

**A Thinkpiece
for
the Executive Committee of the Commission on Strategic Development
and the Workshop on Hong Kong's International Competitiveness.**

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What the Executive Committee has deliberated so far--

- The Executive Committee of the Commission on Strategic Development (CSD) has deliberated on Hong Kong's development, the opportunities and challenges it faces, and its positioning and vision. Hong Kong is to be seen as—
 - Asia's world city with vibrant economy, social harmony and enlightened governance;
 - a major services centre in Asia;
 - a leading services centre of our country and the link between our country and the rest of the world;
 - a knowledge-based economy featuring high value-added services; and
 - the most preferred location for business and living in Asia.
- However, a major issue of increasing concern is about how to maintain the long-term competitiveness of Hong Kong. There is a risk that, with the robust growth and development in the Mainland, Hong Kong is being marginalized.
- Considerable discussion has focused on a number of favourite areas such as how Hong Kong can become the international financial centre, a professional services hub, a home to international headquarters, a wealth management centre, or an education hub, and the attending human resource issues.

Opportunities and challenges

- Hong Kong's competitive edges remain--a clean and self-disciplined government, respect for the rule of law, upholding of free economy, free flow of capital, and connectivity to all parts of the world. In

addition, we have entrepreneurship and world class professional services. On the other hand, we face the challenges of a decline in our overall competitiveness because of the high operating cost, mismatch of manpower resource, inadequate language proficiency, lack of creativity, flexibility and adaptability among the people, inadequacy of expertise and skills required for developing a knowledge-based economy, policies not catching up with development needs, lack of talent, especially those who can help the development into a knowledge-based economy etc.. Preserving and lifting our competitiveness is thus a very important issue at stake.

Need for a holistic and long term strategy

- There is no argument that we need to step up our manpower development to support Hong Kong as an international financial hub, the centre of excellent professional services, but that should not be our only foci. We need to look at both the external and internal developments in perspective to evaluate their interaction and impact on Hong Kong and consider how then Hong Kong should reposition itself to excel. Human resources capital, being the most important factor in Hong Kong's success story in the past, must be addressed. We need to have a long-term and holistic strategy for manpower development and training to support Hong Kong's repositioning and enhance its international competitiveness, a strategy that can effectively upgrade the quality of our younger generation.

Human Resources Development Strategy

- To achieve sustainable and long term manpower development, we must have a strategy which covers the entire spectrum of the developmental needs of the workforce, and which, in particular, improves the quality of our younger generation. There are broadly three segments which should be approached, talents to be nurtured for high finance, senior management and professional services, research and development, and innovation and technology development in Hong Kong; grooming of middle management and higher technicians; and training of the low knowledge low skills people into junior level technicians and skilled workers. There has been considerable

discussion on the first segment, but the latter two segments should not be neglected.

- There are two aspects which must be covered in mapping out the strategic development of Hong Kong: how to support youth employment and tackling the non-engaged youth problems to alleviate trans-generation poverty. These two problems, if not properly handled, will entail substantial social cost to Hong Kong.
- With the increasing integration of the economy of Hong Kong and the Mainland, youth employment will have to be viewed in the context of the Mainland market as well.

Developments in the Mainland

- The developments in the Mainland would affect Hong Kong most, notably the economic changes in Guangdong, and in particular the Pearl River Delta (PRD) where many Hong Kong businesses operate. In 2003, the Federation of Hong Kong Industries published a research report “Made in PRD” which critically analysed the metamorphosis of Hong Kong’s manufacturing industries. Its findings clearly show that, inter alia,—
 - Hong Kong businesses are the biggest foreign investors in Guangdong and Chang Jiang Delta, and the bulk of the investment in the PRD is in manufacturing industry.
 - PRD has become a region of manufacturing industry for export which enjoys the fastest growth in the world because of the impetus driven by the Hong Kong-based businesses, with the efficient support of the manufacturing services industry in Hong Kong.
 - The changes of the development of the PRD industries have resulted in the high growth of the manufacturing services industry in Hong Kong.
 - There are 1.5 million jobs in Hong Kong related to the PRD manufacturing industry activities of these Hong Kong-based businesses.
 - Hong Kong would remain as the regional headquarters of these businesses
 - These enterprises would increase their expenditure and staffing on research and development in the next few years.

