Scope of Kowloon East Inclusive Project
Challenge in Kwun Tong District:

Poorest District in Hong Kong
Overview

Poorest District in HK - Although Kwun Tong has the highest population of Elderly among all districts but there is much more...

Source: 2016 Population By-census, Census and Statistics Department, HKSAR; General Household Survey 2018; Hong Kong Poverty Situation Report 2017
Overview

- How can we better support equitable workforce and small business development efforts while promoting innovative solutions?

#1 HIGHEST POVERTY RATE
#2 LOWEST MONTHLY INCOME
LOW LABOR FORCE PARTICIPATION RATE AMONG YOUTHS AGED 15-24
LOW SKILL LEVEL
#1 LOWEST ENGLISH PROFICIENCY
LOSS OF YOUTHS DUE TO EMIGRATION TRENDS
#1 MOST SINGLE PARENT POPULATION
#2 MOST SUBSIDISED HOUSING
#1 MOST ELDERLY & RETIRED PEOPLE
#2 MOST PMR POPULATION
HIGH DEPENDENCY RATIO
Challenge in Kwun Tong District

#2 Lowest Workforce Participation Rate

*workforce participation rate: the proportion of workforce in the total population aged 15 and above

Challenge in Kwun Tong District

Poverty: Most Subsidised Housing
-Most of the domestic households in Kwun Tong do not own housing
Poverty Situation of Kwun Tong District (2017)

2.6
Average Poor Household Size in Kwun Tong

0.5
Average Number of Employed Persons among the Poor Households in Kwun Tong

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Notes: (1) The demographic dependency ratio is the number of persons aged below 18 and aged above 65 per 1,000 persons aged between 18 and 64. The economic dependency ratio is the number of economically inactive persons per 1,000 economically active persons.
Socio-economic Characteristics of Poor Households (2017)

1. Lower shares of working population/labour force participation rate

2. Higher shares of workers engaged in low-skilled occupations

3. Higher shares of unemployed/part-timers/underemployed persons

4. Lower education attainment (below upper secondary)

5. More family members with a higher proportion of elderly households

6. A higher dependency ratio
Opportunity in Kwun Tong District

Energizing Kowloon East Initiative
(location)
Challenge in Kwun Tong District

Energizing Kowloon East Initiative
(The Surge in Supply of High Grade Offices for future CBD2)
2. Focus Groups
LOW-INCOME WOMEN
25-54 years old

- Mostly homemakers, good at cooking
- Secondary school level or below, poor in English
- Have 1-3 kids to raise
- Monthly household income <HK$20,000

LOW-INCOME YOUTHS
15-24 years old

- Non-engaged school leavers
- Without a college degree
- Few or no work experience
- Lack of professional skills

SMEs & Start-Up

- Start-ups or companies with < 50 staff
- Challenge by rising rents
- Lack of connections and market demand
- Limited labor force

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2.1 Focus Group - Women

- Trapped in vicious cycle
- Constraints for working hour
Looking Ahead: Women

- **Women-Based Cooperatives**
  e.g. Hong Kong Women Workers Association’s co-ops

- **Upskilling & Job Flexibility**
  e.g. Healthy Parent-Child Club by Kwun Tong Methodist Social Service
  e.g. The Splendid Workshop
2.2 Focus Group - Youth

Fixed Education Path
Youth’s Career Path (locally educated)

Cumulative tuition fee for teens who are not good at study is the most expensive and time-ineffective
Youth’s Income

The average income of teens are insufficient to cover both tuition fee and rent. Teens could take at most 7.2 years after graduation to pay back their debt.
Looking Ahead - Youth

- Career Pathway Counselling
  career discovery prior to tertiary education
  lay out interest-driven occupational choices
2.3 Focus Group - SME+Start-up (sample size 25)

General landscape

START-UP COMPANIES

- Size: ≤ 15 Staff

  - Age of employees:
    - <24: 17%
    - 24-29: 20%
    - 30-39: 23%
    - 40-49: 17%
    - >50: 17%

- Education Level:
  - Primary: 16%
  - Secondary: 24%
  - Undergraduate: 32%
  - Above Postgraduate: 8%

Most needed employee type:
- 40% Production or frontline staff
- 13% Administration staff
- 13% Managerial staff

Willingness to hire women: 50% Willing
Willingness to hire youth: 70% Willing

ESTABLISHED TRADITIONAL COMPANIES

- Size: 10-50 Staff

  - Age of employees:
    - <24: 14%
    - 24-29: 18%
    - 30-39: 27%
    - 40-49: 22%
    - >50: 18%

- Education Level:
  - Secondary: 20%
  - Associate or High Diploma: 40%
  - Undergraduate: 24%
  - Above Postgraduate: 16%

Most needed employee type:
- 37% Managerial staff
- 11% Human resource staff
- 11% Finance staff

