

**Hong Kong Information Technology Federation's representation to
Manpower Panel of the Legislative Council
10.45 a.m., Friday 30 March 2001**

1. HKITF's view on import of mainland professionals

- As many of HKITF members are "IT Workers", we supports that locals should have priority to employment opportunities.
- In case there's a shortage of skills, the HKITF supports an open non-discriminatory labour import scheme, which include professional talents from the mainland.
- Although the door to professionals from nearly all other countries has always been open, Hong Kong has traditionally discriminated against mainland professionals.
- There should be no upper-limit to the scheme, but the Immigration Department should only approve genuine cases of shortage; not attempts to import mainland professionals because they might cost less.
- If Hong Kong wants real professional talents from the mainland, spouse and children should be allowed to come as well.
- Importing professionals are only short-term remedial measures. The HKITF would like the Legco Manpower Panel to focus its attention on:
 - Why shortage has taken place.
 - How Government policy might have help brought about a shortage.
 - How the members of the Legislative Council, Government, trade unions, suppliers trade organisations such as the HKITF and users trade organisations such as the HKGCC could work together to avoid a shortage in future.

2. Government's role as a facilitator, not market player

- Market economies around the world have generally recognised that governments, should play the role of facilitator, not a supplier.
- Governments should not take up roles that can be better served by private sector suppliers.
- This is particularly true in the world of IT training, where:

- Technology and application knowledge change at lightening speed, making it impossible for government sub-vented organisations such as the HKPC and VTC to catch up.
- Private sector companies usually offer training solutions as part of their product offer.
- Extremely short product live cycles makes negative/positive effects of government intervention/non-invention felt more sharply than in any other business sector.

3. Government's role as a facilitator – not a competing training supplier

- The enclosed South China Morning Post clipping highlights a dispute between an HKITF member and the EDP Training Centre of the VTC.
- This person used to be the head of Computer Science Department of Hong Kong Polytechnic but had left to set up his own business. He finally gave up.
- The newspaper clipping was dated July 1988.
- IT training is a major industry in other market. It is also an effective way to soak up temporary unemployment in the IT industry. Legislators should ask why Hong Kong does not already have a robust training industry.
- If Hong Kong's policy makers keep on digging in an entrenched policy of equating government support to building more and bigger government sub-vented training institutions, another twelve year will come and go and Hong Kong will still wonder why we do not have a strong training industry in 2013.

4. Government's role as a facilitator – not a competing service supplier

- Training is closely related to product and services provided by IT suppliers
- Other than the VTC, the HKPC actively compete with small IT supplier for business
- HKPC corporate presentation claims that it owns 40% of the ISO certification market – that is 40% of the revenue taken out of the private sector
- As many members of the HKITF faces direct competition from the HKPC, we now have a HKPC caucus which is trying to figure out what we could do to help member companies who faces unfair competition from the HKPC.
- Other than a question raised by the Hon. Sin Chung-Kai at Legco, not much had happened. The HKPC is generally perceived to be a powerful organisation which suppliers do not want to upset.

5. Government's role as a facilitator in education – encourage internship schemes

- While the HKITF is against the VTC playing an active role in training, we would like to point out that there had been recent and commendable VTC initiatives in education.
- The HKITF felt that The Hong Kong Network of Practice Firm of IVE (Institute of Vocational Education) should be given more support, as this is the kind of effort that will turn business/education partnership into reality.
- Similar schemes in the engineer field are behind Germany's success as the best automobile manufacturer in the world.
- There is nothing to stop Hong Kong to become an excellent world player in the world market in many fields – including the IT field if such schemes could be nurtured properly in Hong Kong.

6. Government's role as a facilitator in higher education and research funding

- IT manpower supply is also closely related to whether the country/territory/city in question has "fertile soil" and business opportunities.
- Government policy-making units such as the ITC, UGC and RGC should put into practice policies that will enable real co-operation private sector organisations and academic institution.

7. Face reality – protection will stop us from growing up

- As the workers of the IT sector, we do not think we are inferior to our mainland counterparts.
- IT talents are "rare commodities" around the world and the chances of large influx is highly unlikely.
- Member companies of the HKITF generally feels that Hong Kong bosses will not pay higher Hong Kong salaries to our mainland compatriots unless there is an extremely good reason too do so.
- If Hong Kong turns to protectionism, we will simply "eat the dust" of economies such as Singapore that will welcome imported talents with open arms.

