and friends	95.0	8.2	2.48**	2.73**	3.54**	4.89**	4.20**
			2.96	3.14	3.85	5.60	5.28
Participation in social customs							
Can offer a gift of money on occasion of wedding	87.9	9.2	2.43**	2.59**	3.41**	4.58**	3.88**
			2.95	3.15	3.87	5.66	5.32
Can give lucky money to friends and relatives during Chinese New Year	90.4	9.7	2.54**	2.83**	3.65**	4.99**	4.41**
			2.96	3.14	3.84	5.61	5.27
Has one set of decent clothes	86.9	9.0	2.38**	2.53**	3.32**	4.00**	3.54**
			2.97	3.16	3.89	5.70	5.34

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Participation in leisure and social activities							
Has leisure and sports facilities in the neighbourhood	84.2	21.7	2.76**	2.91**	3.75**	4.88**	4.51**
			2.96	3.15	3.84	5.73	5.36
Has public place to gather with neighbours and friends in the neighbourhood	84.4	17.5	2.71**	2.87**	3.74	4.73**	4.34**
			2.96	3.15	3.84	5.72	5.36
Can go to teahouse sometimes in leisure time	73.8	13.7	2.53**	2.68**	3.49**	4.46**	3.85**
			2.98	3.17	3.87	5.72	5.39
Has leisure activities in the holiday	72.1	21.2	2.82**	2.97**	3.69**	5.25**	4.80**
			3.00	3.23	3.91	5.82	5.47

Notes: The upper SWB mean scores refer to those identified as excluded and the lower values are for those who are not excluded.
The asterisks (**/*) indicate that the mean score differences between the excluded and not excluded groups are statistically significant (p = .001/.01).

not identified as excluded enjoy substantially higher levels of SWB, although not much different from those not excluded of the other 13 items. Finally, it is worth noting that for the two leisure items included in the final domain, where the incidence of social exclusion exceeds 21%, the ratio of the SWB scores for those not excluded to those who are excluded are among the smallest for all items. This suggests that although many people are excluded of these two items, this appears to have relatively small impact on their well-being – possibly because they feel that they do not need the item in question (e.g. they may be older people who feel less of a need for the specific forms of leisure identified).

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Multiple exclusion and index scores

Despite the above SWB comparisons, it is still possible to argue that the estimates in Table 1 do not capture exclusion as such, but reflect the diversity that exists in any society in which not everyone will choose the same forms of participation. As Burchardt *et al.* (2002) have noted, it is difficult to draw any conclusions about the underlying processes that create exclusion by observing outcomes alone. There is a danger that labelling people as excluded when they are simply expressing a preference not to engage in certain forms of social activity – no matter how common they are amongst the general population – may create a stigma that punishes those who do not engage in 'mainstream' activities. However, such arguments become less compelling as the depth of exclusion intensifies – that is, as the number of essential items from which a given individual is excluded increases. For this reason, it is useful to examine the incidence of multiple exclusion.

Table 2 highlights the extent of multiple exclusion and shows how the values of the five SWB indicators vary with the severity of exclusion. The final row shows the overall mean values of the different measures, including the mean social exclusion index (MSEI) score discussed below. Around three-quarters of the population experience some form of exclusion as defined here, one-half experience two or more forms of exclusion, just under one-quarter are excluded in at least four dimensions and around 1 in 16 are excluded from eight or more items.[12] These figures highlight the fact that social exclusion is a problem that affects the majority of the population in some way and that substantial numbers are affected by multiple forms of ('deep') exclusion.

Table 2. The incidence of multiple exclusion and its association with subjective well-being (SWB) (weighted percentages/mean scores).

	Incidence rate (%)			Mean SWB indicator scores		
Number of excluded items		ASL	SSL	HAP	AUT	SFS
0	25.0	3.19	3.42	3.98	6.26	5.90
1 or more	75.0	2.82	3.00	3.76	5.30	4.93
2 or more	50.4	2.71	2.89	3.69	5.02	4.60
3 or more	34.8	2.64	2.79	3.61	4.68	4.29
4 or more	24.1	2.55	2.70	3.54	4.58	4.03
5 or more	16.8	2.47	2.66	3.45	4.37	3.77
6 or more	12.0	2.38	2.54	3.39	4.02	3.46
7 or more	8.9	2.26	2.48	3.34	4.00	3.31
8 or more	6.6	2.26	2.45	3.26	4.04	3.16
Overall mean value	**2.40**	**2.91**	**3.10**	**3.82**	**5.54**	**5.17**

It is also apparent from Table 2 that all five indicators of SWB decline consistently as the severity (or depth) of exclusion increases. The declines are only modest for each step-up in the depth of exclusion, but they add to a large impact when viewed across the whole spectrum of experience (as can be seen by expressing the figures in the penultimate row of Table 2 with the corresponding figures in the top row). These overall declines are all the more significant (socially) given the relative stability of the indicators used to measure well-being. Again, the results confirm that social exclusion is negatively associated with well-being however, it is measured, and thus implies that those affected would prefer to avoid it if they could.