- Half of Hong Kong's registered import and export businesses are engaged in manufacturing industry in Guangdong. They have a dual role of a trader in Hong Kong and a manufacturer in Guangdong. The partnership is a fine division of labour between the two places, with Guangdong as the base for manufacture, and Hong Kong as the provider of manufacture services for the former. Such an integration has given Hong Kong in a key management role in a hub of global supply chain.
 - In educating students and training local people, their capabilities to work across the boundary should be strengthened.
- Current forecast is that there are some 80000 Hong Kong establishments operating in the PRD and employing some 12 million employees. Feedback from employers suggests that a considerable number prefer to engage Hong Kong people as middle management and supervisors. This is seen as important for the continued growth of the services industries in Hong Kong. Presently these services industries are doing well because many are in fact supporting the manufacturing industries operated by Hong Kong businesses. There is a tendency that the management of the undertakings prefers to use services support operated by their own people, e.g. Honda in the Mainland uses services by Japanese enterprises. Supporting Hong Kong industries in the Mainland with the right human resources, therefore, would in turn support the growth of the services industry in Hong Kong. Providing Hong Kong employers in the Mainland with suitable well trained candidates would also help solve local youth employment problems in Hong Kong. It is thus essential that Hong Kong's development strategy centering around its predominate services industries is integrated with the manufacturing industries in the Mainland.
 - The Mainland's "Eleventh Five-year Development"—a roadmap of reform and opening up in the next two decades will provide insights for Hong Kong's future direction of developments. Among the five key development strategies in the Eleventh five-year period are—(1) economic globalization strategy to liberalise trade, investment and speed up internationalization of the economic system and regional economic integration; (2) human resources development strategy to increase employment, put in place a multi-level vocational training system and provide targeted education services for different groups,

enhance compulsory education and adjusting the focus of provision of health services; (3) knowledge development strategy to build a technological and innovative society by providing accessible basic education services and establishing an education system that provides training and lifelong learning for the entire population, and promoting extensive application of knowledge, providing more resources to research and development to strengthen capability in knowledge building and technological innovation; (4) green development strategy and (5) regional development strategy.

- While Hong Kong is positioned under this “Eleventh Five-year Development” as the international financial, trade and shipping centre of China and Mainland’s open door policy will allow Hong Kong to give full play to its strengths, to benefit from a more extensive hinterland and more diverse opportunities, Hong Kong should also move in tandem with the Mainland’s human resources and knowledge development strategies.
- The foreseeable opportunities with human resources development strategy rest with Hong Kong’s vast pool of talent and different types of educational institutions. The flow of human resources between Hong Kong and the Mainland at various levels must be facilitated.

Implementing the human resources development strategy: the VTC’s Vocational Education and Training Programmes

- The human resources development strategy will have to be multi-pronged, targeted at the three segments of the workforce. The Government should make long term investment into this strategy and do more in coordinating the efforts of the universities and other institutions in the implementation of this strategy.
- The opportunity is taken to apprise the Committee of the work of the VTC in this respect, which could be further strengthened and expanded.
- In youth development and employment, the VTC provides schools leavers with genuine choices outside the traditional education system which they may not well adapt to, equipping them primarily for

employment, and for those who wish to further their studies, articulation and progression to courses leading to higher qualifications. Its IVE offers pre-employment vocational education programmes for Secondary 7, Secondary 5 and Secondary 3 leavers in nine academic disciplines leading to qualifications of certificates, foundation diploma, diploma and higher diploma. Its 15 industry-specific training centres offer pre-employment training courses preparing young people for apprenticeship/traineeship at technician and craft levels.

- The VTC is piloting a Vocational Development Programme for the non-engaged youths, inspiring positive attitudes and sense of responsibility, rebuilding self-confidence and self esteem. It encourages the youth to take up vocational education and training courses or rejoin traditional education. It also enhances their employability through apprenticeship/traineeship scheme.
- The Apprenticeship scheme, including the Modern Apprenticeship scheme provides a flexible system that enhances the employability of those young people of lower educational attainment through workplace learning and training in Hong Kong or in the Mainland, which is complemented with continuous education under a structured part-time vocational education programme or skills-upgrading training courses.
- Through its pre-employment vocational education and training programmes, the VTC has strongly supported youth employment in Hong Kong, especially for the less academically inclined and the less privileged. In recent years, it has also helped tackle the problems of the non-engaged youths. **Annexes 1 and 2** outline its work in these two areas with positive results and their planned future development. The VTC should be tasked to be a key player in implementing the human resources development strategy and contribute to Hong Kong's development and repositioning. The VTC should build on past success and experience and reinforce these services, providing students with training for work both in Hong Kong and in the Mainland.

