

金融海嘯對青年就業的衝擊

The Impact of Youth Unemployment in the midst of
the Global Financial Crisis

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Summary Report

With the impact of the global financial crisis, the economy of Hong Kong has suffered a severe blow. The problem of youth unemployment between the ages 15-24 calls for our attention. According to the latest statistics released by the government, the seasonally adjusted unemployment rate increased significantly from 4.1% in October-December 2008 to 4.6% in November 2008-January 2009. The number of unemployed persons increased by around 16,400, from 141,300 in October-December 2008 to 157,700 in November 2008-January 2009. Around 10,000 positions, mostly from the trading, logistic and financial industry, were lost over the period.

The unemployment rate of young people aged 15-24 increased significantly as well. From October to December 2008, the unemployment rate of young people aged 15-19 rose to 19.5%, while that of those aged 20-24 rose to 7.9%. The number of unemployed persons amounted to 34,600. Hong Kong is expected to undergo a continuous economic slowdown and a shrinking labour market under the financial crisis. Young people, especially those with low educational attainment, low levels of skill and those continuously unemployed, will find it even harder to secure a job. To find a way and offer them support so that they will not be marginalized in the labour market is one of our major concerns.

The employment market will remain weak as the effect of the global financial crisis is spreading to various economic sectors. What are the expectations of young people regarding their prospects of employment? For those long-term unemployed youth (i.e. those who have been unemployed for six months and over), what are the obstacles they encountered and what kinds of support do they need? These questions are the focus of the study.

The purpose of this study aims at examining the impact of youth unemployment in the midst of the global financial crisis. Both a quantitative survey and a qualitative case study are employed for this study. It is hoped that this study will provide a clearer picture of the issues and will result in recommendations which could be suggested to the authorities concerned.

The telephone survey was conducted between the 14th and 21st of January, 2009, from 6:00pm to 10:15pm. The target interviewed were the registered members of our youth employment network. By random sampling, 534 non-students aged between 15 and 24 were successfully polled, yielding a response rate of 57.0%, with a standard error within $\pm 2.2\%$.

The case studies were conducted during the period 22nd December 2008 to 13th January 2009. We successfully interviewed 20 unemployed young people comprising 17 males and 3 females. Those participants interviewed needed to meet the following three criteria: (1) be unemployed for six months and over in the past year prior to the study; (2) aged between 15 and 24; and (3) desired to work in times of unemployment.

This chapter summarized the major findings and analyses of the survey, related discussions and recommendations for reference.

Discussion

1. There is a pressing need for new measures to tackle the problem of youth unemployment

The unemployment rates of young people since the handover have gone up and down according to the economic performances of Hong Kong. The unemployment rate of people aged 15-19 and aged 20-24 rose from 10.0% and 3.8% in 1997 to the peak of 30.2% and 11.5% respectively in 2003. The rates lowered later with the improvement of the economy. The global financial tsunami in the latter half of 2008 raised the unemployment rate of the two age groups to 19.5% and 7.9% respectively at the end of 2008. As the tsunami-affected areas are likely to grow deeper and wider this year, the unemployment rate is expected to rise further. The plight of the unemployed young people can be relieved if the government can learn from previous experiences of tackling economic crisis, and decisively give timely support.

Statistics concerning the third quarter of 2008 showed that among the unemployed young people aged 15-24, 14% had an educational attainment of junior secondary, while 40% were at higher secondary. With the wide influence of the financial tsunami, those with higher educational attainments and higher levels of income suffered an especially heavy blow. While it is important to give a helping hand to young people with higher educational attainment, the support to young

people with lower educational attainment should not be neglected. Moreover, young people who have been unemployed for six months and over constituted nearly 10%. These disadvantaged youth in the labour market, if not provided with timely support, will pose a threat to the stability of society in case they resort to making reckless moves.

