BUILD BACK FAIRER: REDUCING SOCIOECONOMIC INEQUALITIES IN HEALTH IN HONG KONG

Executive report
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The report *Build Back Fairer: Reducing socioeconomic inequalities in health in Hong Kong* is the first in a series of reports produced by the UCL Institute of Health Equity in collaboration with the Institute of Health Equity at the Chinese University of Hong Kong (CUHK). The report is an overview, informed by relevant data and research, of inequalities in health and the social determinants of health in Hong Kong. This Executive Summary presents some of the key findings and recommendations of that full report.

The people of Hong Kong enjoy a longer life expectancy than the people of any country, and amongst the highest levels of gross domestic product (GDP) per capita. Life expectancy surpassed Japan for men in 2001, and for women in 2011 (1). Despite this, they also experience inequalities in health, which derive from inequalities in the social determinants of health and in access to healthcare. The social determinants of health (SDH) are the conditions in which people are born, grow, live, work and age, as well as the structural drivers of these conditions of daily life – the economic, social, political and cultural systems that govern the unequal distribution of money, power and resources. They are not just the causes of health, or ill-health, but the ‘causes of the causes’.

**Figure 1** Life expectancy at birth in Hong Kong and countries with developed economies, 1986-2018

![Life expectancy graph](image-url)
B. WOMEN

Life expectancy (years)

Discussion about the health of individuals often centres around healthcare or lifestyle choices, but the SDH are more fundamental and have profound influences on health throughout life, including, but not limited to, the influence they have on access to healthcare and on healthy decision making (2). The effect of inequalities in the SDH is to create socioeconomic gradients in health: in general, the lower a person’s socioeconomic position, the worse their health is, and the shorter their life is (3) (4). These gradients are steeper in more unequal societies. These are not simple divisions into ‘haves’ and ‘have-nots’ but show fine gradation up and down the social scale.

Those lower on the gradient are more likely to be deprived of the capabilities and resources that allow them to lead healthy lives and participate fully in society. They are more likely to be exposed to environmental health risks, more likely to engage in more risk-taking behaviours, and experience greater psychosocial stress, linked to an increased risk of metabolic syndrome, diabetes and heart disease (5).

Source: Census and Statistics Department, Hong Kong Special Administrative Region Hong Kong (2019). Hong Kong Monthly Digest of Statistics - November 2019: The Mortality Trend in Hong Kong, 1986 to 2018 (1)
2. HEALTH INEQUALITIES IN HONG KONG

There is evidence of inequalities in health in Hong Kong. While the health of all of Hong Kong has improved in the context of rapid economic growth after the Second World War, these health improvements were spread unequally. Mortality from all causes improved less for those in lower-income neighbourhoods, and inequality widened (6). Self-rated health, which has been found to correlate well with morbidity and mortality, also relates closely to household income (7) (8) (9).

Non-communicable diseases (NCDs), including cardiovascular diseases, chronic respiratory diseases, diabetes and cancers, are the leading cause of mortality worldwide, and are closely associated with socioeconomic conditions (10) (11). In 2016, over half of all deaths in Hong Kong were attributed to five NCDs: heart disease; cancer; chronic respiratory diseases; stroke; and diabetes (12). Having two or more chronic conditions is known as multimorbidity, which in Hong Kong has been shown to correlate with lower level of education, lower income, and being unemployed (13).

Mental health is a serious concern in Hong Kong, with research in 2019 finding that 61% of Hong Kong residents had poor mental wellbeing and unsatisfactory mental health, with a significant drop in wellbeing noted since 2018 (92). Risk factors for poorer mental health are closely associated with social inequality, with poverty being both a cause and a consequence of poor mental health (14) (15). Research in Hong Kong has found an association between deprivation and higher levels of stress and anxiety, and with lower perceived happiness (16) (17).

