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Panel on Manpower

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 14 December 2009**

**Measures taken by the Labour Department
to promote youth employment**

Purpose

This paper summarizes the recent discussions of the Panel on Manpower (the Panel) on the measures taken by the Labour Department (LD) to promote youth employment.

Deliberations of the Panel

2. According to the Administration, LD had implemented a number of measures to promote youth employment. The Panel was updated on the latest employment services and training programmes for young people at the meetings of the Panel on 19 February 2009, 19 March 2009, 16 April 2009, 21 May 2009 and 18 June 2009. The discussions of the Panel are summarized in the following paragraphs.

LD's programmes for young people

3. The Panel noted that the Youth Pre-employment Training Programme (YPTP) launched in September 1999 and the Youth Work Experience and Training Scheme (YWETS) launched in July 2002 sought to provide a full range of pre-employment and on-the-job training to young people aged 15 to 24 with educational attainment below the degree level. In December 2007, the Youth Employment Start (YES) was introduced to provide one-stop advisory and support services on employment and self-employment to young people aged 15 to 29.

4. With the unemployment rate reaching 5.3% in mid-2009, the Panel was very concerned about the employment services and job opportunities available

for young people who found it increasingly difficult to secure jobs in the face of the financial tsunami.

5. The Administration informed the Panel that it would enhance and integrate YPTP and YWETS into a "through-train" programme providing seamless and comprehensive training as well as employment services to young people. From September 2009 onwards, the revamped programme would provide 35 000 training places in the ensuing two years. To facilitate life-long learning and development of trainees, YPTP and YWETS would by phases seek accreditation of the pre-employment training courses under the Qualifications Framework, establish a web-based platform for the dissemination of training and labour market information, and develop a standard assessment tool for use by case managers in assisting the trainees to formulate their career and training plans.

6. Some members enquired about the success rate of young people in securing employment after training. The Administration responded that every training opportunity might result in employment. Based on past experience, over 70% of young people were able to secure employment after receiving training under YPTP and YWETS. Under the revamped programme, coordination with other employment services of LD would be strengthened, making full use of LD's existing extensive employer network and strong partnership relations with employers to canvass on-the-job training vacancies of a wide variety for trainees. The revamped programme would not impose any ceiling on training capacity and would flexibly admit all eligible young people.

7. Some members enquired about the support provided for young people to start their career and for those who intended to be self-employed. They enquired about the operation of YES and the measures to motivate the "hidden" youths to look for jobs.

8. The Administration informed the Panel that YES operated in tandem with YPTP and YWETS to provide career assessment and guidance to young people. The two YESs, located at Langham Place in Mongkok and at Metroplaza in Kwai Fong, were popular gathering places of young people. The two centres provided a full range of office facilities and services for free. These included well-equipped business workstations, meeting room and design corner with professional design software/hardware. At each YES, LD partnered with a non-government organization (NGO) experienced in youth services to provide professional counselling service to young people in need of motivational assistance or emotional support. Locating YES at popular gathering places of young people was an initiative of LD to attract the "hidden" youths who might be reluctant to visit the government offices where employment services were provided. By the end of 2008, the two YESs had together provided services to 63 636 young people. Some young people had become self-employed magicians, specialists on pet care, etc. after training.

9. The Panel was informed that in anticipation of a marked reduction of job opportunities for university graduates during the economic downturn, LD launched an Internship Programme for University Graduates (IPUG) in August 2009 to provide about 4 000 places for interested graduates to work as interns and receive training in local or Mainland enterprises for a period of six to 12 months. The wages offered by employers should in no case be less than \$4,000 per month.

10. Some members expressed concern that university graduates under IPUG might be offered wages as low as \$4,000 per month. Some other members queried the need to provide further training to university graduates, given that they had received the requisite training in universities. The Administration explained that offering wages of \$4,000 per month for hiring a university graduate was a misconception of the community. Employers who participated in IPUG must offer wages commensurate with the duties, responsibilities and training contents of the posts. IPUG was introduced as a temporary measure to help university graduates establish a foothold in the job market.

11. The Panel was informed that LD had also collaborated with the Community Investment and Inclusion Fund (CIIF) to fund social capital development projects to promote youth employment with a view to enriching the existing training and employment programmes for young people, and enhancing the relationship among community organizations and employers.

