

# Youth Employment

Meeting with NGOs

5 July 2013



# Objectives of the meeting

1. To review the issue of youth employment
2. To revisit the existing infrastructure for school-to-work transitions
3. To recommend future policy directions
4. To suggest relevant measures
5. To follow up the PW issue

# Youth employment

1. Youth unemployment is still a serious problem in Hong Kong.
  - While the overall unemployment rate and youth unemployment rate are declining, the relative unemployment rate of youth / adult is constantly high (over 4 for the age group of 15-19 and around 2.5 for the age group of 20-24 in recent years).
  - Compared with other developed economy, regarding the age group of 15-19, the relative unemployment rate of youth / adult of Hong Kong is much higher.

2. The qualitative side of youth employment is far from satisfactory.

- Working poverty among youth

- The median monthly income of male and female working youth aged 15-19 is just 42% and 33% of that of the overall working population respectively in 2011, which is much worse than the situation in 2001.
- This suggests half of the youth working population aged 15-19 is in poverty.

- Lacking opportunities for development in the eyes of youth

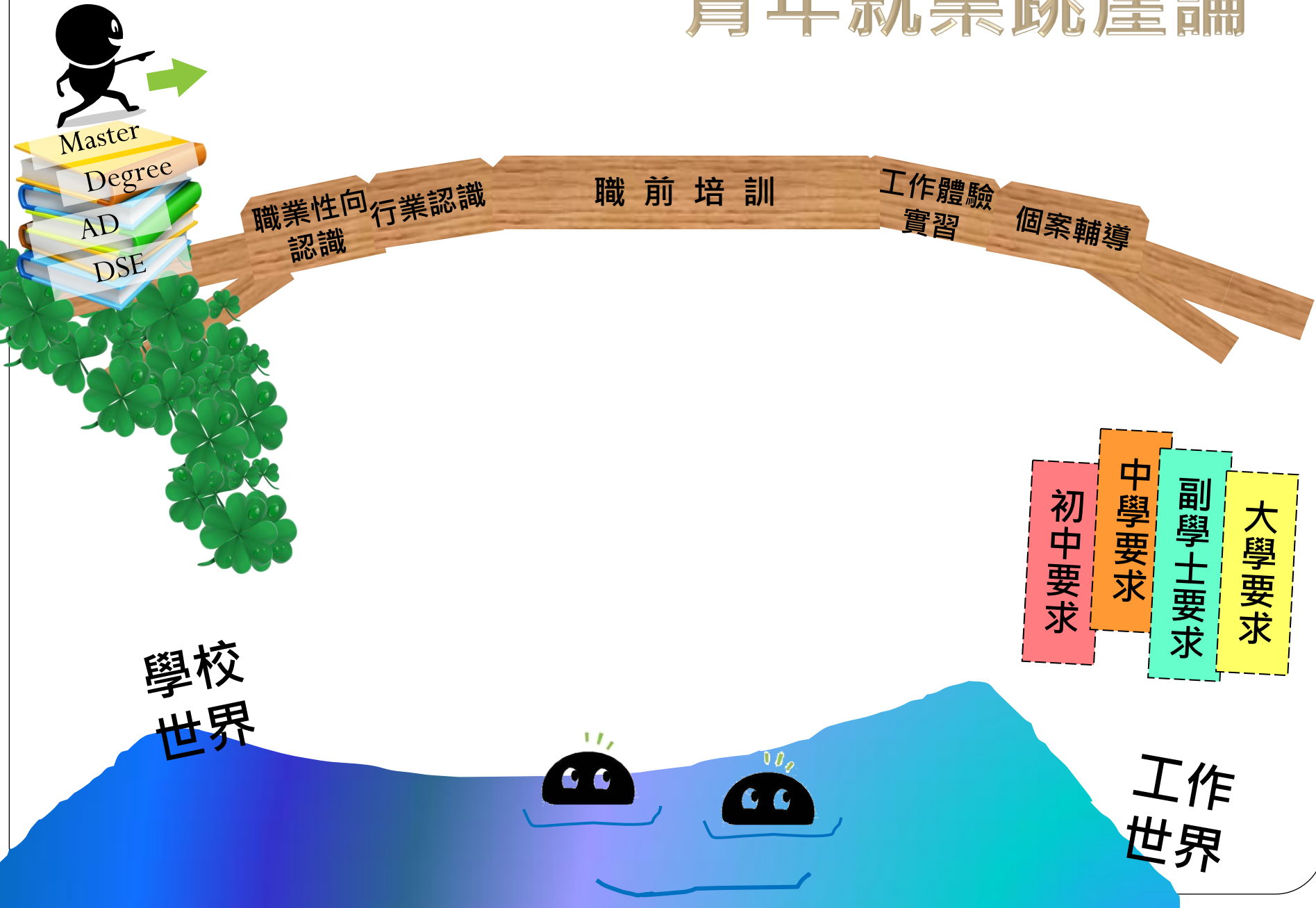
- Labour market precariousness in terms of sub-standard employment

