

For Discussion on 18 July 2006

**Subcommittee to Study the Subject of Combating Poverty  
Report on Working Poverty**

**“Enhancing the Competitiveness of the Working Poor Through  
Education and Training”**

**PURPOSE**

This paper informs Members of the implementation of the recommendations in the Subcommittee’s Report on Working Poverty by the Education and Manpower Bureau (EMB).

**BACKGROUND**

2. In its Report on Working Poverty, the Subcommittee recognized the Government’s policies and strategies to alleviate working poverty and problems faced by such households.

3. In such context, the following sets out EMB’s work in assisting and encouraging able-bodies of low-income households to engage in work and be self-reliant with a view to breaking the cycle of generational poverty.

## **A. Training Programmes**

4. We share the view that it is essential to equip our working poor with the necessary skills and education to prepare them for employment in the fast-changing and knowledge-based economy. To this end, the Government has actively promoted lifelong learning in the community and launched various education and training programmes aimed at enhancing the employability and competitiveness of our workforce. Such training programmes are designed to meet the specific needs of the different segments/age groups of our working population and those of the industries. Training programmes targeting at the unemployed, low-education and low-skilled workers as well as the youths are summarized in the ensuing paragraphs.

### ***(a) The Unemployed***

5. The Government established the Employees Retraining Scheme in 1992 to provide **unemployed** people with lower secondary education or below and aged 30 or above with retraining so as to enhance their employability. Through a network of accredited training providers, the Employees Retraining Board (ERB) offers more than 100 000 training places each year for retrainees to acquire job-specific skills of certain industries and generic skills. Retrainees are also provided with placement and follow-up services on completion of retraining. Those who attended full-time placement-tied courses of more than one week and achieved an attendance rate of 80% or more are entitled to a retraining

allowance of \$153.8 a day with a monthly maximum of \$4,000.

*(b) Low-skilled and low-education workers*

6. To help **low-skilled workers with low education** to adapt to the changing economic environment, the Government introduced the Skills Upgrading Scheme (SUS) in 2001 to provide subsidized skills upgrading training for in-service workers in selected industries (i.e. those that have economic prospect and a large number of workers requiring training). The SUS now covers 23 industries and has so far offered about 7 700 classes benefiting over 156 000 workers.

*(c) Youths*

7. The Government provides subsidized vocational education and training for Secondary 3 and 5 school leavers through the Vocational Training Council (VTC). Apart from offering full-time pre-employment vocational education and training programmes in a wide range of disciplines, VTC also provides part-time vocational courses for in-service workers who aspire to acquire higher qualifications or upgrade their skills to meet market needs. Students who have financial difficulties can apply for student financial assistance through the various schemes run by the Student Financial Assistance Agency (SFAA). Young people who would like to pursue a career in the construction and clothing industries may enroll in programmes offered by the Construction Industry Training Authority (CITA) and Clothing Industry Training Authority (CLITA)

respectively. Funded by industry levies, both CITA and CLITA provide subsidized industry-specific skills training at craft and technician levels.

8. The Government established a \$50 million Youth Sustainable Development and Engagement Fund (the Fund) in 2004 to fund pilot projects which aim at providing employment-related training programmes for non-engaged youths (NEYs). The Fund is administered by the Task Force on Continuing Development and Employment-related Training for Youth. To date, the Task Force has approved a total of 19 pilot projects offering more than 4 200 training opportunities to NEYs. The Task Force will, taking into account the outcome of a review on the effectiveness of these pilot projects, submit recommendations to the Government on how best to address the problem of NEYs in due course.

9. To facilitate young people's entry into the employment market, the Labour Department (LD) launched the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) in 1999 and 2000 respectively. The YPTP provides a wide range of short basic job skill courses for school leavers aged 15 to 19. Since its inception, more than 66 000 youths have participated in the programme. The YWETS provides youths aged 15 to 24 with real work experience through six to twelve months' on-the-job training. So far, over 40 000 young people have benefited from the programme.

10. Apart from the training programmes mentioned above, the Government introduced the Project Yi Jin (PYJ) in October 2000 to provide an alternative educational pathway for school leavers and adult learners who wish to obtain a qualification for further study or employment purposes. Upon successful completion of PYJ, students will be awarded a certificate which is comparable to five passes in the Hong Kong Certificate of Education Examination (HKCEE) and reimbursed 30% of the tuition fees. The programme has received wide acceptance by students and parents and over 25 000 students have benefited from it since its introduction.

#### **B. Training subsidies**

11. The Subcommittee also suggested that the Government should consider providing training subsidies to employers and employees. As mentioned in the preceding paragraphs, government subsidies are being provided to workers under two of our existing schemes including the SUS (para. 6 above) and the Continuing Education Fund (CEF). The \$5 billion CEF was launched in 2002 to better prepare Hong Kong's workforce for lifelong learning in a knowledge-based economy. Eligible Hong Kong residents aged between 18 and 60 may apply for reimbursement of 80% of the tuition fees paid for studying in pre-approved CEF courses, subject to a ceiling of \$10,000 for each applicant. We note that the Subcommittee has suggested that the Government should provide fee waiver for low-income groups. The guiding principles are that CEF recipients should also contribute to the

tuition fees (20%) to ensure their commitment to completing the courses, and that anyone who has financial difficulties to pay the tuition fees upfront may apply for the Non-means Tested Loan Scheme administered by the SFAA. We will examine the Subcommittee's suggestion in reviewing the operation of the CEF and report to the relevant LegCo Panel in due course.

### **C. Measures to encourage employers to provide time-off for training**

12. The Government encourages employers to adopt employee-oriented employment practices to cater for their development and training needs, such as provision of study leave. The LD will continue to promote these good practices through various channels, including its network of Human Resources Managers' Clubs in various trades and industries.

### **D. Qualifications Framework and Lifelong Learning**

13. To enhance their competitiveness and employability, our workers, regardless of their skills level and educational attainment, should engage in lifelong learning with a view to upgrading their skills and knowledge to meet the rapidly changing needs of the economy. To facilitate this, the Government is establishing a Qualifications Framework (QF) to promote lifelong learning in the community. With well-defined standards of qualifications and clear indication of the articulation ladders between them, the QF enables workers to set clear goals and directions

for obtaining quality-assured qualifications. In the long run, the QF promotes lifelong learning, hence enhancing the capability and competitiveness of Hong Kong's human capital.

### **ADVICE SOUGHT**

14. Members are invited to note the content of this paper.

Education and Manpower Bureau

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