The problem of youth unemployment will not only affect the life of the unemployed person, but also involve social costs. According to the figures released by the Social Welfare Department about the Comprehensive Social Security Assistance (CSSA) Scheme, the number of CSSA recipients aged 15 to 24 increased from 2,723 at the end of 2007 to 3,389 in late October 2008, up by a total of 666. Work not merely represents one's working capacity, but also means one's livelihood. If one's income cannot support his livelihood, he will turn to government subsidy.

Young people are the central pillars of economic growth and creativity. If they cannot take part in the labour market or contribute to society, social resources will be lost. The higher the youth unemployment rate is the more human capital that will be lost in society as a whole. The government and society are duty-bound to relieve the employment pressure of young people by giving them prompt and proper support under the continual attacks of the financial tsunami.

2. Young people surveyed had a higher incentive to undertake further studies under the economic downturn; training institutes should actively respond to their needs

In the telephone survey, respondents were cautiously optimistic about their prospects of employment in the year ahead under the economic meltdown. The average point they gave was 55 (on a scale of 0 to 100, with higher marks representing more confidence). Moreover, the survey also showed that respondents with lower educational attainment or those either unemployed or jobseekers tended to have lower confidence in their employment prospects for the future.

Furthermore, more than 50% of (54.9%) respondents said they did not intend to look for another job in the year ahead. On the other hand, over 30% (32.2%) said they did have such an intention. Thus their consideration may still be affected by the instability of the new job and the risks involved under the economic crisis.

Respondents were more eager to undertake further studies under the economic crisis which can be considered as a preparation for better prospects. In the telephone poll, over 60% (64.2%) of respondents said they were prepared to enroll in courses in the year ahead to respond to the worsening job market. In the case study, some interviewees said they would sign up for related courses to enhance their employability and job opportunities. However, some others who were unemployed said the fees for recognized courses were too high for them especially when they had no income.

It is shown that during economic downturns, young people are more inclined to equip themselves through further studies. The training institutes should consider actively addressing their needs.

3. Although many respondents said they were willing to go through the hard times with their employers, they could hardly put that into practice

86.0% of respondents said they were willing to go through the hard times with their employers. Only more than 10% (11.6%) said they were not willing to do so. Yet most respondents said they would not accept any new demands from their employers.

Respondents only showed a relatively high acceptance rate in "dealing with work outside of their duties", giving it an average point of 51 (on a scale of 0-100, with higher marks indicating higher acceptance). For other listed demands, respondents generally held a negative attitude. The average points given to "no overtime pay", "leave without pay", "short-term contract work" and "salary cut" were 44, 40, 32 and 30 respectively. Respondents obviously had the lowest acceptance for salary cuts.

The financial tsunami has made it difficult for enterprises to survive. It is vital for employers and employees to trust and understand each other during the hard times. If both sides can join their efforts to face problems and try to make compromises, a win-win situation can be achieved. As the staff are a valuable asset of an enterprise, employers should not use layoffs as a convenient solution. On the other hand, young people should adjust their mentality at work, and cherish their employment opportunities by making efforts, working hard and complaining less.

4. Case study on 20 unemployed persons manifested the urgent needs of the following young people, including those with lower educational attainment, people with specific learning disabilities, new arrivals and tertiary graduates

(1) Young people with lower educational attainment

Lower educational attainment refers to those who have a minimum educational attainment of Form 3 or below. With the change in economic structure, the labour market has an ever-increasing thirst for experienced candidates who are highly educated and well trained. Those young people who are neither well educated nor adequately trained have been facing bleak employment prospects. However, even those with a higher educational attainment have been seriously affected by the financial tsunami, so those with lower educational attainment would face a tougher employment situation.

Among the interviewees in the case study, many of them had low educational levels. One of them pointed out that employers nowadays tended to have higher requirements from applicants. They require people with high educational levels as well as work experience, which may not be related to the job nature though. The interviewee was worried that he would stay unemployed and be unable to find a way out.

