

Scope of Kowloon East Inclusive Project



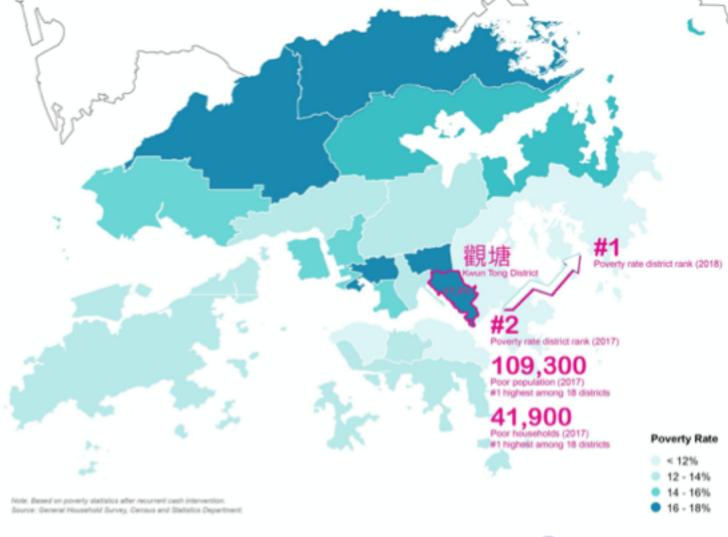
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Challenge in Kwun Tong District:

Poorest District in Hong Kong



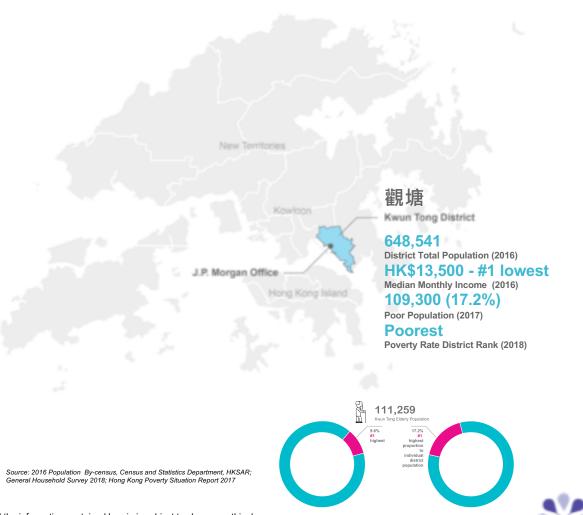
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Overview

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



1970s



Industrial Development



Mix use



(RD2

MIT Hong Kong Innovation Node

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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 WOMEN AGED 25-54

#2 LOWEST
LABOR FORCE
PARTICIPATION RATE

#1 MOST
ELDERLY & RETIRED PEOPLE

HIGH DEPENDENCY RATIO

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 MOSTSINGLE PARENT POPULATION

#2 MOSTSUBSIDISED HOUSING

#2 MOSTPMR POPULATION

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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



Workforce Participation Rate



Workforce population

Total population aged 15+



觀塘 Kwun Tong District



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574,051







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162,636



中西區 Central & Western District

143,838

219,611

Source: 3056 Population By-census, Census and Statistics Department.

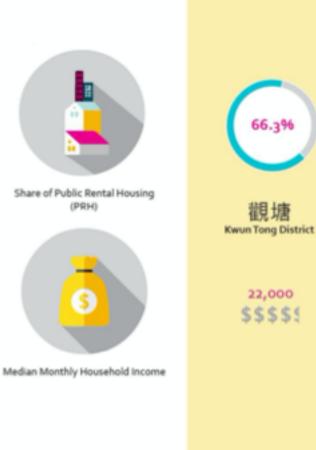


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Challenge in Kwun Tong District

Poverty:
Most Subsidised
Housing
-Most of the
domestic households
in Kwun Tong do not
own housing





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Poverty Situation of Kwun Tong District (2017)

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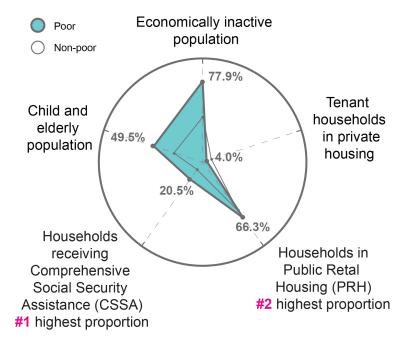


2.6

Average Poor Household Size in Kwun Tong

10

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



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.