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The profile of exclusion

In order to explore the socio-demographic profile of social exclusion in more detail, it is convenient to derive a summary measure of exclusion. The measure used for this purpose is the MSEI which is equal to a weighted average of the number of excluded items experienced, where the weights are set equal to the percentage experiencing that degree of severity. The value of MSEI for Hong Kong is equal to 2.4 – implying that on average each member of the population is excluded from more than two of the sixteen items shown in Table 1.

Table 3 presents estimates of the MSEI scores for subgroups of the total sample defined on the basis of their socio-economic characteristics. These results indicate that exclusion is highest among older people receiving Comprehensive Social Security Assistance (CSSA) (MSEI score = 7.04), families with a member with a disability (4.18) and immigrants who have resided in Hong Kong for less than 7 years (4.01).[13] Exclusion declines among those older people receiving Old Age Allowance (OAA), highlighting the impact of this more generous benefit, although the score (3.17) remains above that for the population as a whole (2.40).

In addition to these three groups, the results in Table 3 indicate that social exclusion is also concentrated amongst those without a full-time job – part-time workers and the unemployed – those receiving a social security benefit, and those who have recently accessed social services. The nature of these groups highlights some of the causes of exclusion – old-age, joblessness, disability and immigration – but also illustrates the inadequacies of existing levels of social support, whether in the form of cash transfers (CSSA and OAA) or in-kind support or services provided to groups with special needs. It is within the government's power to address these shortcomings through improved provision of transfers and services and the estimates presented here point to the need for urgent action on several fronts.[14]

The overlap between exclusion and poverty

Much has been written about the relationship between social exclusion and poverty. While many agree with Townsend (1979) that a lack of participation in customary activities is one dimension of poverty, others see poverty as a cause of exclusion or effectively treat them as the same. An example of the latter approach is the Council of the European Communities' definition of 'persons beset by poverty' as being[15]

> …individuals or families whose resources are so small as to exclude them from the minimum acceptable way of life of the member state in which they live.

Table 3. Mean social exclusion index (MSEI) scores by household characteristics.

Household characteristics	MSEI	Household characteristics	MSEI
Age		*Benefit status*	
18–24	1.08	Age 65+ and receiving CSSA	7.04
25–44	2.01	Age 65+ and receiving OAA	3.17
45–64	2.57	Age 65+ and not receiving CSSA or OAA	2.56
65 or above	3.85	Used social services in last year	3.11
Family characteristics		Did not use social services in last year	2.33
Single-elderly household	3.01		
Two-elderly household	2.16	*Country of birth*	
With older (65+) member(s)	2.73	Born in Hong Kong	1.87
Without older (65+) member	2.26	Born elsewhere	3.14
With member(s) with a chronic disease or disability	4.18	*Length of residency*	
Without member(s) with a chronic disease or disability	2.08	Resident for less than 7 years	4.01
Labour force status		Resident for at least 7 years	2.33
Employed, total	1.90		
Employed, full-time	1.69		
Employed, part-time	3.28		
Unemployed	3.23	**All households**	**2.40**

Note: CSSA, Comprehensive Social Security Assistance; OAA, Old Age Allowance.

As Nolan and Marx (2009, p. 317) note when discussing the concepts that have emerged in the literature on social exclusion:

> Substantive claims have been made for the advantages of these concepts, which are seen to encompass multidimensional disadvantage, the dynamic nature of exclusionary processes, and inadequate social participation and lack of power in a way that 'poverty' does not.

This captures the widely held view that poverty and exclusion are different conceptually and raises the question of whether they also differ empirically – a question that has been the focus of overlap studies (see Perry 2002, Bradshaw and Finch 2003, Whelan *et al.* 2004, Saunders and Naidoo 2009).

In order to examine the overlap between poverty and exclusion, poverty has been measured using a poverty line set at the threshold below which deprivation increases sharply.[16] When applied using the survey data described earlier, this approach produces a deprivation threshold at an income level equal to the upper bound of the second decile of the income distribution (see Saunders *et al.* 2013, forthcoming, Figure 3).[17] This generates a poverty rate of 20% by definition, which is adequate for the current purposes, where the focus is on the *overlap* with exclusion rather than with the measurement of poverty itself.[18] We are confident that the data are robust enough to answer this question, although we would caution against using the poverty estimates in Table 4 for other purposes.