# Youth as heterogeneous groups

1. Youth is not a homogeneous group but diverse in terms of:
  - Age
  - Gender
  - Education attainment
  - Ability/disability/special education needs
  - Family backgrounds
  - Locality
2. Hence, youth from diverse backgrounds needs various measures to assist their school-to-work transitions.

# School-to-work transitions infrastructure

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# School-to-work transitions infrastructure: Education

1. The increasing participation of young people in post-secondary education, in particular via self-financed study, has escalated their career expectations.
  - Escalated career expectations in terms of job types
  - Escalated career expectations in term of income
2. The vicious cycle of overeducation, crowding out effect and a heightened urge for higher education is resulted from the insufficient supply of high-ends jobs.
3. Yet, the path to higher education does not necessarily help young people to bridge over from school to work.



# School-to-work transitions infrastructure: Training

1. The training mode may not cater for the needs of youth who are engaged in full-time jobs.
2. The training duration may be an important concern for youth people who want to minimize the cost of making any wrong decisions amidst uncertainty.
3. The training components may not cater for the needs of youth from diverse backgrounds in particular when training at workplace and via work experience is not emphasized.

# School-to-work transitions infrastructure: Work

1. The precarious conditions of the labour market are not very youth-friendly.
2. The availability of jobs (opportunities and/or types) may not match the aspirations of young people.