(2) Young people with specific learning disabilities

More young people with specific learning disabilities have appeared in recent years. These disabilities may include specific language impairment, dyslexia, developmental coordination disorder, mathematics learning disability, spatial perceptual disorder, etc. A research of the Chinese University of Hong Kong in 2000 pointed out that one out of 10 Hong Kong people suffered specific learning disabilities at various levels. It may not be easier for young people with this disability to secure a job in a highly competitive market. They face a great challenge in their search for jobs. In addition, the general public may not understand their situation so they are often being marginalized in the job market.

Five among the 20 interviewees of the case study said they had suffered different disabilities at various levels, such as specific language impairment, dyslexia etc. They failed in their search for jobs because they were unable to meet the

requirements of mainstream jobs, like processing communication skills or word processing skills.

(3) New arrivals

With the close economic ties between Hong Kong and the Mainland, many young newcomers from the Mainland came with the hope of finding a job in Hong Kong. However, neither did they have much knowledge about Hong Kong society or culture, nor did they have any social connections. It is by no means easy for them to find an ideal job in Hong Kong.

An interviewee said he had thought there would be many job opportunities in Hong Kong, but later found that reality was so different. He had been unemployed for a while and felt helpless.

(4) Tertiary graduates

With high educational levels and professional knowledge, university and tertiary graduates should be able to get better jobs. However, enterprises have largely reduced the number of people they are recruiting and the number of vacancies have dropped tremendously as the financial tsunami seriously hampers the job market in Hong Kong. According to the latest figures released by the Joint Institution Job Information System set up by the eight tertiary institutes, the number of vacancies available for university graduates dropped by 32.4% to 1,712 in September-November 2008 compared to the same period in 2007. The figure is a record low since the first quarter of 2007. An interviewee said the financial tsunami had messed up his career plans and added to his employment difficulties. He stated that he had to lower his expectations so as to get a job as soon as possible.

5. Young people had negative feelings during the period of unemployment; the longer the time of unemployment, the higher the pressure to endure

As the global financial tsunami heavily affects the Hong Kong economy, closure of enterprises and layoffs are often heard off. A considerate proportion of respondents polled said that they often or sometimes experienced negative feelings three months prior to the survey, such as "reducing spending" (55.6%), "feeling

unhappy" (31.0%), "avoiding social gatherings" (25.1%) and "having insomnia" (12.6%). Statistically, this was particularly the case for those being unemployed.

Moreover, over one third (33.7%) of respondents said they had experienced unemployment in the past year. Among them, 28.2% said the duration of unemployment lasted for half a year or above. Those 180 respondents who had been unemployed in the past year said they often or sometimes had the following problems: "feeling negative" (50.3%), "losing confidence" (40.1%), "worse relationship with family members" (33.3%) and "feeling disconnected with society" (28.3%).

Furthermore, the survey showed that the longer the time of unemployment, the greater the impact on the respondents would be. In the case study on 20 interviewees, it finds that continuous unemployment made them suffer in the eight aspects below:

(1) Pressure from family members

An interviewee said he received not only the blow of unemployment, but also the pressure from family members. He said as the time spent with his family had increased, he became more aware of their attitudes and responses. He felt that they looked down on him and regarded him as an "unproductive" person in the family. He got fed up with the grumbles of his family members and quarreled with them. Their relationship had gone worse.

(2) Social circle narrowed

Some interviewees said they would turn down some social invitations during the unemployment spell so as to avoid being asked about their employment status. They were afraid that they would be seen as incompetent due to the long period of unemployment. Also, some of them said they would avoid meeting friends as they could not get involved in conversations, which mostly centered on work.

(3) Economic independence postponed

A stable job is an indicator for young people to achieve economic independence. Losing their job had weakened the ability of the unemployed youth to be financially self-sufficient. They still relied on the financial assistance of their family members

and their economic independence was postponed.

(4) Losing confidence

Work illustrates one's ability and potential, so being jobless will directly affect one's confidence. Interviewees noted that the longer the period of unemployment was, the lower their confidence would be. Some interviewees said they thought they had no contribution to society while being unemployed. They lost their direction and even felt inferior. Others were worried that long periods of unemployment would make it harder for them to find a job.