There is also evidence of ethnic inequalities in health, with studies establishing higher risks of obesity, lower levels of influenza vaccination, and worse diabetes control in ethnic minority groups in Hong Kong (18) (19). Qualitative research among healthcare providers has suggested that there are significant cultural and linguistic barriers to accessing care for ethnic minorities in Hong Kong (20). It is worth noting that many ethnic minority individuals in Hong Kong, particularly Filipinos and Indonesians, work as foreign domestic workers, who are disadvantaged in a number of ways.
3. INEQUALITIES IN THE SOCIAL DETERMINANTS OF HEALTH IN HONG KONG

INCOME

It is crucial to health and wellbeing that individuals have control over their own lives, and are able to participate in society, which requires a sufficient income. Inadequate incomes lead to poor health by making it harder to avoid stress and feel in control of one’s life; harder to access resources and services; harder to adopt and maintain healthy behaviours; and by removing the sense of a supportive financial safety net (21) (22). Poor health can then worsen an individual’s economic position by reducing earning capacity (23).

Over the past 30 years, the Hong Kong economy grew by an average of 3.8% per annum in real terms (24). However, income distribution in Hong Kong is highly unequal. While around one-fifth of working individuals earn HK$30,000 or above, another one-fifth earned less than HK$10,000, and men earn more than women, as shown in figure 3 below. Higher-skilled workers and those with higher levels of education have seen the greatest increases in income in recent years, widening these inequalities (25).

Between 2006 and 2016, among economically active households the two highest income deciles had an increase in income greater than all others combined. In the same period managers and administrators saw an increase in their median monthly income of HK$17,000, compared with only HK$2,100 for those in elementary occupations, including foreign domestic workers (25).
Taxation and Welfare

Hong Kong’s approach to taxation and spending has always favoured low tax and small government, leaning away from using social programmes to redistribute wealth or reduce inequalities (26). Prior to the COVID-19 pandemic, recurrent expenditures on education, healthcare and social welfare were equivalent to 14.4% of GDP (27). This compares to an Organisation for Economic Co-operation and Development (OECD) average for social expenditure of 20.0% of GDP, ranging from 18.7% in the USA, 20.6% in the UK, and over 25% in Norway, Sweden, Germany, Austria, Italy, Denmark, Belgium, Finland and France (28).

The Government of Hong Kong estimates that, in 2019, its recurrent cash measures served to lift 174,500 households and 392,900 individuals out of poverty and reduce the poverty rate from 21.4% to 15.8% (29). However, there are significant limitations to its welfare system. The Comprehensive Social Security Assistance (CSSA), which is intended to supplement incomes for the poorest in Hong Kong, is a means-tested benefit that excludes many low earners (30) (26). The average monthly payment for a household of four people eligible for CSSA in 2019 was HK$15,675, and for a single person HK$6,507, in a city where rent for subdivided lodgings, on average the size of a parking space, can be well over HK$5,000, leaving little to spend on other necessities such as utilities, food, and clothing, let alone social engagement or emergencies (26) (31) (32). Only a small proportion of households eligible for the CSSA even apply (4.5% in 2016), perhaps due to stigma, difficulty navigating the complexities of the system, or simply not being aware of its existence (33) (26).

There are also limitations to pension provision in Hong Kong, identified by Oxfam as leaving older people vulnerable, and resulting in one in three older people in Hong Kong living in poverty (34). Individuals are entitled to receive a means tested Old Age Living Allowance from the government from age 65 or a non-means tested Old Age Allowance at 70, subject to residency requirements.

The Mandatory Provident Fund (MPF), Hong Kong’s only compulsory saving scheme for retirement, has particular problems addressing poverty amongst women: it does not cover domestic labour, a form of unpaid work carried out more frequently by women; it is often insufficient to provide for the working poor who have not been able to contribute as much, and are disproportionately women; and it has lower coverage among casual workers, who are also more likely to be women (34) (35). In Hong Kong, only 73% of the population above the statutory pensionable age receive a pension, compared with 100% in other countries including the USA, the UK, France, Germany and Japan.

Hong Kong’s statutory minimum wage, introduced in 2011, and currently only HK$37.50 per hour, is not sufficient alone to meet the basic needs of workers and their families, and has contributed to high levels of in-work poverty, with workers who are reliant on welfare spending (32) (34). Close to one in four of those living in poverty in Hong Kong are poor despite being in full-time employment (36).