HK\$8,600 Median monthly household income



50 Median age of the poor



26.2%
Labour force participation rate (LFPR)



41.9%
Proportion of working households
in poor households
#1 highest proportion



16.9%
Unemployment rate of economically active population



6.9%Proportion of new-arrival households in poor households
#1 highest proportion



981 / 3532
Demographic / economic dependency ratio(1)



35.0%Proportion of with-children households in poor households
#1 highest proportion



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



6. A higher dependency ratio

Socio-economic Characteristics of Poor Households (2017)



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



Socio-economic characteristics

of poor households in Kwun Tong



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



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



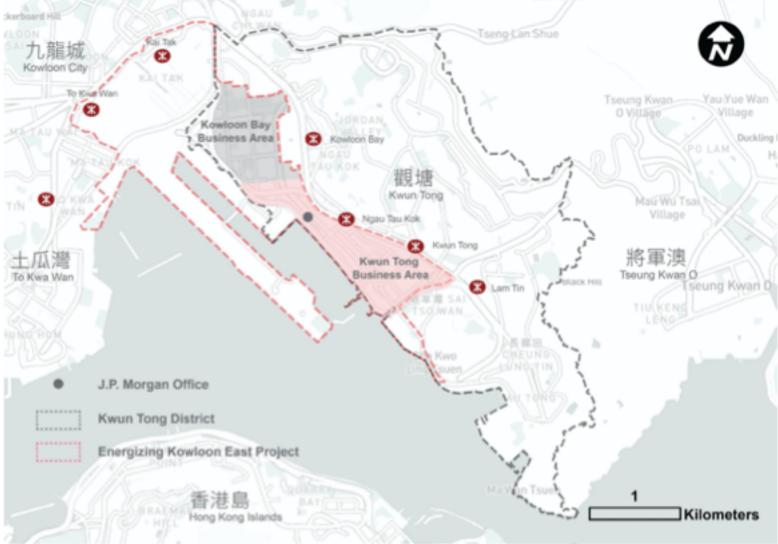
4. Lower education attainment (below upper secondary)

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Opportunity in Kwun Tong District

Energizing Kowloon East Initiative (location)



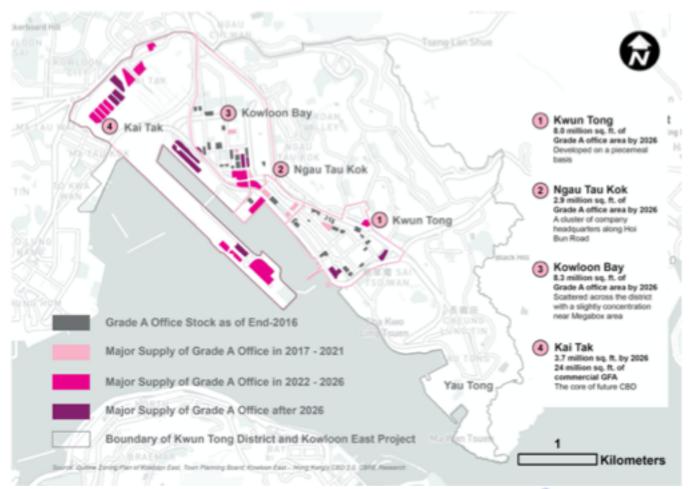
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Challenge in Kwun Tong District

Energizing Kowloon
East Initiative
(The Surge in Supply of High
Grade Offices for future
CBD2)



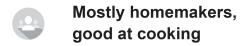
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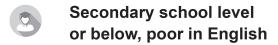
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2. Focus Groups