(5) Negative feelings

The longer the period of unemployment, the more the negative feelings that would be aroused. Some interviewees said they had strong emotional fluctuations while unemployed. They were often depressed and unhappy. Some said they would give vent to their pressure in negative ways, such as playing violent computer games, hitting the wall with their fists or even dropping cigarette ends on the street.

(6) Feeling disconnected with the society

Work is an important way to build up one's connection with society. Losing one's job means losing such a connection. If interviewees were not concerned about what was happening outside, they would gradually lose connection with society. An interviewee said he stayed at home all day long and blocked himself from the outside world.

(7) Being prone to temptation

During prolonged unemployment, some interviewees said, as they had no skills, they would easily be tempted to break the law to earn money or to support their lives. They said if they did not control themselves and resorted to illegal acts, they would lose their future.

(8) Losing work motivation

Some interviewees said long periods of unemployment would make them lazy and dispirited. They would gradually lose their motivation to work, which would in turn

undermine their determination to find work.

The impacts of prolonged unemployment on young people are significant. The above findings showed that interviewees suffered blows in terms of physical and mental health, interpersonal relationships, financial abilities as well as their own personal values. The situation had reached an alarming stage. It is necessary to help young people to overcome these trials and tribulations and secure employment.

6. Respondents were unhappy about the government's efforts to solve unemployment, particularly among the unemployed. This will pose a potential threat towards the stability of society if these grievances are not properly handled

The findings of the survey showed that respondents were unhappy about the government's efforts to solve unemployment. They gave an average of 46 on a scale of 0-100 for approval levels, which was under the pass mark of 50. The rating given by unemployed respondents was even lower, at 42 points only, when compared with the rating given by respondents with full-time jobs (46 points) or part-time jobs (49 points).

The majority (94.0%) of respondents said they would solve their employment problems "on their own". Statistically, respondents with a shorter period of unemployment tended to prefer solving the problem by themselves. It is shown that young unemployed people still want to rely on themselves instead of receiving financial aid from the government.

Some interviewees said the government had not made enough efforts to solve the unemployment of young people, especially for those disadvantaged in the job market. They were discontented with the government's performance in this regard.

Under the poor economic environment, respondents were unhappy about the government's effort to solve unemployment; particularly among the unemployed. This will pose a potential threat towards the stability of society if these grievances are not properly handled.

7. Many respondents said pressure mostly came from themselves while being unemployed and their mother gave them most support

During the period of unemployment, who gave respondents most pressure? Who gave them the greatest support? Who paid for their daily expenses? Of the 180 respondents in the telephone survey who had experienced unemployment in the past year, many said most pressure came from "themselves", accounting for 36.2%. The second came from their "mother" (23.7%).

On the other hand, many respondents said their "mother" had given them most support, constituting over 30% (31.1%). "Friends" came second, accounting for over 25% (26.6%) of the responses.

As for the daily expenses during the spell of unemployment, most said they paid for them "on their own", constituting 50.3%, while nearly a quarter (24.9%) of respondents said it was their mother who paid the expenses. It is shown that family members were the source of pressure on one hand, but on the other hand, also the main support.

An interviewee in the case study said he certainly did not feel good while being unemployed. However, he said his conditions were not so bad even as the influence of the global financial tsunami was spreading wide. He believed it was important to maintain a positive attitude and one of the ways to do so was by doing exercise. Another unemployed interviewee said he did voluntary work so as to make his life meaningful and keep connecting with society.

While facing the pressure of unemployment, young people need to give vent to their pressure and receive support so as to stay positive. During this difficult period of time, they need to strive to improve themselves and never give up. Spending the unemployed period meaningfully by doing voluntary work and regular exercise, as what the two interviewees did, is certainly encouraging. On the other hand, those who could not handle their unemployment properly should be given proper assistance in preparation for joining the labour market.