The minimum wage also does not apply to the territory’s almost 300,000 foreign domestic workers, who mainly come from the Philippines and Indonesia, are predominantly women, and are also ineligible for most forms of social support (37) (38) (30). Multiple NGOs have previously alleged that the underpayment of foreign domestic workers, also called ‘foreign domestic helpers’ in Hong Kong, is widespread, alongside excessive working hours and other abuses (39) (40).

Poverty

Poverty is an important driver of health inequities at every stage of life, with widespread negative impacts on health which accumulate throughout life. 18% of all adults in Hong Kong have reported that lack of money had affected their health, and other research has found that having a household income of less than 50% of the median is associated with worse mental and physical health (36) (41).

Experience of poverty in childhood is particularly crucial, with evidence that the stress of poverty affects brain development in children (42). Child poverty in Hong Kong – the percentage of children living in households with an income below 50% of the median – increased from 2018 to 2019, both before and after the effects of welfare intervention (43).
Due to its high life expectancy and low fertility rate, Hong Kong has a rapidly ageing population, and approximately one third of residents will be 65 or older by 2038 (24). The number of people aged over 65 years in poverty has been increasing since 2009, and in 2019 32% of older people were living in poverty even after welfare (29).

**Education**

Higher educational attainment can reduce the risk of unemployment, with its negative health impacts, and increase the chances of securing a better quality and higher paying job, which can be beneficial for health. Educational attainment has been found to be highly correlated with income in Hong Kong (25).

In Hong Kong, there are strong generational differences in distribution of educational attainment, and in the extent to which those have influenced life and health. The extent of the disadvantage experienced by those missing out on education will vary depending on how common it is to miss out in their generation, and so how their relative position in society is affected. Women have lower educational attainment than men in all age groups, although this is less marked in younger age cohorts (46). Although education is free in Hong Kong, there is evidence that poor children are more likely to be deprived of access to educational resources (36).

Figure 5 shows that, in the population aged 15 years and over, the level of educational attainment tends to increase with increasing income decile group.
Figure 5 Educational attainment distribution in each income decile at ages 15 and over in Hong Kong (excluding foreign domestic workers), 2016

Source: Census and Statistics Department Hong Kong Special Administrative Region. 2016 By-census thematic Report: Household Income Distribution in Hong Kong (25).

Employment

Patterns of employment both reflect and reinforce the social gradient in health. Those lower in social level find it harder to get into work, and when they do, the work is more likely to be low-paying, insecure, dangerous, stressful, and offer lower satisfaction – all of which damage physical and mental health. Unemployment is also bad for health: associated with increased morbidity and mortality (45). Between 2011 and 2016, the labour force participation rate for over-65s in Hong Kong has increased, perhaps unsurprising in the context of an ageing population, and this may be a positive or a negative trend, depending on to what extent it represents relatively healthy older people choosing to continue in appropriate work, or older people being forced back into inappropriate work by poverty (46). Unemployment has increased amongst all age groups in the context of COVID-19, discussed below.

Housing and living conditions

Environmental factors such as clean air, adequate water, a stable climate and access to green spaces and health-supportive housing and built environments are all prerequisites for good health (47). In 2016, 24% of deaths globally were associated with living or working in an unhealthy environment (48). Poor quality housing can increase the risk of a wide range of communicable and non-communicable diseases, including cardiovascular disease, respiratory illnesses and mental health problems, especially for children (49) (50) (51) (52). Research shows the strong connections between housing—including the quality and the tenure—and physical and mental health (53).

Hong Kong has some of the most unaffordable housing in the world. In 2020, the affordability ratio of Hong Kong was the highest in the world at 20.7, meaning that the median price of a dwelling in Hong Kong is 20.7 times the annual median pre-tax household income. In comparison, the ratios were 8.6 in London, 5.9 in New York and 4.7 in Singapore (54). Home ownership is therefore unobtainable for many, private rents are high, and close to 50% of the population live in public housing (55).

Those living in public housing tend to have less space available than those in private housing (56). Overcrowding is a major issue in Hong Kong. At the extreme are subdivided units, small units within converted flats, that are often overcrowded and in
poor condition (57). In 2020, over 225,000 individuals, including 36,000 under the age of 15, were living in these subdivided units (58).

