

Commission on Poverty

District Study on Employment Assistance Draft Report

PURPOSE

This paper invites Members to consider the recommendations made in the draft Report of the District Study on Employment Assistance, the key objectives and directions deliberated by the CoP Task Force on District-based Approach, and the proposed way forward to improve our employment assistance in helping the unemployed to work and be self-reliant.

DISTRICT STUDY ON EMPLOYMENT ASSISTANCE

2. Following the Commission's agreement at its June 2005 meeting to examine the delivery of existing employment assistance at the district level and to explore room for improvement, an independent researcher was commissioned to conduct the captioned Study from August till December 2005. The Report was compiled based on interviews with relevant Government departments, service operators and the unemployed in order to examine the delivery of employment services at the district level, viz. in Yuen Long, Sham Shui Po and Kwun Tong. The draft Report was discussed at the meeting of the CoP Task Force on District-based Approach on 15 March, and is enclosed for Members' reference. The Executive Summary of the Report is attached at **Annex**.

DISCUSSION OF TASK FORCE ON DISTRICT-BASED APPROACH

3. Members of the Task Force have examined the service gaps identified and the 18 recommendations made in the Report. Members generally shared the observations and the board directions for improvement. There were board consensus in the following areas –

Key Objectives

4. Members of the Task Force opined that there were three key distinct objectives in considering further improvements to existing employment services -

- (a) to implement a “***people-oriented***” approach instead of a programme-/service-oriented approach in designing employment services, so that the unemployed with different needs can truly be assisted differently and in a manner meeting their needs so as to facilitate their move from unemployment to self-reliance;
- (b) to give more ***targeted assistance to the “difficult-to-employ”*** who have greater needs for assistance, and to avoid their being “filtered out” from the existing employment programmes due to administrative criteria/performance targets; and
- (c) to ***strengthen interfaces*** at both the central and the district level, as well as the interface between employment services and skills upgrading currently administered by different Government agencies so that we can make the best use of the resources available to deliver more effective employment assistance, and to encourage post-employment support and life-long learning to avoid the employed becoming unemployed again.

Key Directions

5. Members noted that the Study recommended five directions for change, viz. service interfacing, work-oriented, district network, social responsibility and work encouragement. Members generally agreed ***improving service interfaces*** and ***strengthening district networks*** are among the most important. Members noted that a substantial part of public expenditure is already spent in facilitating employment and assisting the unemployed back to work¹. Hence the issue may not be the lack of resources committed to help the unemployed, but rather how to make the best use of the resources available through better integration, focusing and gaps-/duplication avoidance. Some Members suggested adopting a central processing approach in handling the initial screening of all unemployed seeking assistance so as to better ascertain their different needs for referral to services which best suit their needs. Some Members suggested we should draw on the experience from the U.K. which has implemented an integrated model in helping the unemployed to work.

¹ Some \$4 721 million was spent on employment services in 2004 (see Annex F to CoP Paper 19/2005).

6. On district networks, Members agreed that they were important to garner resources at the local level and to identify “hidden cases”. Members suggested that the forums/community organisations under the network of District Offices/District Councils should also be mobilized to reinforce an employment-focused policy. They also suggested that the future use of the funding to reinforce the district-based approach could be linked to the promotion along this direction.

7. On work incentives, some Members suggested that the CoP needs to address in a more in-depth manner the issue of transportation costs and the calculation of disregarded earnings. Some Members suggested we should also reconsider the current “all-or-nothing” concept under the Comprehensive Social Security Assistance (CSSA) and consider instead some kind of “in-kind welfare” support to assist those who are motivated to work and yet do not wish to take the financial assistance but who may, should the need arises, require some in-kind support.

WAY FORWARD

8. The Task Force considered that the District Study serves as a useful basis for the Commission to examine closely the delivery of employment assistance by different agencies from the angle of the unemployed, in particular the “difficult-to-employ” who need more targeted assistance to help them find work and become self-reliant. The Task Force noted that relevant bureaux/departments as well as agencies at the district level would need time to consider the recommendations therein and the best way to improve our employment assistance services.

9. Members are invited to consider the Study and the recommendations therein, as well as the discussions of the Task Force. Members are invited to task the Secretariat to coordinate with the relevant bureaux/departments as well as agencies at the district level on their response to the recommendations therein within six months’ time, setting out possible deliverables under different timeframes. The key objectives and directions deliberated by the Task Force in paragraphs 4 – 7 above should be duly taken into account in the process.

Commission Secretariat
March 2006

**“From Welfare to Self-reliance”
District Study on Employment Assistance**

Executive Summary

A This Study, initiated by CoP, aims to enhance the understanding of the existing employment assistance and its effectiveness to assist the able-bodied unemployed in three pilot districts selected by CoP, namely Yuen Long (including Tin Shui Wai), Sham Shui Po and Kwun Tong. An open and qualitative approach has been adopted to gather information and experience through site visits, observations, focus groups, meetings and interviews. Three Government departments, 23 service operators and 27 service end users were contacted from August 2005 to December 2005. Noting the risks of partiality in sampling and inputs processing inherent in most qualitative research, a validation process in the form of a Report Back Session involving various individuals and Agencies was held on 21 January 2006. Through sharing and confirmation by individuals and Agencies involved in the interviews and who also have rich experience in handling the unemployment issue, the Report Back Session helps establish not only the factual nature of the views collected but also helps confirm that the observations flagged in this Report represent general phenomena rather than isolated cases.