**VTC's Programmes for Secondary 5 and 7 School Leavers
to Support Youth Employment**

Programmes for Secondary 5 and 7 School Leavers

The VTC offers a wide range of pre-employment vocational education and training (VET) programmes to Secondary 7 (S7) and Secondary 5 (S5) school leavers who do not continue with the traditional education system, preparing them primarily for employment and for those who would like to further study, for articulation and progression leading to higher qualifications.

2. These full time pre-employment VET courses are delivered mainly through the nine campuses of the Hong Kong Institute of Vocational Education (IVE), the VTC School of Business and Information Systems (SBI), and some by the 15 Training and Development (T&D) Centres.

3. IVE offers courses in nine disciplines ranging from design, hospitality, catering and tourism, engineering, applied science, business, information technology, construction, early childhood education and community services, leading to qualifications of Higher Diploma (HD), Diploma, Foundation Diploma and Certificate. Course provision is regularly reviewed to ensure relevance to industry needs and new courses are introduced in areas of growth and strong demands.

4. HD courses for S7 leavers (about 1000 intake places) are of 2-year duration, and for S5 leavers with 5 HKCEE passes (about 8000 intake places), of 3-year

duration. The Foundation course for the other S5 leavers is a remedial course to bridge them to the normal HD programmes (about 10000 intake places) and is of 1-year duration. A new 4-year multi-entry multi-exit HD structure has been introduced, allowing students of different educational attainments to enter at different levels and exit flexibly at different points with different awards corresponding to the exit standards attained.

5. Whereas about 14500 S7 leavers are admitted to degree programmes in universities and some 40000 S5 leavers proceed to study S6 in the mainstream system every year, there are over 50000 S7 and S5 leavers who may seek pathways outside the mainstream. VTC provides a valuable alternative route to a large number of these remaining school leavers whereby they can acquire knowledge and skills that will enhance their employability and opportunities for lifelong learning.

Development of Post-secondary Education

6. The VTC's HD courses have contributed substantially to the development of Hong Kong's post-secondary education at the sub-degree level. Given its long history in the offering of HD courses and its objectives to support the manpower needs of the Hong Kong industries, the VTC has maintained its focus on the vocation-oriented HD programmes and has not offered the new breed of Associate Degree courses which have a heavier focus on the generic modules geared to preparing the students more for articulation to further studies.

Youth Employment Prospect

7. About 80% of the VTC's HD students enter into employment upon graduation, and the others pursue further studies of top-up degree programmes to seek degree qualifications. The employment rate of the economically active HD graduates in 2004/05 is over 90%, well showing that they are well sought after by employers in various industries.

Way Forward

8. In view of the impending changes under the 3+3+4 education reform and the establishment of a seven-level Qualifications Framework (QF) which is to help maintain the overall competitiveness of Hong Kong's manpower in the global economy, and to align with these new developments, the VTC will reposition its HD courses as its core VET programmes for senior secondary leavers. The QF is a cross-sectoral hierarchy covering both academic and vocational qualifications required by various industries. With well-defined standards of qualifications and clear indication of the articulation ladders between them, the QF aims to enable learners to draw up their own roadmaps to obtain quality-assured qualifications and pursue lifelong learning.

9. As the future senior secondary will be one year longer, the students are expected to be more mature and better equipped. The duration of the VTC's future HD programmes will likely to be shortened to two calendar years of five semesters, while maintaining the exit standard of the HD qualification, and hence recognition by industries and professional bodies.

10. With the development and the recognition of the QF by the Government and industries, the HD curriculum will be developed and designed with reference to the Specifications of Competency Standards of the respective industries to ensure relevance and responsiveness in meeting the needs of the community and industries, and at the same time, taking into account the new senior secondary curriculum to ensure alignment for articulation. The vocational contents and broad-based generic components of the HD courses will be finely balanced to provide the necessary breadth and depth in the curricula, taking into account employers' feedback on the graduate attributes desired. Student work placement and practical training are two key elements which would enhance the competitiveness and employability of students and better prepare them for the workplace. Attention will also be given to broaden the students' exposure to the Mainland environment, to prepare them for work both in Hong Kong and in the Mainland. This would help enhance the employment prospect of the graduates and help support the manpower requirement and development of the Hong Kong businesses, including those operating in the Mainland.

11. Flexibility in learning will be enhanced through a credit accumulation and transfer (CAT) mechanism which will place learners at the centre, enabling them to gain credits for their learning, irrespective of the level, time taken, volume or location. Studying in smaller units facilitates effective planning of the learning and helps maintain learning motivation. The CAT scheme supports transfers between programmes in one institution and between institutions and can allow for recognition of prior learning.