Willingness to hire women: 63% Willing
Willingness to hire youth: 63% Willing
START-UP COMPANIES

YEAR OF ESTABLISHMENT

< 1 year
13%

> 5 years
47%

1-2 years
40%

COMPANY SIZE

≤ 15 employees

OPERATION MODE

54% physical store
31% online shop

TARGET MARKET

60% Kwun Tong

13% Kowloon

20% Hong Kong

7% Global Market

MAJOR JOB OCCUPATION

MANUFACTURING
IT
IMPORT RETAIL
PROFESSIONAL SERVICE
RESEARCH
MULTI-MEDIA DESIGN
ARTS
CATERING
COMMERCE
**AGE OF EMPLOYEES**
- 17% > 50 year-old
- 20% 24-29 year-old
- 17% 40-49 year-old
- 23% 30-39 year-old

**WILLINGNESS TO HIRE WOMEN**
- Very willing: 11%
- Willing: 11%
- Maybe: 34%
- Not sure: 11%
- Not willing: 11%
- Least willing: 22%

**INCOME FOR YOUTH AND WOMEN**
- 47% $10,000 - $15,000

**MOST NEEDED EMPLOYEE TYPE**
- 40% Production or frontline staff
- 13% Administration staff
- 13% Managerial staff

**EMPLOYEES EDUCATION LEVEL**
- 16% Primary School
- 32% Undergraduate
- 8% High Diploma
- 24% Secondary School

**WILLINGNESS TO HIRE YOUTH**
- Very willing: 10%
- Willing: 40%
- Maybe: 20%
- Least willing: 30%

**DESired QUALITIES FOR EMPLOYEES**
- Responsibility
- Stability
- Independency
- Communication skills
- Innovation
- Self-learning skills
- Fluency in using Social Media

**MAIN CHALLENGES OF SMEs**
- Lack of market demand
- Rising rent
- Lack of labour force
- Lack of government support
Looking Ahead - SMEs

- Entrepreneurship Support
  - Co-working space
  - Online Platform
  - Network

- the rise of local and small businesses
- flexible to match the skills that undereducated populations have, such as using them for production or frontline staff.
- additional training workshops for women and youths
3. Suggestions for Focus Groups
Supportive measures allow women to have more time of their own, such as mutual help on child care.

1. Freeing Up Time

2. Upskilling

- Online/Offline job training

3. Job Searching

- Job matching platforms
- Employment mentoring & support

4. Career Building

- CLAP for Youth
- Talent Pool Platform

Women: Community kitchens, Co-working factories, Eco-friendly Cleaning

Youth: Academic studying to attain higher education level, Online/Offline job training, Career planning service
Looking Ahead

Women
Women-based Co-ops/Social Enterprises

Youths
Career pathways counseling for youths at secondary level

SMEs & Start-Up
Entrepreneurship opportunities

Support/Cooperate

Future of Inclusive Kowloon East
Acknowledgements

Special Thanks
Acknowledgements

J.P. Morgan

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Kowloon East Inclusive Innovation & Growth: Research Findings and Sharing Session

2020.04.28

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Appendix
Stakeholder Mapping:

NGOs
Stakeholder Mapping:

Educational Institutions
Overview
(Demographic-Immigrants)

- Most of migrants remain and stay within the Kwun Tong
<table>
<thead>
<tr>
<th>RESIDENTIAL</th>
<th>COMMERCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT</strong></td>
<td><strong>BY 2026</strong></td>
</tr>
<tr>
<td><strong>659,000</strong> Private and public residential flats</td>
<td><strong>5 million sq. ft.</strong> Retail Footprint (Gloss Floor Area)</td>
</tr>
<tr>
<td><strong>754,000</strong> Private and public residential flats</td>
<td><strong>13.2 million sq. ft</strong> Retail Footprint (Gloss Floor Area)</td>
</tr>
</tbody>
</table>

Expected to serve 1.1 million of the city’s workforce (31%)  
Hong Kong’s largest retail sub-market

Source: Kowloon East, Hong Kong’s CBD 2.0, CBRE Research, 2017; EKEO, HKSAR
Opportunity in Kwun Tong District

High Demand of Commercial Services
(Comparison with Greater Central and Wanchai / Causeway Bay)
Executive Summary

Overall Background of Kwun Tong

Kowloon East (Kwun Town District), Hong Kong’s poorest and most densely populated district, is currently undergoing a transition to become the second CBD. There are a set of socio-economic challenges faced by the underprivileged individuals during this urban regeneration process.