B This Study used Gap Analysis to detect discrepancies or gaps between the needs of the ‘difficult-to-employ’ job-seekers and the existing system’s capacity to meet those needs. The major findings and the identified gap items are: -

Direction and Strategies
Gap 1 - Value: Some of the CSSA unemployed, especially the long-term unemployed, have a tendency to rely on the CSSA payments instead of returning to work.
Gap 2 - Service Content: JMP, IEAP and RCs have similar employment service content.
Gap 3 - Work Focus: The work focus of service operators is mainly on their own programme areas; they may not have a comprehensive enough awareness of the vast variety of employment services available to service users.
Target
Gap 4 - User Record: Administrators keep the service users’ database for their own purpose. Notwithstanding the considerable technical difficulties associated with creating a shared database, since an up-to-date users’ record is essential for tracing and analysis, attention would need to be given to greater sharing of data for proper follow up, especially in respect of the unsuccessful cases.
Gap 5 - Targeting: The special employment projects (such as JMP, EPM, WTS) and the RCs may not always reach the “difficult-to-employ”.
Input

Gap 6 - Job Duty: The overlapping of duties between different service operators means that there may be fairly extensive overlap of services at district level.

Gap 7 - Accessibility: Co-location of SWD and LD may not fully achieve its expected results. It remains uncertain whether the user has indeed been referred to the appropriate officers and whether the user has made contact with the service referred to.

Service Delivery

Gap 8 - Service Route: The unemployed do not have a standard route to access the services. As some of the employment services provided by the departments are similar in nature, the unemployed may receive similar services from more than one unit or approach different units for suitable services.

Gap 9 - Referral System: Presently Government departments and service operators are operating a voluntary referral system. There is no mechanism to track the service utilisation of service users thus referred.

Gap 10 - Job Fairs: Although most employers engaged in job fairs are medium or large businesses, they do offer some low-skilled jobs suitable for the “difficult-to-employ”. In practice, however, the “difficult-to-employ” are still at a competitive disadvantage.

Gap 11 - Job Matching Service: Although the universal employment service is open to the public, the JMP service may not reach the “difficult-to-employ”.

Gap 12 - Enrolment: In general, each JMP registration lasts for three months but may be extended. However, the frequency of re-registration has no upper limit. Similarly, operators of the same agency who run IEAP, ERB course and/or YPTP/YWET service refer users to more than one programme and therefore, once users are engaged in employment, the success rate can be overstated considerably.

Gap 13 - Service for Specific Age Groups: There is no tailor-made employment programme targeted for those aged 25-29. They presently use services generally accessible to all adults, e.g. iES, JMP, CEF and SUS or the WTS.

Gap 14- Transportation Barrier: Some of the unemployed living in TSW need to travel from across the district for employment. This incurs high transportation costs and represents a considerable burden on the ‘low-income people’ who have just entered the job market. Also, some vacancies require a very early start and it may not be possible for TSW residents to reach workplaces using public transport, so TSW residents are effectively barred from those posts.

Gap 15 - Economic Activity: Districts with greater economic activity have greater opportunities to recover from economic downturns and job-seekers there have the advantage of being able to look for employment in their own district. Job-seekers living in TSW may not have these advantages.

Gap 16 - Use of Professional / Trade Unions: Service operators from professional bodies or the trade unions make use of their own networks and have the advantage of being able to identify relevant job vacancies. Still, there is as yet no room to explore whether networks of such bodies can be better utilised.

Gap 17 - User Choice: The variety of retraining courses organised in TSW is comparatively limited. As a result, potential applicants travel across districts for other courses.

Gap 18 - Sustainability: The RRC performs a more systematic follow-up service and provides life-long learning opportunities for the employees. Their targets are however restricted to ERB service users.

Gap 19 - Job Retention: Some of the TBs detect the need to promote life-long learning atmosphere to the 'difficult-to-employ' users by encouraging them to join other job-related skill-training course once they have completed the ERB courses.

C Based on the Gap Analysis, the following four inherent implementation risks were revealed:

- **Bingo Effect:** Unless a job-seeker is proactive in approaching different agencies offering different services and use the information obtained there to plan his employment service pathway, his use of the services tends to rely more on chance.
- **Funnel Effect:** The present employment services automatically funnel out a group of "difficult-to-employ", including CSSA recipients, near-CSSA recipients and unemployed or long-term unemployed.
- **Puzzle Effect:** The job-seekers themselves, especially the long-term CSSA unemployed who have substantial experience with various services, are quite able to assemble a comprehensive employment service to suit their needs. Sometimes, their knowledge surpasses that of the Administrators and operators.
- **Multi-Approach Effect:** It is commonly the case that local shops need to entertain different NGOs for the same purpose – requesting job vacancies.