12. A member expressed concern about the small number of successful applications and the stringent assessment criteria adopted by LD and CIIF in approving social capital development project applications. Another member queried the cost-effectiveness of the joint programme of LD and CIIF. The Administration responded that the major consideration in approving an application was the content of the proposal, such as whether the proposal would meet the needs of young people and the employment market, and the experience and qualifications of the service providers. CIIF had carefully examined the applications and had provided feedback to applicants so that they could modify their proposals for re-submission. The programme sought to change the mindset of young people and enhance their self-esteem which was conducive to their personal development and their long-term employability.

Employees Retraining Board (ERB)'s programmes for young people

13. The Panel noted that ERB had since 1 December 2007 relaxed the eligibility criteria for its Employees Retraining Scheme (ERS) to cover people aged 15 or above and with education at sub-degree level or below. In January 2008, ERB released a public consultation document which recommended, inter alia, the provision of more comprehensive and diversified training and retraining services for the local labour force.

14. Some members were concerned whether the expansion of ERS to cover people aged 15 or above had resulted in overlapping between ERS and other youth training programmes such as YPTP and YWETS. As more young people would be unemployed under the current economic situation, they enquired whether ERB would introduce measures to cater for the special needs of young people.

15. The Administration explained that to avoid duplication in youth training, the pre-existing youth programmes offered by the Vocational Training Council (VTC) targeting non-engaged youths had been adopted as ERB's Youth Training Programme. ERB's Youth Training Programme and LD's YPTP sought to assist non-engaged youths to seek employment or other engagement with different approaches. To avoid duplication of services, ERB had, under the coordination of the Labour and Welfare Bureau, adopted the proposal of VTC to offer its Teens' Programme, Modern Apprenticeship Scheme and Ethnic Minority Project under ERB's Youth Training Programme on a pilot basis. A total of 2 000 training places had been set aside annually for the programme. Depending on the response, the number of places offered would be adjusted.

Latest development

16. Hon WONG Kwok-hing raised a question on "Assisting the youth in seeking employment and starting their own business" at the Council meeting on 28 October 2009. The question and the Administration's reply are in **Appendix**.

Relevant papers

17. Members may wish to refer to the following minutes and papers for further details -

Minutes

- (a) minutes of meeting of the Panel on Manpower on 19 February 2009 [LC Paper No. CB(2)1273/08-09];
- (b) minutes of meeting of the Panel on Manpower on 19 March 2009 [LC Paper No. CB(2)1566/08-09];
- (c) minutes of meeting of the Panel on Manpower on 16 April 2009 [LC Paper No. CB(2)1571/08-09];
- (d) minutes of meeting of the Panel on Manpower on 21 May 2009 [LC Paper No. CB(2)2177/08-09];

- (e) minutes of meeting of the Panel on Manpower on 18 June 2009 [LC Paper No. CB(2)2381/08-09];

Papers

- (f) Administration's paper entitled "Overview of Labour Department's efforts in labour administration in 2008" for the meeting of the Panel on Manpower on 19 February 2009 [LC Paper No. CB(2)864/08-09(03)];
- (g) Administration's paper entitled "Measures to enhance the employment services of the Labour Department" for the meeting of the Panel on Manpower on 19 March 2009 [LC Paper No. CB(2)1078/08-09(03)];
- (h) Legislative Council Brief on the Future directions of the Employees Retraining Board (LWB(M) CR 16/581/05 Pt.4);
- (i) Administration's paper entitled "Collaboration between the Labour Department and the 'Community Investment and Inclusion Fund' on the promotion of youth employment" for the meeting of the Panel on Manpower on 21 May 2009 [LC Paper No. CB(2)1569/08-09(05)]; and
- (j) Administration's paper entitled "Proposed injection of further funding into the Continuing Education Fund" for the meeting of the Panel on Manpower on 18 June 2009 [LC Paper No. CB(2)1859/08-09(03)].

18. The above minutes and papers are also available on the website of the Legislative Council (<http://www.legco.gov.hk>).