It is also necessary to specify a threshold that identifies 'the' rate of social exclusion and this has been done so as to produce an exclusion rate that is as close as possible to the poverty rate (so that both approaches produce a similar estimate of the size of the group facing social disadvantage). Table 2 indicates that using a threshold of at least five items to identify social exclusion produces an incidence rate of 16.8%, close to the poverty rate

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Table 4. Subjective well-being by poverty and social exclusion status (weighted percentages).

	Incidence rate (%)	Mean SWB indicator scores				
		ASL	SSL	HAP	AUT	SFS
Neither poor nor excluded	69.2	3.04 (1.00)	3.22 (1.00)	3.92 (1.00)	5.82 (1.00)	5.51 (1.00)
Poor	20.1	2.63 (0.87)	2.80 (0.87)	3.63 (0.93)	4.98 (0.86)	4.56 (0.83)
Excluded	17.5	2.48 (0.82)	2.66 (0.83)	3.45 (0.88)	4.37 (0.75)	3.77 (0.68)
Poor but not excluded	13.3	2.82 (0.93)	2.95 (0.92)	3.77 (0.96)	5.43 (0.93)	5.09 (0.92)
Excluded but not poor	10.7	2.51 (0.83)	2.68 (0.83)	3.45 (0.88)	4.41 (0.76)	3.78 (0.69)
Both poor and excluded	6.8	2.25 (0.74)	2.50 (0.78)	3.34 (0.85)	4.11 (0.71)	3.50 (0.64)
All households	100.0	2.91 (0.96)	3.10 (0.96)	3.82 (0.97)	5.54 (0.95)	5.17 (0.94)

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of 20% described above. On this definition, about one-sixth of Hong Kong households (containing approximately 1,185,000 people) were excluded in 2011.

The overlap estimates are presented in Table 4, which also compares the mean SWB values for those in different combinations of poverty and social exclusion. The first clear message to emerge from the overlap estimates is that poverty and exclusion *are* different: only about one-third of those with incomes below the poverty line also experience social exclusion as defined here, while almost two-thirds of those with incomes below the poverty line are not excluded, and a slightly lower percentage of those who are excluded are not poor. If we identify those who are both poor and excluded as representing core poverty or the core disadvantaged group, this represents less than 7% of the Hong Kong population or about 485,000 people.

Perhaps of greater interest are the patterns revealed by the SWB scores for those affected by different combinations of poverty and social exclusion. In order to facilitate these comparisons, the SWB scores for each indicator have been expressed relative to the score for those who are neither poor nor excluded (shown in the first row of Table 4). The results for all five SWB indicators reveal that being excluded has a larger negative impact on SWB (however this is measured) than having an income below the poverty line. This is the case whether one compares the estimates for those who are poor with those who are excluded (rows 2 and 3), or the estimates for those who are both poor and excluded with those who experience only one of these conditions (rows 6 and either rows 4 or 5). Even more remarkable is the fact that the SWB patterns in Table 4 are very similar to those produced for Australia by Saunders (2013, Table 3).[19]

Conclusions

The urban areas of Hong Kong are among the most crowded on the planet. But as this paper has demonstrated, this is no guarantee that the people who live there are able to avoid social exclusion. Drawing on data generated by a community-wide survey conducted in early 2011, the paper has produced the first comprehensive estimates of the extent and nature of social exclusion in Hong Kong.

The concept of social exclusion continues to attract criticism in the literature because of its conceptual ambiguity and lack of a robust definition. Many empirical studies (including this one) focus on identifying outcomes that represent different forms of exclusion and do not address the more challenging task of uncovering the underlying processes that generate those outcomes. However, until the outcomes are identified, it is not possible to fully understand and study the causal processes that produce them. The approach adopted here replicates other recent studies by identifying a set of activities that are widely accepted as being key aspects of economic, social, civic and political participation. Its main focus has been on the civic and social dimensions, although several of the indicators reflect the constraints imposed by an inadequate level of economic resources.

The results show that, as elsewhere, social exclusion is widespread among Hong Kong society, with many people unable to participate in activities that the vast majority regard as being essential for everyone. Many people do not have access to the social connections and informal support systems that serve a vital role in protecting people from adversity when things get tough, and others report a lack of access to convenient public transport, local leisure and sports facilities and places to gather with neighbours and friends. These failings reflect a weak social fabric in which individuals face barriers that prevent their integration into their community, with potentially negative consequences for personal wellbeing and social capital.

The extreme levels of social exclusion highlight the vulnerability of older people, those where a family member has a disability, the unemployed and recent immigrants. These results highlight the inadequacy of existing social security (and other) benefits – including the recently introduced minimum wage – and point to the urgent need for improvements in the adequacy and coverage of existing provisions. The results also show clearly that exclusion as identified here is an undesirable state, in the sense that it has a negative impact on the SWB of those affected. This finding points to the fact that instances of exclusion do not reflect individual choice, but are a consequence of externally imposed restrictions on people's ability to participate in different facets of community and social life.