Recommendations

- 1. Employment measures should address the needs of the continuously unemployed young people**

To ease the pressure of the employment market, the SAR government announced seven employment measures in early 2009. These measures included increasing places for tutors and research fellows in tertiary institutes, providing internship and training opportunities on the Mainland for university graduates, offering more training places in the Employees Retraining Board, etc. We support the above measures. However, the findings of the survey show that continuously unemployed young people, owing to their lack of qualifications, work experience or skills, face an even tougher working environment. We believe the employment measures of the SAR government should not only focus on the higher educated or university graduates directly affected by the financial tsunami, but also address the needs of continuously unemployed young people so that they can overcome their hardships.

- 2. Expand the Youth Pre-employment Training Program and the Youth Work Experience and Training Scheme, and also increase the training subsidy**

Currently, the main pre-employment training program for young people with low qualifications and low skills are mainly the Youth Pre-employment Training Program and the Youth Work Experience and Training Scheme, which have proven effective. Some interviewees said these two programs could help them make pre-employment preparations and should continue. As the youth unemployment rate is expected to rise under the financial tsunami, we encourage the government to expand the number of training places in these programs. Besides, the government is advised to raise the amount of subsidy of the Youth Work Experience and Training Scheme from \$2,000 to \$3,000 and provide more incentive for employers to offer on-the-job trainee positions for young people.

3. Create more jobs and address the needs of the low-educated unemployed young people

With the development of a knowledge-based and high value-added economy, manpower mismatch appears. There will be a continuous excess demand for young people with low educational attainment and low level of skills. It will be even harder for them to join the labor market in the worsening economic environment. To support these low-educated young people, we hope the government can create more suitable jobs for them, such as being community green ambassadors, taking part in cultural conservation and the creative industry etc. These measures can develop their creativity and sense of belonging to the community, while at the same time provide them with a job.

4. Offer proper employment support to young people with special needs

Many newly arrived young people seek job opportunities in Hong Kong after the economic integration between Hong Kong and China. However, owing to the lack of knowledge about Hong Kong society and culture or social connections, they face many obstacles while seeking jobs. Respondents with new arrivals status said that their unfamiliarity with Hong Kong made it difficult for them to have a good understanding of the employment policy of the city. We advise the government to offer proper support to the newly arrived young people for their employment needs.

As for the young people with learning disabilities, the general public do not have much understanding of them, though related cases are on the rise. These young people do not only need adjustment at school, but also special assistance for their employment. Helping them to secure employment is an important issue. We hope the government can study and assess the employment needs of this group of young people, and provide them with tailor-made supporting services.

5. Organize internship programs for tertiary graduates and provide training allowance

The labour market has shrunk under the attack of the financial tsunami on the Hong Kong economy and the number of jobs, especially the ones suitable for tertiary graduates, has dropped. The employment prospects of the tertiary graduates are not promising. To prevent these graduates from being unemployed and losing confidence, we hope the government can provide them with internship programs so that they can be given on-the-job training and employment opportunities.

Furthermore, we advise the government to re-launch the Graduate Employment Training Scheme of 2003, and extend its coverage to the full-time students of tertiary institutes, high diploma holders and associate degree holders in Hong Kong. Each trainee could be granted a monthly training allowance of \$3,000 up to a maximum of one year. Employers joining the program should not be limited to commercial and industrial enterprises. To explore more job opportunities, the government can also encourage non-governmental organizations like social welfare agencies to provide on-the-job training with a view to encouraging young people to take part in social services.

6. Strengthen the updating and disseminating of employment information

The study showed that continuously unemployed young people tended to narrow their social circles and felt disconnected with society. Some even hid themselves at home and became addicted to computer games or the Internet. While various employment measures have been launched by the government, educational sectors, commercial sectors as well as non-governmental organizations, the information concerned is excessive and confusing. We believe if the employment information can be organized, updated and systematically categorized, and then made conveniently available to young job seekers, those with basic computer knowledge should be able to

grasp the most updated news. This kind of service is worthy of consideration.