This paper assessed opportunities within Kwun Tong that can potentially foster inclusive economic growth and promote an inclusive, smart, innovative CBD in Kowloon East, by first addressing the biggest barriers to inclusive economic growth, and then identifying pilot projects that have the potential to develop innovative solutions. Our assessments produced a research report and stakeholder map that focused on programmes that would help support an equitable workforce and small business developments in Hong Kong’s Kwun Tong/Kowloon East area.
Executive Summary

Poverty

According to the Hong Kong Poverty Situation Report for 2017, published in November 2018, Kwun Tong had the highest pre-intervention poverty rate and the second highest post-intervention poverty rates among the 18 districts in Hong Kong. It also had the highest underprivileged population and the lowest monthly median income (HK$14,000). The district’s labour force participation rate is also the lowest, while its dependency ratio is highest, with over half of its domestic households consisting of dependent family members such as children and retirees.
Executive Summary

Education

Hong Kong’s traditional education path provides little flexibility for youth to both study and work at the same time, or to ensure upward social mobility once they graduate. As presented, students face lower salaries after graduating due to the years they were forced to take off of the workforce that would have provided them experience, in order to focus on their studies. This approach leaves students in Kwun Tong in serious debt, which reflects that the conventional education path, in a time of such fast-paced advancements, is inefficient in terms of time and cost. Skillset mismatch is another challenge that youths confront, because tertiary education does not train students specific vocational needs. Lastly, there are limited education choices for youth to develop their interests into a career.
Executive Summary

Employment

Undereducated youth and women suffer from poor employment opportunities and low-income jobs due to insufficient diversified options for work. Time inflexibility for work is the main challenge that youth and families with dependent members face. In other scenarios, the general landscape of employers emphasizes qualifications over job experience which creates an immense challenge for youth and women during employment searches.
Executive Summary

Economic and social change

Recent social values have emphasized a family-work life balance. Moreover, in light of technological advancement, youth and women also need to face foreseeable turbulent changes in job requirements and possible displacement by automated intelligence. As a result, undereducated youth and women need new ways of advanced skill-training to enhance their competitiveness in the job market. Start-ups and small and medium-sized enterprises (SMEs) greatly demand production and frontline staff in addition to administrative, managerial and professional skills. However, the lack of co-working spaces, market demand and rising rent are major challenges in addition to the limited labour force.
Looking Ahead

We propose opportunities for collaborations between public and private sectors along with NGOs in order to support an equitable workforce and small business development within this district.

Suggestions were made to enhance the comfort, aestheticism, and innovation of the overall office and building environment in Kwun Tong, so as to reduce the massive congestion between people and enhance their lifestyle, health, and other factors that contribute to their well-being. These included the rise of local and small businesses that would lessen street congestion and made access to daily commodities easier within a shorter walking distance. These businesses can be run by stay-at-home mothers who face the burden of caring for many dependents. The creation and accommodations of new jobs would allow for more career and professional advancement opportunities that would contribute to the alleviation of poverty-stricken homes. It is important to note that this shift in the direction of the city’s improvement towards a less constrictive environment would allow for the enhancement and success of various enterprises and businesses in different sectors.

Such enterprises and sectors would include small and medium sized entrepreneurship (SMEs) that are flexible to match the skills that undereducated populations have, such as using them for production or frontline staff. This is especially true for youth and women with less experience that struggle to balance both personal life and professional life. When looking at the earliest interviewed cohorts of women aged 25-54 and youths aged 15-24, it seems to be beneficial for both the women and the rising students to work in SMEs so as to gain direct experience about the field they intend to pursue as they work part-time. SMEs could also incorporate additional training workshops that would prepare these women and youths for the roles they intend to participate in, and give them the necessary background to advance in their positions within the SME.
Looking Ahead

Since students have the highest unemployment rate within Kwun Tong, they struggle between choosing to pursue the workforce, to go on to higher education or vocational training. Since public government-subsidised universities only accept top students, the remaining applicants either study abroad, take up vocational training or enter sub-degree programmes. It is critical to lay out both interest-driven occupational choices during their years of secondary education. Career discovery provided by the school or outside organisations pointed to prospects of certain occupations without going through the actual work environment. The most straightforward solution to this would be a full-day or half-day tour of the job environment with hands-on workshops for pupils to have a taste of the various career options laid out before them.

In addition to the above underprivileged group, women interviewees expressed difficulties in their job search, including inflexible working hours, lack of desired skills such as writing in English, and low levels of education, then there is a need for further upskilling and flexible job arrangement so this cohort can contribute more to the inclusive future in Kowloon East. An option for them is to create start-ups, which would not only offer them opportunities to fully utilize their skills, but also benefit any small and medium-sized enterprises (SMEs) that potentially fill in the blanks of smaller markets. Another opportunity is the role of women-based co-ops, which do not have employer-employee hierarchies and rather stress an equal amount of work for each participant, such as new day-to-day operational decisions and managerial assignments that they confront collectively. This kind of an environment could also scale up their coverage and audience by providing an online platform with optional collection and delivery service. To grow the market share in the local district level, the women involved could make use of their own social network to connect with potential clients or users. This approach reflects their flexibility to accommodate the needs of surrounding civilians and employers.