There is evidence for an association between housing affordability and poorer self-rated health, physical conditions and mental health in Hong Kong (59). High housing costs, whether rent, mortgage payments or other costs, also reduce the money available for other things that can contribute to good mental and physical health, including nutritious food; socialising; travel costs for work and education, and essential household items (60). In Hong Kong, households in the lowest income decile spent over 30% of their income on housing costs, compared to just over 10% for the highest (25).

Lack of affordable housing also contributes to homelessness. The number of street sleepers per 100,000 population in Hong Kong has grown since 2007 and stood at 17 per 100,000 in 2018 (61).

Worldwide, an estimated 8 million deaths a year are attributed to air pollution (62). One study estimated that 8,500 deaths in Hong Kong in 2017 were attributable to some form of air pollution, either inside or outside the home (63). Those living in more socially deprived areas of Hong Kong are more likely to be exposed to higher ambient concentrations of PM2.5, fine atmospheric particulates linked to respiratory and cardiovascular disease, than those living in the least socially deprived areas (64) (65).

Figure 6 Median housing cost as a percentage of household income (excluding foreign domestic workers) in Hong Kong, by income decile group, 2016

Source: Census and Statistics Department Hong Kong Special Administrative Region. 2016 By-census thematic Report: Household Income Distribution in Hong Kong (25).
4. HEALTHCARE AND HEALTH BEHAVIOURS

ACCESS TO HEALTHCARE

Hong Kong has a dual public-private healthcare system: the vast majority of inpatient services are provided by the public sector which is tax-funded with low additional fees at the point of care, but primary care is largely provided by the private sector with substantial fees at the point of care (66). One survey found that 8% of respondents had not sought medical care for financial reasons in the previous year (67). Those in Hong Kong who are income-poor or deprived are less likely to have access to regular primary healthcare (68). Amongst older people, those with lower incomes make less use of healthcare services despite greater need (69) (70). Close to half of the population of Hong Kong are not covered by employer health benefits or personal health insurance, meaning that when they need medical care they must either pay heavy costs or go without (71). Publicly-funded specialist outpatient services are overstretched, with long waiting times for many specialties (72).

HEALTHY BEHAVIOURS

Hong Kong has amongst the lowest rates of smoking in the world: the proportion of the population who are daily cigarette smokers has decreased from 15% in 1998 to 10% in 2019 (73). There is limited and mixed evidence of socioeconomic inequalities in smoking in Hong Kong (74) (75). Similarly, the patterns of overweight and obesity in Hong Kong do not conform to a simple socioeconomic gradient when not broken down by gender; unfortunately this information is not available by gender. There is some evidence that higher levels of hypertension and diabetes among women with lower educational attainment are mediated by higher levels of obesity (8) (76).
5. COVID-19

The effects of the coronavirus pandemic were not experienced equally across all sections of society. Those who were already disadvantaged were more at risk from the virus, and more likely to suffer stress and social and economic hardship as a result of efforts to contain its spread. The pandemic therefore exposed pre-existing inequalities in health, and widened them.

Higher COVID-19 mortality is associated with older age, disability, having longstanding health conditions, and being male (6) (77). Those living in more disadvantaged areas, with lower education and lower incomes may be more likely to catch COVID-19 due to living in crowded conditions and increased occupational exposures: research in Hong Kong found that socioeconomic disadvantage was associated with greater transmission of disease (78). They are also more likely to be in poor health beforehand, increasing the risk of a worse outcome (6). Although research did not find a direct association between socioeconomic position and risk of severe illness, it was found that the increased risk of severe COVID-19 for those with multiple chronic health problems only existed for those living in medium- and low-income neighbourhoods, and was reduced to negligible for those in high-income neighbourhoods (79). Mental health has also worsened during the pandemic, with evidence that increased stress levels were significantly higher amongst adults who had received less education, as well as amongst older people (80).

Restrictions to control the pandemic also fell hardest on the socioeconomically disadvantaged. Concerns about their family’s financial situation were highest amongst the socially deprived and the unemployed. Unemployment and underemployment both rose sharply during the pandemic, particularly among younger age groups (81). These increases in unemployment and underemployment can only worsen inequalities and deprivation for segments of the population, and may well have long-term impacts on health that reveal themselves in the coming years.