D At present, employment services are universal or designed for the unemployed with specific needs. This service-oriented approach indirectly divides the unemployed into different categories. Instead of a service-oriented approach, the unemployed should be at the centre of the employment service. All unemployed ought to be able to approach a service point where relevant programmes are provided according to their needs. To reach this end, the most effective way is to provide a primary channel of initial service delivery by way of greater pooling of information and screening mechanisms of the existing employment service.

E This report is not aimed at an immediate overhaul of the existing employment services. Instead, it is suggested that incremental adjustments and narrowing of gaps be made in order to move towards a more integrated service mode. Based on the tenet of ‘work first and self-reliance’, it is proposed to set a clear vision for employment assistance: to help the unemployed move from welfare to work by providing an integrated employment service. In this respect, the study suggests five key directions with 18 recommendations:

<u>Direction A: Service Interfacing</u>
<i>To avoid service duplication or gap by integrating employment services at district level.</i>
Recommendation 1 - A More User-friendly and Target-Oriented Approach: It is suggested that service operators should provide users with a more integrated picture of the services available.
Recommendation 2 - Job Orientation: It is suggested that on-the-job training and orientation programmes for front-line staff be provided to enhance their understanding of the detailed operations of different employment services. In the longer term, a professional standard for the practitioners of the employment service needs to be established.
Recommendation 3 - Employment Pathway: It is suggested that the existing employment services be reorganised into three clear employment pathways, viz. a Universal Employment Service, a Special Employment Service and an Intensive Employment Service.
Recommendation 4 - Service Coordination: At policy level, the coordination between the LD and SWD should be strengthened to avoid service duplication and gaps. In the long run, the Government should consider whether there are merits for setting up a dedicated agency for implementing the “unemployment-to-work” policy.
<u>Direction B: Work Oriented</u>
<i>To respond to specific needs of the unemployed by providing appropriate employment services to them.</i>
Recommendation 5 - Job Centre: The LD can consider strengthening the role of Job Centre by: - <ul style="list-style-type: none"> ● targeting the JMP service also at welfare recipients; ● reviewing the criteria of joining the JMP service, e.g. using the length of unemployment as one of the key screening criteria; ● tracing failed cases and measuring the rate of successful job-matching of the JMP service;

- exploring more relevant job opportunities at the lower end of the labour market at district level; and
- strengthening the function of Employment Information Corner in JC.

Recommendation 6 - Retraining Service: The ERB can consider strengthening the retraining service by: -

- strengthening the retraining service in TSW areas;
- studying the feasibility of providing temporary transport assistance to users who live in remote areas;
- extending the service provision of ERB to the unemployed aged 25-29;
- including the practical skills assessment in other retraining courses; and
- relocating the existing RRC or setting up another RRC in YL district or in NT.

Recommendation 7 - IEAP: The SWD can consider strengthening the employment services to CSSA recipients by:-

- extending the IEAP services to long-term unemployed JMP users;
- strengthening the personalised element of IEAP;

Recommendation 8 - Intensive Employment Service: Relevant departments can consider strengthening the following Intensive Employment Service by:-

- using voluntary mentors from professional bodies to help the unemployed;
- considering the inclusion of post-employment support and life-long learning in employment assistance programmes; and
- providing job attachment services and social enterprise programmes for the long-term unemployed.

Direction C: District Network

To create employment opportunities by mobilizing the resources in the community.

Recommendation 9 - Case Matching: A mechanism of tracing cases and service records across departments should be put in place to ensure a purposeful and effective provision of support.

Recommendation 10 - District Coordination: There is room to further enhance district coordination for discussion of employment issues and identification of service gaps and discrepancies in the community.

Recommendation 11 - Outreach Service: It is suggested that the LD deploys more resources for approaching potential employers of small and local businesses at district level.

Recommendation 12 - Employer Networking Strategies: It is suggested that JCs should strengthen its district employer networks irrespective of size of business operations.

Recommendation 13 - Employment Club: It is suggested that an Employment Club be set up in TSW area to train volunteers to assist job developers in exploring job opportunities.

Recommendation 14 - Public Education: It is suggested that the positive aspects of TSW be promoted more with a view to reducing the employers' negative image of TSW.

Recommendation 15 – Job Market Information: There are rooms for greater sharing of job market information and employer network among providers of employment assistance.

Direction D: Social Responsibility

To promote not only personal social responsibility of the unemployed to move progressively towards self-reliance, but also the need for corporate social responsibility through providing opportunities for the private and third sectors to get involved.

Recommendation 16 - Active Workplace Attachment: It is suggested that the Active Workplace Attachment can be run in two modes: -

- a Social Enterprise Programme which provides job attachment for the long-term unemployed; and
- granting long-term unemployed priority in taking up places in the Work Trial Scheme.

Direction E: Work Encouragement

To motivate the unemployed by providing incentive support in the transitional period from unemployment to work.

Recommendation 17 - Employment Incentive Allowance: It is worthwhile to study ways of providing financial incentives to help the unemployed meet immediate costs associated with starting work and to keep the “difficult-to-employ” in employment.

Recommendation 18 - Reemployment Bonus: It is suggested to provide able-bodied CSSA a reemployment bonus for retaining jobs.

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