**VTC's Programmes
for the Secondary 3 School Leavers and Non-engaged Youths**

Programmes for Secondary 3 School Leavers

The VTC offers a range of pre-employment vocational education and training programmes to secondary 3 (S3) school leavers who are less academically inclined or who do not adapt well to the traditional school system (1,250 places of Certificates in Vocational Studies (CVS), 1,700 places of certificate courses in hospitality and catering industries, and 1,550 places of Basic Craft Certificates (BCC) in engineering industries).

2. Currently there are sufficient S4 places to accommodate more than 97.5% of the S3 students, and the bulk of the remaining ones are looked after by the VTC. The student population is expected to decline from the present 83,000 to about 54,000 by 2013/14. With the introduction of the 3+3+4 system in 2009, the symmetrical class structure will allow all S3 students to progress to Senior Secondary 1. As the new 3+3+4 curriculum much focuses on general education, with the aim to develop students' ability of learning to learn, it is not designed to equip those who cannot cope with academic study or the traditional school system, with the trade competencies necessary for employment. It is expected that there will still be a small group of students who would continue to require the VTC to provide them with quality vocational education and training.

3. A new three-year Diploma in Vocational Studies (DVS) is being piloted to rationalise the traditional CVS and BCC courses with a better-balanced generic, trade and life-skill curriculum, caring student support, and quality campus activities. The first two years of the DVS curricula focus largely on vocational subjects targeted for employment. The majority of students may exit at the end of the second year with a Vocational Certificate (VC) qualification. Those who wish to further their study would continue with the third year which offers mainly generic subjects necessary for progression to the Higher Diploma (HD).

4. The DVS curriculum is developed with reference to the Specifications of Competency Standards (SCS) of the Qualifications Framework (QF), i.e. adopting the competency-based outcome standard. The programmes calls for teaching and learning techniques that best suit the less motivated youth group.

5. Looking ahead, the DVS will form the curriculum framework for the VTC's future post-S3 programme development, and the vocational and generic content be finely balanced to best equip the students. The QF will be the primary reference for curriculum development.

Non-engaged youths

6. In recent years, the VTC has piloted a series of short-duration "Vocational Development Programme (VDP)" for youths who have dropped out from school and are neither engaged in study nor in employment. The VDP helps these non-engaged youths (NEY) to regain self-confidence and self-respect, as well as to motivate them to resume meaningful engagement.

7. The VDP, consisting of the "Teens Programme", "Mainland Training", and "Modern Apprenticeship", is well received by the NEY, their parents and social workers. According to feedback surveys, over 90% of the youths value the programme because it provides a caring and friendly learning environment, with an opportunity of articulation to further education and training, leading to sustainable development. For example, in 2004/05 740 NEY participated in the "Teens Programme" and 89% completed the course, 64% progressed to further study and 26% were engaged in employment.

The Youth College

8. To support the development of the VDP, the VTC set up in 2004 a Youth College (YC) at its So Uk Campus (SU) to accommodate new workshops in Beauty Care, Hair Dressing and Cartoon Animation. YC(SU) offers short-duration VDP as well as long-duration full-time post-S3 CVS and post-S5 Foundation Diploma (FD) courses. It provides a visible progression pathway and a learning environment conducive to

sustainable development and advancement. It has also expanded its roles to support the Government's Youth Pre-employment and Training Programme and Youth Work Experience and Training Scheme.

9. Riding on the successful pilot, the VTC is extending the YC concept and operation to its traditionally engineering-oriented training-centre complexes at Kowloon Bay, Pokfulam and Kwai Chung. The learning environment of these complexes has been improved, with the necessary supporting infra-structure such as language laboratories and life-skill activity rooms to support "whole-person" education and training which is essential to the growth and development of the youths. The YC will be further developed to become the core of the VTC's post-S3 programme development, with a brand name clearly distinct from the IVE.

Modularised Apprenticeship Scheme

10. The demand for the traditional Apprenticeship Programme has substantially declined over the years (from 10,000 in 1990 to 3,000 in 2005) due to the shrinking demand for engineering apprentices, lack of flexibility in the scheme, and negative social stigma of apprenticeship in general. The scheme underwent a review with a number of recommendations to allow for flexible modes of operation, competency-based training modules, and a publicly-recognised certification system.

11. New schemes for the service sector have been developed in the form of the Modern Apprenticeship Programme. The VTC has started to re-structure and modularize the apprenticeship schemes based on the SCS under the QF, laying the foundation for the flexible Apprenticeship Programme to be built.

12. Consideration should also be given to extend the Apprenticeship Scheme to support youths working for Hong Kong businesses operating in the Mainland, particularly in the Pearl River Delta.