- Have 1-3 kids to raise
- Monthly household income <HK\$20,000



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



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

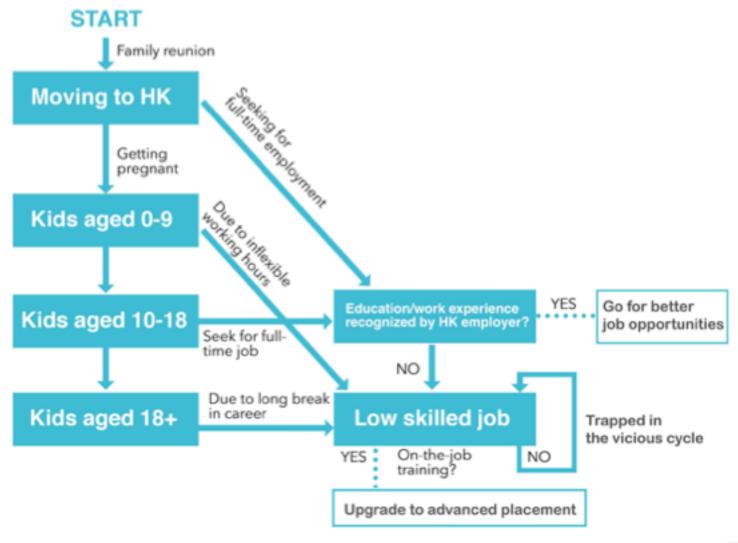
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2.1 Focus Group Women

- Trapped in vicious cycle
- Constraints for working hour



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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

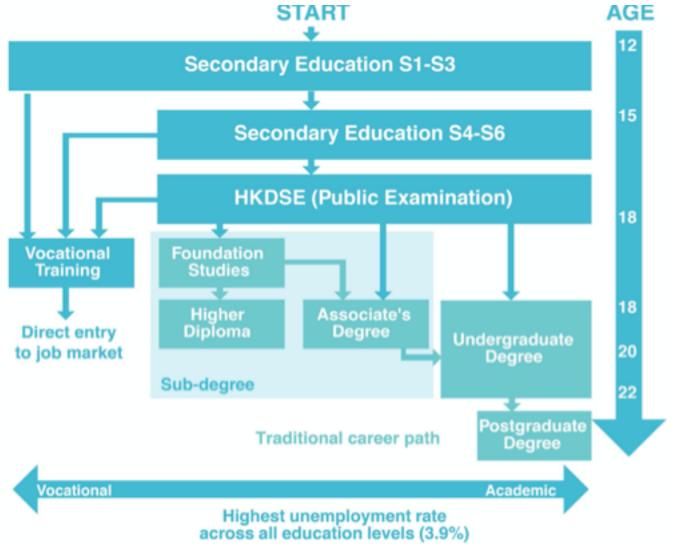
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2.2
Focus Group Youth

Fixed Education Path



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Youth's Career Path (locally educated)

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

	VOCATIONAL TRAINING	FOUNDATION STUDIES	HIGHER DIPLOMA	ASSOCIATE'S DEGREE	UNDERGRADUATE	POSTGRADUATE	
Time	3 Years	1 Year	2 Years	2 Years	4 Years	1-2 Year	
Tuition Fee Per Year	\$20,500	\$20,500	\$30,800-68,000	\$57,000	\$42,100	\$186,000	
Income (all	l locally educated) Age 18 Age 2	1			Cumul	ated Tuition Cost \$61,500	5 Years after Graduation Age 26
Ah Yan	3 years of Studies Cosmetologist \$11,000						Cosmetologist \$30,000
						\$405,000	
(h)		Age 18		Age 19	6 years of Studies	Age 25	Age 30
Siu Yat		Part-time Musician \$5,000	1	Youtuber \$15,000		omposer \$20,000	Fim Music Composer \$30,000
				Age 18	Age 22 of Studies	\$240,000	Age 27
Chun Fung				Technical Assistant \$17,00	Programmer		System Analyst \$42,000
					Age 18	\$354,000 Age 24 Studies	Age 29
Hiu Ching					Assistant Electrical Engineer \$19,000	Engineer \$28,000	Senior Engineer \$40,000

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COLUMN ATTOM

LUCLIER BURL CALL



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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.