Council Business Division 2
Legislative Council Secretariat
10 December 2009

Press Releases

LCQ17: Youth employment

Following is a question by the Hon Wong Kwok-hing and a written reply by the Secretary for Labour and Welfare, Mr Matthew Cheung, in the Legislative Council today (October 28):

Question:

The Government has recently announced that the seasonally-adjusted unemployment rate from June to August this year was 5.4%. However, the unemployment rate for the 15 to 19 age group in the period from May to July was as high as 28.7%. Regarding the issues of the youth seeking employment and starting their own business, will the Government inform this Council:

(a) of the current total number of programmes set up by the Government to assist the youth in seeking employment; the respective numbers of places and participants of the various programmes in each of the past three years, and the employment rates of the participants after they had completed the programmes concerned;

(b) whether the Government is currently implementing programmes to provide financial assistance to the youth to start their own business; if so, of the details; if not, the reasons for that; and

(c) given that many countries in the world are currently implementing dedicated programmes to help the youth to set up their own business, whether the authorities will consider setting up a loan fund, so as to support the plans of the youth to start their own business?

Reply:

President,

It is a global phenomenon that the youth unemployment rate is substantially higher than the overall unemployment rate. Young people are more susceptible to unemployment because of a variety of factors, including their limited work experience and low academic qualifications and skills level. With the gradual recovery of the local economy, our youth unemployment rate has dropped from 28.7 % for the period from May to July, 2009 to 25.7% for July to September, 2009, with the number of jobless falling from 16,300 to 15,300.

Our reply to the different parts of the question is as follows:

(a) The Government has implemented a host of employment programmes to promote youth employment. They include:

(1) Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme

The Youth Pre-employment Training Programme (YPTP) and Youth Work Experience and Training Scheme (YWETS) administered by the Labour Department (LD) provide training and employment

support to young people aged between 15 and 24 with educational attainment at sub-degree or below level. With effect from the 2009/10 Programme Year commencing in September, 2009, LD has further enhanced and integrated the two youth programmes to provide young people with through-train services which include pre-employment training, workplace attachment, on-the-job training, subsidy for off-the-job training courses and examinations, tailor-made training projects and case management services. There is no specified limit on training capacity of the two youth programmes which will admit all eligible young people.

Statistics on the number of trainees of YPTP and YWETS in the past three Programme Years are as follows:

	Programme Year		
	2006/07	2007/08	2008/09
	-----	-----	-----
YPTP	6,484	5,103	5,274
YWETS	10,578	8,211	8,335
Total	17,062	13,314	13,609

According to the findings of annual placement surveys conducted on trainees who completed YPTP for the past three Programme Years, excluding trainees who decided to pursue further studies, the average placement rate of the trainees was around 70%. On the other hand, LD commissioned in 2008 the Hong Kong Polytechnic University to conduct a survey on the employment status of trainees of YWETS for the 2006/07 Programme Year, and the findings revealed that around 80% of the respondents were in employment at the time of survey.

(2) Programmes under the Employees Retraining Board

After relaxation of the eligibility criteria for training courses of the Employees Retraining Board (ERB) in December 2007, people aged 15 to 29 with educational attainment at sub-degree or below level may enroll in ERB's full-time placement-tied training courses. These courses are placement-oriented and trainees are provided with job placement support services (generally for a period of three months). Moreover, they may also enroll in part-time or evening non-placement-tied generic skills training courses.

To help non-engaged youth aged 15 to 20 better understand their career preferences, ERB has collaborated with the Vocational Training Council since the third quarter of 2008/09 to organise courses under the pilot Youth Training Programme (YTP). The YTP, offering 2,000 places each year, provides vocational training and foundation skills training while cultivating among the trainees a positive attitude to life and self-confidence. Upon completion of the courses, training bodies are required to provide trainees with job placement support services for six to nine months to assist them to secure employment or refer them for further study.

Since 2007/08, the overall placement rate of trainees who graduated from full-time placement-tied courses (including the YTP) has reached 80%.