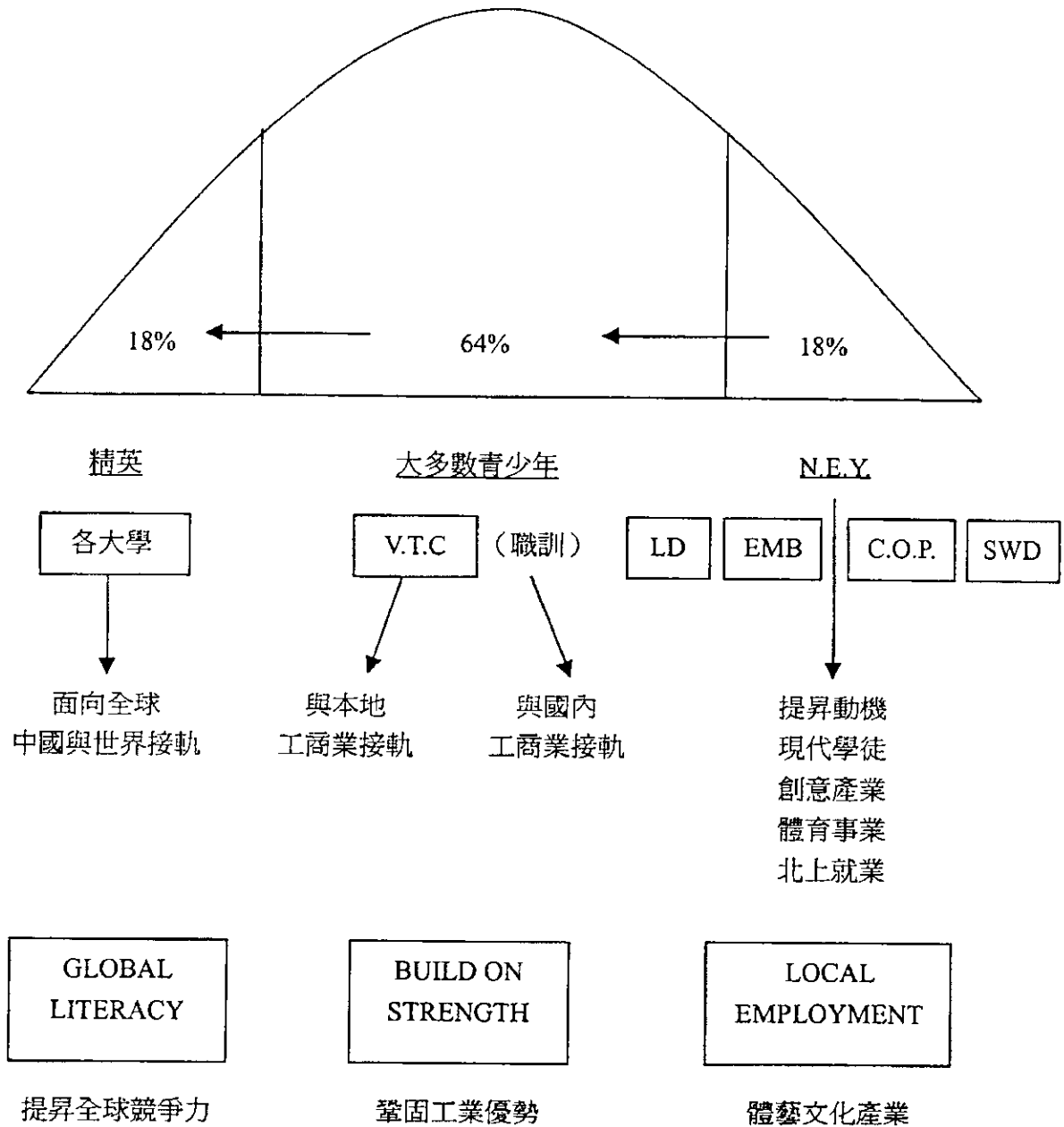
Way Forward

13. The VTC will develop and offer pro-actively up-to-date vocational education and training programmes to the well-defined market sector, and to support these programmes with a modern learning environment, student care, and an extensive articulation pathway.

14. The VTC's well-found standing in post-S3 training, enhanced by its developments in the VDP, DVS, and modularized apprenticeship schemes, will help affirm its unique position in the provision of a valuable alternative education and training pathway for the less academically-oriented youths.

15. The VDP, DVS and other VTC programmes will be inter-connected through a through credit accumulation and transfer to better support this sector.

全面提昇青少年競爭力



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