DEBT DURING STUDY

Deficit HK\$4,150 - \$9,150

SAVING AFTER GRADUATION

HK\$5,040-9,450 Per month

YEARS NEEDED TO PAY BACK DEBT

1.8 years - 7.2 years After graduation

RANGE OF MONTHLY EXPENDITURE

HK\$9,740 - 14,150

MEDIAN EXPECTED MONTHLY SALARY

HK\$5,000 - 10,000 Part-time jobs

HK\$14,978 Expected salarie after graduation MAJOR JOB OCCUPATION

CATERING
BARISTA TECHNICIAN DESIGN
SALES SERVICE MEDIA
CLERICAL WORK YOUTUBER

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Looking Ahead -Youth

Career Pathway Counselling
 career discovery prior to tertiary education
 lay out interest-driven occupational choices

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START-UP COMPANIES

≤ 15 Staff

Focus Group -**SME+Start**up

(sample size 25)

General landscape

Size

Age of employees <24 24-29 30-39 40-49 >50

Education Level

32% Secondary Primary Undergraduate Above Postgraduate

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

10-50 Staff

<21	24-29	30.30	40.40	>E0
<24	24-29	30-39	40-49	>50

20%	40%	24%	16%	
Secondary	Associate or	Undergraduate	Above	
	High Diploma	Postgradua		