Figure 7 Unemployment rate by five-year age group by quarters in Hong Kong, 2019 Q4-2021 Q2.

Source: Census and Statistics Department Hong Kong Special Administrative Region. Data from the General Household Survey (76)
Hong Kong was one of the first cities to impose school closures in response to the pandemic, and there is concern that these can carry significant adverse economic and social costs, most felt by marginalized and vulnerable groups (82) (83). There is evidence that in Hong Kong school closures exacerbated inequalities, particularly for families of children with special educational needs, single parent families, low-income families and families with members with mental disorders (82). One study found that 70% of low-income families did not have computers and 28% did not have broadband access, limiting their ability to engage in distance learning (84).

Discrimination against foreign domestic workers increased during the pandemic, their employment conditions worsened, and they were largely neglected by the government’s policy response (85).

In 2020/21 the Hong Kong government implemented a fiscal stimulus package amounting to 12.2% of GDP as a means of supporting individuals and business in response to the pandemic. Only 5% of this was targeted specifically at lower-income families. Other relief measures included funding for employers to retain employees and guaranteed government-backed personal loans to the unemployed (86). While many of these one-off measures have been scaled back in the 2021/22 budget, there has been a 9.5% increase in recurrent expenditure, with social welfare having the largest year-on-year growth rate (87).

Non-governmental organisations and the charitable sector also played a crucial role in providing social assistance and support to the less advantaged in Hong Kong during the pandemic, including a HK$150 million Community Sustainability Fund from the Hong Kong Jockey Club and significant work by the Hong Kong Council of Social Service, the Hong Kong Red Cross, and the St James’ Settlement Food Bank (88) (89) (90) (91).
6. CONCLUSIONS AND THE WAY FORWARD

- Hong Kong has the longest life expectancy in the world, but also marked health inequalities in chronic diseases, mental health, subjective health status, health behaviour, and healthcare access, resulting in a social gradient of health.
- A wide array of social determinants of health are inter-related – education, work, income, housing, social spending and poverty are all closely related to health outcomes.
- The COVID-19 outbreak has exposed and exacerbated the pre-existing social inequalities in Hong Kong, not only due to disproportionate risk of COVID-19 infection but also the differential health and social impacts of COVID-19 containment measures across the social ladder.
- Without prompt and appropriate interventions, the poverty-induced health problems could increase the already heavy burden of the healthcare and social welfare system.
- Reducing inequalities in health requires holistic strategies across the whole of the society and government rather than mitigation in silos.

Based on the findings and observations in this report, we have made five recommendations to reduce health inequalities in Hong Kong as follows:

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<tr>
<th>RECOMMENDATION</th>
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<td>1</td>
<td>To raise public awareness of the importance of health inequalities, social gradients of health and social determinants of health.</td>
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<td>2</td>
<td>The government should set up new databases that provide necessary linkages between socioeconomic indicators and health outcomes and improve existing collection of data to identify and monitor health inequalities in Hong Kong regularly. Where possible, the data should be disaggregated by age, gender, socioeconomic position, and geographical areas and include new indicators on vulnerable groups and the extent of healthy ageing in the society.</td>
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<td>3</td>
<td>The government should work with other sectors, including academia, social care and healthcare, professional bodies, businesses, charities and voluntary organisations, in developing policies across the board to mitigate the social determinants of health inequalities and alleviate the burden of disease on disadvantaged groups.</td>
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<td>4</td>
<td>To review the impact of COVID-19 and the containment measures on physical and mental health of different social groups, including school children, working adults and foreign domestic workers. To incorporate analysis of the impact of policies on health equity of society in future policies and measures to tackle the pandemic.</td>
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<td>5</td>
<td>In the long run, it is necessary to establish a unified vision on fair and equitable society in Hong Kong through engaging and building up consensus with stakeholders in different sectors including the government and the civil society. This initiative should be placed in the larger context of the UN sustainable development goals and the WHO’s decade of healthy ageing.</td>
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Subsequent reports will examine various topics including the upstream determinants of health through the life course, socio-environmental factors, existing services and public policies, and recommendations on strategies for achieving health equity. The final report will address the key question – why does Hong Kong have the longest life expectancy in the world?
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