The question that arises when reflecting on these findings is not whether the size of the estimates themselves are plausible, but rather whether the concepts that they are designed to capture provide new insights into the nature of social disadvantage. Our view is that we need both a research-based poverty line that can be used to monitor and compare poverty rates that has credibility among the population and among policy-makers, but that this should be supplemented by other measures in order to shed more light on the nature (and causes) of social disadvantage. Together, these can provide the kind of evidence that policy-makers need to guide their efforts to address poverty and combat exclusion.

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Notes

1. These estimates are based on a poverty line for households of different size that is equal to 50% of the median monthly income for those same households (see Hong Kong Council of Social Service 2013). This approach has been used by leading NGOs, the HKCSS and Oxfam, and forms the basis of the poverty line recently proposed by the Commission on Poverty and

endorsed by the government (see Government of the Hong Kong Special Administrative Region 2013).

2. The deprivation literature that is based on the work of Townsend seeks to identify poverty more directly by establishing whether or not people can afford items that are widely regarded as necessary or essential in the community in which they live – see Pantazis *et al.* (2006) and Saunders *et al.* (2013, forthcoming).
3. See Saunders (2013) for an application of this idea to Australia.
4. A multi-wave, multi-contact approach was employed to increase the proportion of respondents willing to participate in the survey and the chance of contacting the sampled persons in each selected household. Further details are provided in HKCSS (2012).
5. It is important to weight the raw data to better reflect the actual population when determining whether or not an item attracts majority support for being essential.
6. The focus group participants were recruited from among low-income service users because members of this group are expected to have the most grounded understanding of which items are needed in order to survive and participate on a low income. It is important to emphasize, however, that the items are only included as an indicator of social exclusion if at least 50% of the community (as reflected in the survey responses) regard the item as being essential for *all* Hong Kong residents.
7. The generic word 'item' is used here to cover both material goods (e.g. a mobile phone, a refrigerator), as well as access to services (e.g. can consult a private doctor when needed, can access dental services) and participation in different activities (e.g. leisure activities in holiday periods, can take transport to visit relatives and friends).
8. The response scales for each of the SWB indicators reflect those used in other similar studies, particularly the Australian studies referred to earlier (Saunders *et al.* 2007, Saunders and Wong 2012).
9. The Cronbach Alpha score for the 16 items shown in Table 1 is 0.756.
10. Factor analysis is often used to identify these broader groupings although this approach has not been used here because of concerns about the nature and interpretation of the factor analysis results (see Tomlinson *et al.* 2008, Saunders 2011).
11. Readers will note that the SWB scores are quite high even for those identified as excluded. This is an important finding, though not one that is relevant to the current analysis, which is focused on comparing the scores by exclusion/inclusion status as a way of assessing the *impact* of exclusion on well-being. It would be interesting to examine which of the 16 exclusion indicators best predict well-being using each of the 4 SWB indicators, although that is beyond the scope of this paper.
12. By way of comparison, estimates of multiple exclusion in Australia (defined by 19 indicators that cover a lack of social participation, or disengagement and exclusion from services) indicate that around 60% experience at least two forms of exclusion, 27% experience at least four forms and 5% experience at least eight forms.
13. Those who have resided in Hong Kong for less than 7 years are not eligible for many social security benefits.
14. It is important to emphasize that social exclusion as defined here is not the result solely of a lack of resources, which implies that improvements in income alone will not necessarily lead to a decline in exclusion, unless they are accompanied by policies that address the other causal factors at play (such as discrimination, lack of information or fears over personal safety).
15. The source for this definition is Nolan and Marx (2009, p. 316).
16. We have followed the approach adopted by Saunders *et al.* (2007) in not including poverty as a form of exclusion, thus allowing the degree of overlap between the two concepts to be examined.
17. As explained in Saunders *et al.* (2013, forthcoming), a more detailed examination of how deprivation varies across each percentile of the income distribution does not provide a more precise estimate of the deprivation threshold, so we have used the upper decile figure for consistency with that adopted in related work. This approach produces a poverty rate that is slightly higher than that produced by other recent studies (which suggest that the poverty rate was about 18% in 2010; see Wong 2012).
18. The survey data on income are in ranges and a precise estimate has been derived in order to estimate poverty status by imputing a precise figure within each range using a randomized allocation method.

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19. Saunders uses the same SWB indicators (except for the last one, SFS, which he did not include) although there are differences in how poverty is measured and in the indicators used to identify social exclusion.

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