Statistics on the number of trainees aged 15 to 29 enrolled in ERB's training courses (including the YTP) over the past three financial years starting from 2007/08 are as follows:

Number of trainees aged 15-29			
	Placement-tied course -----	Non-placement- tied courses -----	Total -----
2007/08 (December, 2007 to March, 2008)*			
Other training courses	1,178	334	1,512
2008/09			
Youth Training Programme#	526	--	526
Other training courses	6,680	2,384	9,064
Total	7,206	2,384	9,590
2009/10 (up to September 30, 2009)			
Youth Training Programme	374	--	374
Other training courses	6,121	2,242	8,363
Total	6,495	2,242	8,737

* The target group of ERB has been expanded to cover people aged 15-29 as from December, 2007.

The Youth Training Programme (YTP) is only offered to non-engaged youth aged 15 to 20. Under the YTP, "pursuing further education" can be an alternative to "job placement" for trainees after graduation.

(3) Special Training and Enhancement Programme

The Special Training and Enhancement Programme (My STEP) implemented by the Social Welfare Department (SWD) provides employment service, including counselling and structured motivational or disciplinary training, to Comprehensive Social Security Assistance (CSSA) able-bodied unemployed recipients aged between 15 and 29 to help them rejoin the workforce or return to mainstream schooling. My STEP was first implemented in October, 2006 in Tin Shui Wai and Yuen Long on a pilot basis, and was subsequently extended to the New Territories and Kowloon districts. SWD launched in October, 2009 a new phase of My STEP to provide employment service to at least 700 CSSA recipients of the above category.

Statistics on the number of participants of My STEP and participants who successfully secured employment or returned to mainstream schooling are as follows:

My STEP	
1st phase	2nd phase

	(October 2006 to September 2007)	(October 2007 to September 2009)
Number of participants	68	611
Number of participants having secured employment or returning to mainstream schooling (%)	42 (62%)	330 (54%)

(b) The two youth programmes of LD offer some basic training courses on entrepreneurship, including entrepreneurship theories, marketing, management skills and business law. Moreover, LD has set up two youth employment resource centres in the name of "Youth Employment Start" (Y.E.S.) to provide one-stop service on employment and self-employment to young people aged between 15 and 29. As at September, 2009, there were 26,535 members registered with the two Y.E.S.

Through a multifarious approach, Y.E.S. assists young people to understand their own capabilities and inclination towards self-employment. The two centres provide the following self-employment support services:

(1) Career assessment

Y.E.S. has developed a comprehensive career assessment tool to help young people with aspirations for starting their own business to understand their career interest, personality, emotional intelligence and entrepreneurship potentials. Supported by the findings of career assessment, career consultants will assist young people to evaluate different options for career development, and offer them guidance on available careers and training opportunities in the light of their backgrounds and personal qualities.

(2) Training on self-employment

Apart from inviting business leaders to share their successful experience in setting up business with young people, Y.E.S. organises from time to time training programmes to equip young people with skills on self-employment and business management. In the first nine months of 2009, Y.E.S. organised 60 courses related to self-employment, including the preparation of business proposals and legal liabilities, financial management and marketing strategies pertaining to business operations. These courses attracted over 2,800 participants.

(3) Mentorship scheme and professional consultation

Y.E.S. invites entrepreneurs and business leaders to serve as mentors to offer advice and guidance in business start-up to young people on a voluntary basis. Furthermore, Y.E.S. arranges business professionals to provide consultation services to young people on legal and accounting problems that may be encountered in day-to-day business operations.

(4) Office facilities

Young people have free access to a full range of office facilities such as business workstations, conference room and

design corner with professional software/hardware at Y.E.S. This will facilitate them in running their business.

In its two years of operation, Y.E.S. has helped many young people understand their own interest and capabilities, make good use of the training and consultancy services offered by Y.E.S., establish their business networks and make their first steps in starting their own business.

(c) From the operation experience of Y.E.S. and the observations of some parents, teachers and social workers, young people aged between 15 and 19 generally lack the knowledge and experience in business operations and financial management because of their age and limited exposure. Taking into account the fact that young people usually have limited financial means, it may not be desirable for them to set up their own business by taking out loans. In case of business failure, they may be unable to repay the loans and thus may create vicarious financial burdens on the part of their family members. The Government will continue to provide training and self-employment support service to assist young people who wish to pursue self-employment or set up their own business.

Ends/Wednesday, October 28, 2009
Issued at HKT 15:30

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