# Recommendations on policy directions

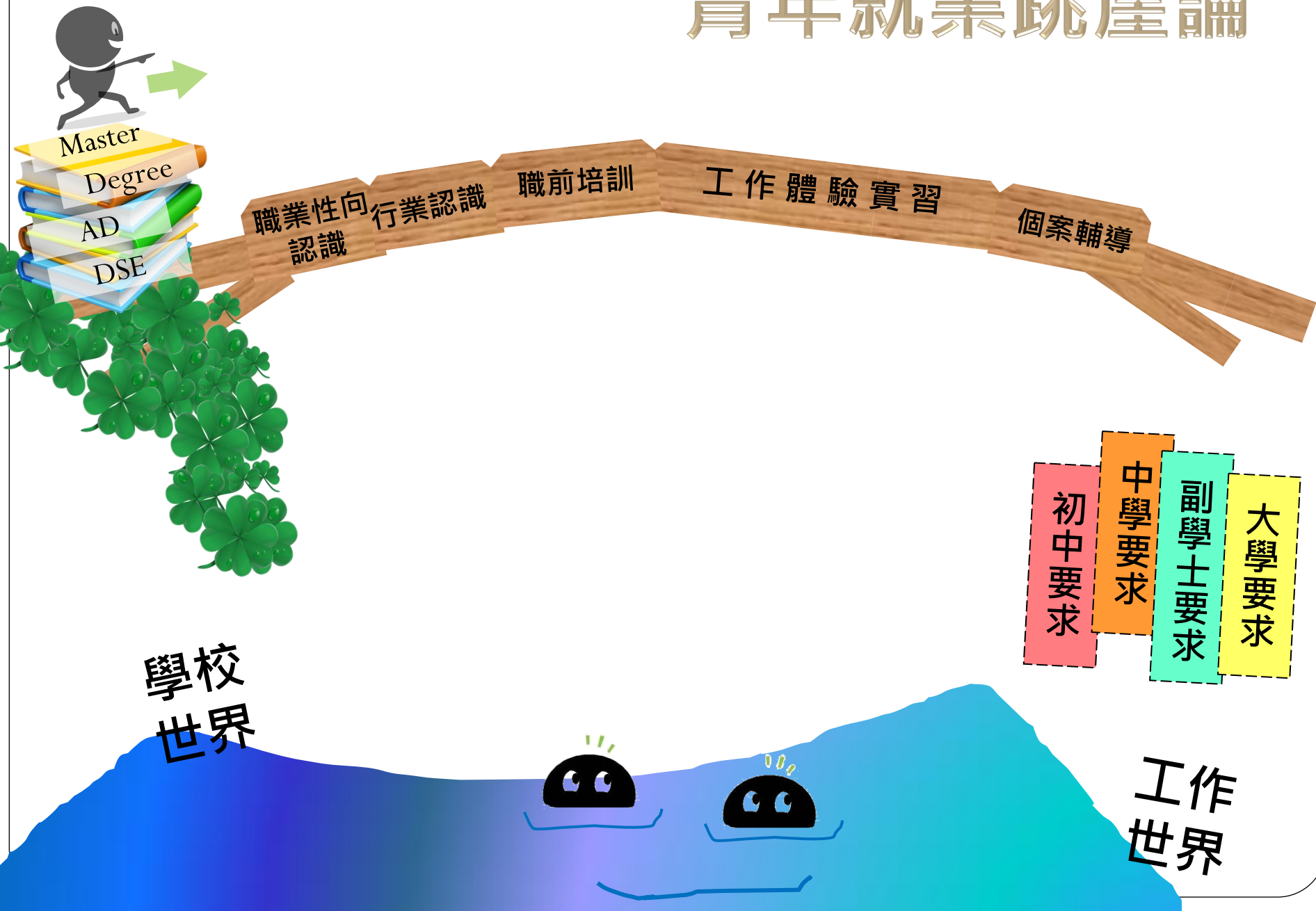
1. It is suggested that the expansion of higher education via the means of self-finance should be reviewed. It is necessary to look into the social costs of creating cohorts of young people who are in (heavy) debts and whose aspirations are unfulfilled and the implications on social cohesion and stability.
2. It is proposed that some components apprenticeship should be adopted. Apprenticeship is highly credited partly because apprentices are trained in the workplace. Hence, training at workplace and via work experience should be strengthened in terms of duration and intensity.

# Recommendations on policy directions

3. It is recommended that a certain degree of labour market regulation should be exercised to create conditions favourable for decent work. The urge for flexibility and maximization of profit is incompatible with the environment which is conducive to school-to-work transitions, not to mention the career development and mobility of young people. The two mutually exclusive conditions cannot be expected to be regulated by the market without any external intervention. Hence, an exploration on the feasibility of labour market regulation is suggested.

# Recommendations on possible training measures

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# Recommendations on possible training measures

1. Training at workplace / via work experience in the open market
  - Targeting at general youth needing support
  - Refining existing YPTP
  - Keeping components like \$3000 incentive, pre-job training, case management
  - Building in a one-year training at workplace component
  - Strengthening job-specific training with the support and input of employers

# Recommendations on possible training measures

2. Training at workplace / via work experience in a more supportive environment
  - Targeting at disadvantaged youth who are not able to enter the open market at once and need extra support
  - Providing fully-funded work opportunities
  - Informed by PW model
    - Offering opportunities to young people according to needs but not the principle of competitiveness
    - Offering opportunities to accumulate work experience
    - Offering opportunities to explore career interest in different work tasks



# Recommendations on possible training measures

- Providing close supervision and coaching to make training at workplace more effective
- Providing career counseling to enable young people to learn about their strengths and weaknesses on which they base to make their career decisions.
- Providing career guidance in decision making to actualize career aspirations.

# PW issue

1. Despite the fact that PW has been regarded as a temporary measure to ease youth unemployment, it is a scheme funded by public money and hence a proper evaluation must be done. It may have reference for future youth employment policy.
2. Unless it is proved as an ineffective measure to ease youth unemployment, a certain degree of sustainability should be maintained. Otherwise, it will be costly to start up the scheme again when it is needed.