

For discussion
12 February 2004

LegCo Panel on Manpower

Youth Self-employment Support Scheme

Purpose

The Chief Executive announced in his Policy Address on 7 January 2004 that a pilot scheme would be introduced to assist 1 000 young people to become self-employed. This paper briefs Members on details of this Youth Self-employment Support Scheme (the “Scheme”).

Objective

2. The Scheme is intended to provide an alternative to traditional employment service for young people who have motivation, entrepreneurship and innovation to become self-employed.

3. Our target is to train and assist about 1 000 young people to become self-employed in areas such as information technology and multimedia applications (e.g. graphic design, web page editing, computer animation, desk-top publishing), personal care (e.g. hair-dressing, nail-polishing, beauty therapy, aroma treatment, manicure), and public performances (e.g. magic show, hip-hop dance). Our immediate objective is to promote self-employment, and will not require the trainees to start their own business during the training period. The Scheme will not provide any start-up capital support to trainees.

Implementation of the Scheme

4. The Scheme will be administered by the Labour Department. Non-government organizations (“NGOs”) and non-profit making training bodies, including trade unions, will be commissioned to carry out the projects under the Scheme. The Hong Kong Council of Social Service will play a coordinating role.

Eligibility Criteria

5. Young people who meet the following criteria will be eligible for enrolment into the Scheme:

- (a) aged between 18 and 24;
- (b) possess an education attainment of Form 5 to below degree level;
- (c) not engaged in any full-time employment at the time of application;
and
- (d) assessed to have motivation for self-employment by participating NGOs.

Features

Training

6. Under the Scheme, NGOs will organize training by qualified instructors for young people during their first four months of participation. Trainees will receive vocational training on work skills and basic training on self-employment including market research, marketing strategy, sales techniques and customer service, financial management and budgeting, and interpersonal and social skills.

Facilities and Administrative Support

7. NGOs will provide a full range of facilities and administrative support for securing business to trainees during the training period. These include providing the venue for conducting business, making available the necessary equipment and hardware support on a loan basis and assisting in networking with the appropriate bodies and organizations. NGOs will also provide follow-up services to young people in need of assistance on completion of the Scheme.

8. To enhance the understanding of trainees on the various aspects of self-employment by hands-on practices, and to allow them to critically assess whether self-employment is a viable option, NGOs will also act as business managers to help trainees establish business connections for development of self-employment potential for a period of no less than eight months.

Screening of Proposals from NGOs

9. A central vetting committee comprising representatives of the Hong Kong Council of Social Service, business sector, academia, and the Labour Department will be formed to vet project proposals submitted by NGOs.

Public Reaction

10. There is considerable support for the Scheme from the Commission on Youth, the social services sector, political parties and trade unions. The community at large also welcomes this new initiative.

Financial Implications

11. It is estimated that the Scheme will need a one-off funding of \$30 million, broken down as follows:

<u><i>Item</i></u>	<u><i>Amount (\$m)</i></u>
Training and capital cost for equipment and facilities	21
Marketing and business promotions	6
Administration, general expenses and contingency	2
Review and evaluation	1
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Total:	30

12. Funding approval from Finance Committee will be sought in March 2004.

Timetable

13. Subject to funding approval by Finance Committee, we will invite NGOs to submit proposals. The vetting committee will consider the proposals in April 2004. Selected NGOs will commence enrolment of applicants and conduct assessment of their suitability for joining the Scheme in May 2004. Training will begin in June/July 2004.

Advice Sought

14. Members are requested to offer their views on the proposed Scheme.

Economic Development and Labour Bureau
Labour Department
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