- 37% Managerial staff
- 11% Human resource staff
- 11% Finance staff

63% Willing

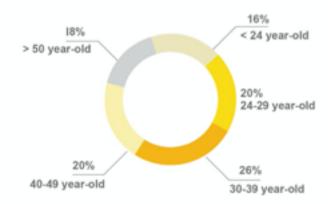
63% Willing

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KWUN TONG SMALL AND MEDIUM-SIZED ENTERPRISES

AGE OF EMPLOYEES



SIZE



MAJOR INDUSTRY

EDUCATION

COMMERCE REALTY

RESEARCH RETAIL



YEAR OF ESTABLISHMENT



COMPANY SIZE

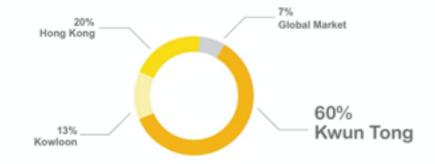
≤ 15 employees

OPERATION MODE

54% physical store

31% online shop

TARGET MARKET



MAJOR JOB OCCUPATION

MANUFACTURING |T

Ш

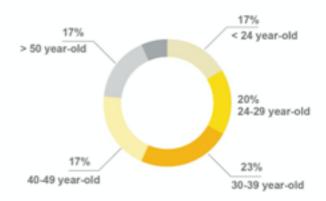
IMPORT RETAIL

PROFESSIONAL SERVICE RESEARCH

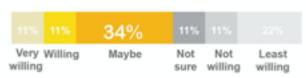
MULTI-MEDIA DESIGN

ARTS CATERING COMMERCE

AGE OF EMPLOYEES



WILLINGNESS TO HIRE WOMEN



INCOME FOR YOUTH AND WOMEN

47% \$10,000 - \$15,000

WILLINGNESS TO HIRE YOUTH

10%	40%	20%	
Very willing	Willing	Maybe	Least willing

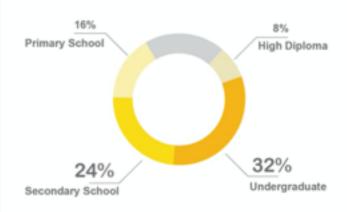
MOST NEEDED EMPLOYEE TYPE

40% Production or frontline staff

13% Administration staff

13% Managerial staff

EMPLOYEES EDUCATION LEVEL



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

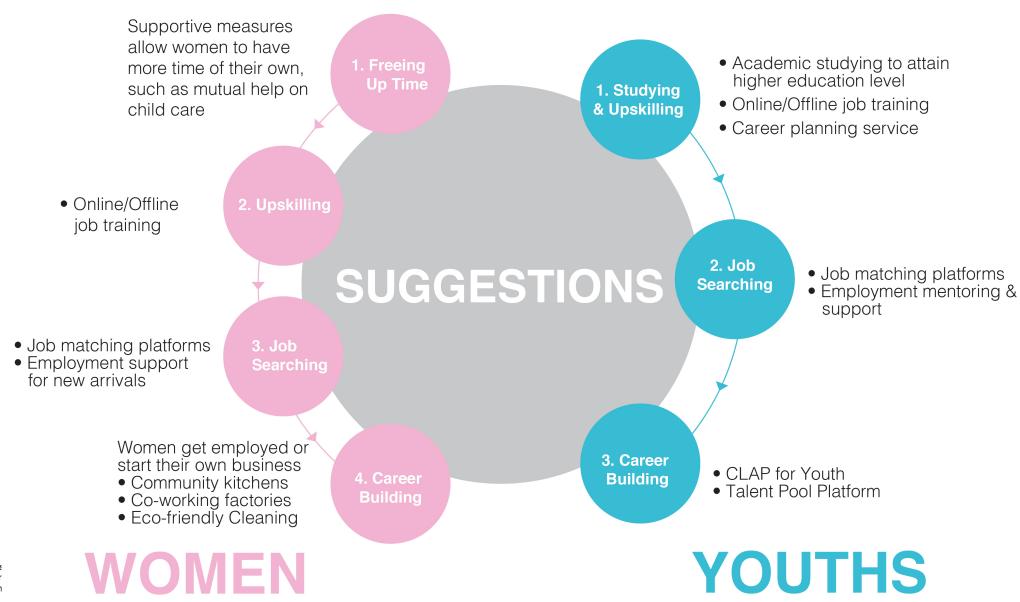
- Entrepreneurship Support
 - Co-working space
 - Online Platform
 - Network
- the rise of local and small businesses
- flexible to match the skills that undereducated populations have, such as using them for production or frontline staff.
- additional training workshops for women and youths

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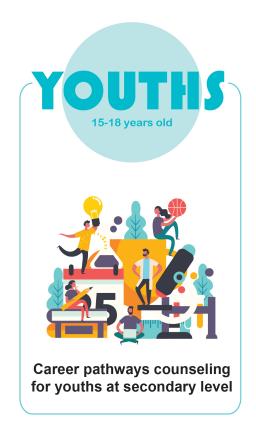
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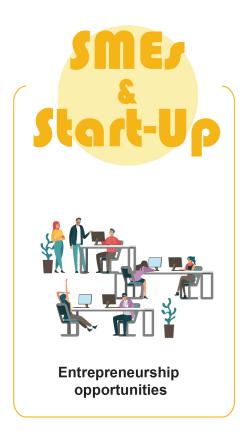


3. Suggestions for Focus Groups









Support / Cooperate

FUTURE OF INCLUSIVE KOWLOON EAST

Support / Cooperate

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Special Thanks



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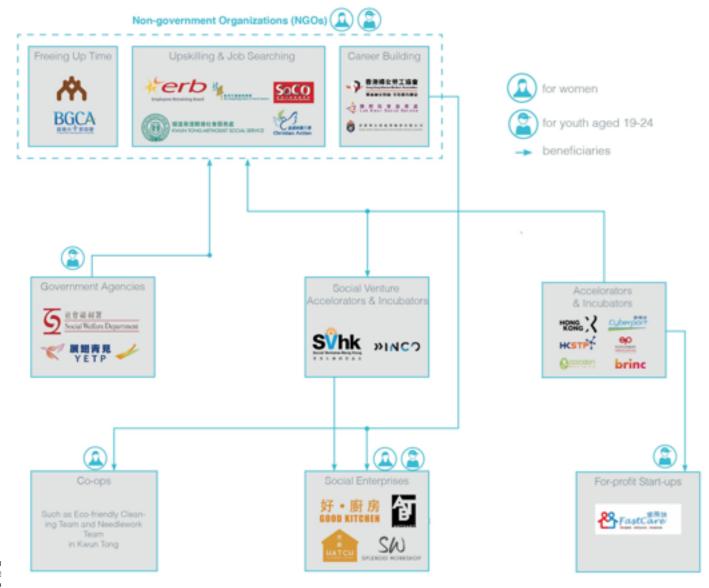
Appendix

Stakeholder Mapping:

NGOs

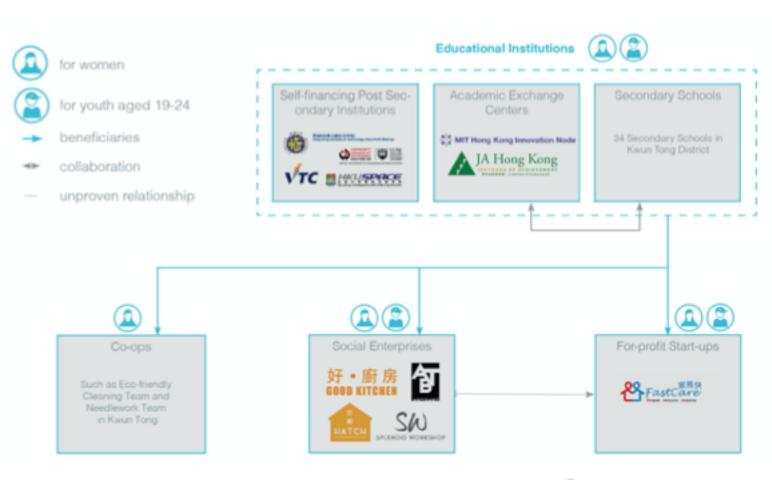
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Stakeholder Mapping:

Educational Institutions



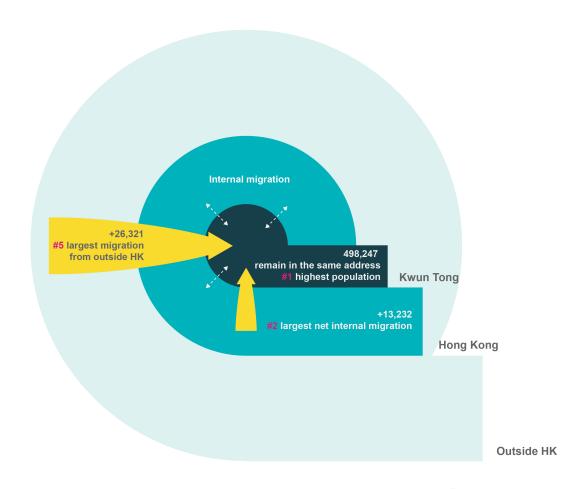
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Overview (Demographic-Immigrants)

-Most of migrants remain and stay within the Kwun Tong



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Opportunity in Kwun Tong District

Energizing Kowloon East Initiative (The Surge in Supply of Residential and Commercial Area)

RESIDENTIAL

COMMERCIAL

(Take retail as an example)

659,000

Private and public residential flats

5 million sq. ft.

Retail Footprint (Gloss Floor Area)

CURRENT

754,000

Private and public residential flats

13.2 million sq. ft Retail Footprint (Gloss Floor Area)

BY 2026

Expected to serve 1.1 million of the city's workforce (31%)

Hong Kong's largest retail sub-market

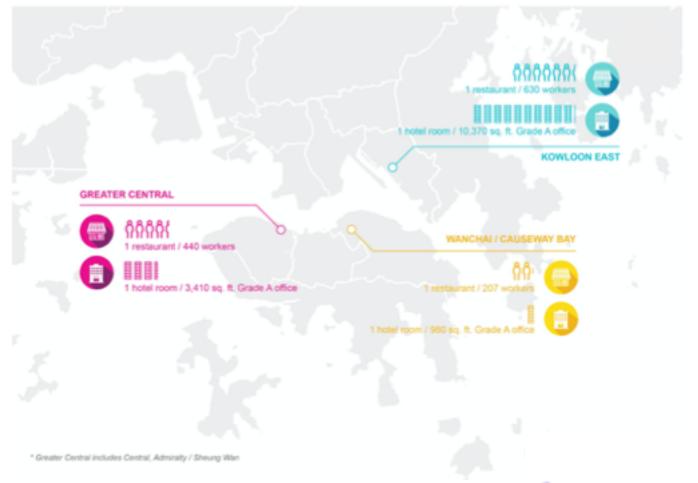
Source: Kowloon East, Hong Kong's CBD 2.0, CBRE Research, 2017; EKEO, HKSAR

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Opportunity in Kwun Tong District

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



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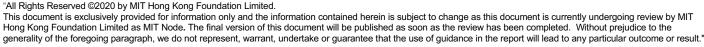
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Overall Background of Kwun Tong

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.

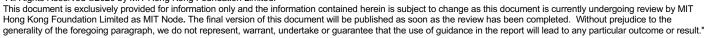




Poverty

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.

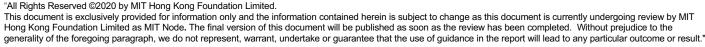






Education

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.





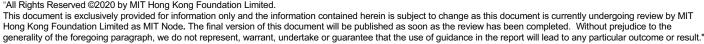
Employment

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.



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-athome 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 entrepreneurships (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.

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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.

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