8. Face reality – a short-term fix is required

- We are not against ITBB's proposal to import India's model and set up corporate schools etc. In the long run they are all good initiatives.
- However, we would like to remind the Legco Manpower Panel that India started at a very low level, very long ago (twenty years), with much more manpower supply than Hong Kong and has endured more hardship.
- In terms of size of the territory, income level and manpower supply and education, Hong Kong is much closer to Singapore than to India.
- We urge members of the Singapore model of directly subsidy to end users, not spending valuable taxpayer's money on building up bigger and more sub-vented government training organisations such as the HKPC and VTC.
- In Hong Kong, this might eventually take the form of giving training coupons to individuals and to companies to buy training course from the open market.

9. Face reality – government should give up its monopoly on resources

- Private sector businesses need revenue to survive and then to grow.
- Even the Internet was the result of government (U.S.military) spending.
- Without the benefit of government spending and government competing with new (and therefore usually small) companies, how could IT companies survive?

10. Face reality – Hong Kong workers should fight for training opportunities, otherwise jobs and opportunities will continued to be exported

- As IT workers ourselves, we have great sympathy for our co-workers who felt that their job might be threaten by "more imports" from the mainland.
- But instead of lobbying union leaders for protection, IT workers should work with their union leaders for a proper training policy that will enable us to compete with the best in the world.
- With heighten shortage and high costs caused by a faulty training policy, jobs and IT operations have been exported to Sydney, Guangzhou and Donguan. The trend will continue if entrench policies does not change.
- This "negative" cycle can only be stopped by the labour, business and government sectors working together.

11. The HKITF supports Hong Kong's transition towards a knowledge economy

- As a trade organisation that sells nothing more than knowledge, the HKITF genuinely support the CEO's initiative to lead Hong Kong rapid transition towards a "Knowledge Economy" and hope that the policy bureaus involved would consider criticism of inadequate past policies in good faith.
- The HKITF also wishes members of the Legislative Council and government policy makers:
 - to consider the consequences of Hong Kong failing to go down the "Knowledge Economy" road,
 - to examine manpower importation and training scheme as a separate case and not as a bargaining chip on a separate political agenda,
 - to give up sometimes entrenched and sometimes confrontational positions,
 - to work together and to focus on solutions.

Wednesday, March 28, 2001

Private sector accuse centre of wasting public funds

Govt. training centre faces harsh criticism

A HORNET'S nest is stirring under the nose of the Vocational Training Council's EDP Training Centre.

It has been accused of wasting public funds by duplicating courses that are already offered by private institutes and of diverting its courses, which are free, to larger organisations that are hardly in need of assistance.

In a strongly-worded letter addressed to the chairman of the VTC in February, educators Graham Mead and Gregg Westrick charged that the centre's present activities were inhibiting growth in private sector training and violating the Hong Kong government's philosophy of non-intervention.

Both Mead and Westrick also believe that, based on the space taken up and the personnel at the EDP Training Centre, the VTC would not be competitive against private sector offerings if it were to offer the courses at cost.

Stories by
Eileen Lian

The EDP Training Centre of the VTC was set up in 1986 on the recommendations of a commission on EDP training to provide computer training to graduates and professionals. Today the centre offers at least 20 free courses for DIP professionals.

Its stated objective in its fact sheet is to "meet the needs of fresh university graduates entering the computer profession, to provide work-related training for new entrants to gain initial experience; and to develop a systematic and in-depth training scheme to upgrade existing EDP professionals."

Mead had problems even before the VTC started the EDP Training Centre. I don't think the centre has affected his business that much. It can't be helped that so many people out there want our sort of training," Chang asserted.



"If the government is going to spend that much money, why not put it where there is greatest need. Do banks, for example, need government subsidies? There should be criteria for selection."

— Graham Mead

Chang countered that the course participants were very much spread out over the large and small companies. The centre had also begun to restrict enrollment to only one person from each firm and then set a first come first served basis. Singapore appeared to be a good example for both Westrick and Mead. Hong Kong, they believed, could learn something from that.

He added that, among other options, the VTC could discontinue its EDP Training Centre, revert to its original charter of training people for long-term entry into the industry or require entry qualifications of an increased career in IT.

No reply has been received to the letter by Mead and Westrick. The matter, according to Westrick, is being taken up by the Hong Kong Information Technology Federation.

Industry : BNR CON CHI PD FUN INV IT SEC TEL
Topic : BKH DRV HR OSR MWT POL PRO RES SU
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