



MIT Hong Kong
Innovation Node

Supported by

J.P.Morgan

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

28th April 2020
10:00am-11:00am (GMT +8)

Massachusetts Institute of Technology (MIT) & MIT Node

Professor Charles Sodini, LeBel Professor of Electrical Engineering, MIT
 Professor Brent Ryan, Head, City Design and Develop Group, MIT
 Professor Sunnie Lau, Director of Smart City Research and Industry Collaboration, MIT Node
 Charleston Sin, Executive Director, MIT Node

J.P. Morgan (JPM) via zoom

Filippo Gori, CEO Asia Pacific
 Sophia Leung, CIO Asia Pacific
 Timothy Hogan, ED, Government Relations
 Diana Tsui, Executive Director, Corporate Responsibility
 Arian Hassani, Vice President, Corporate Responsibility

Smart City Guest Speakers

Mr Daniel Chun, Chairman of Research and Blueprint Committee, Smart City Consortium
 Mr Anson Bailey, Head of Technology, Media & Telecoms, KPMG Hong Kong

Supporting Staff on site at the Node

Dr Eddie Hui, Technologist-in-residence, MIT Node
 Alice Lo, Operation Manager, MIT Node

AGENDA

Moderator : Charleston Sin

- | | |
|-------------|--|
| 10:00 | Webinar Start - Objectives, Thanks to J.P. Morgan and other supporting organizations, survey and focus group participants, Today Agenda, and Speaker Introduction <ul style="list-style-type: none"> - Professor Charlie Sodini, MIT - Professor Brent Ryan, MIT - Professor Sunnie Lau, MIT Node - Mr Daniel Chun, Smart City Consortium - Mr Anson Bailey, KPMG |
| 10:02-10:03 | Welcome Remarks <ul style="list-style-type: none"> - Professor Charlie Sodini, LeBel Professor of Electrical Engineering, MIT |
| 10:03-10:05 | Opening Remarks from J.P. Morgan <ul style="list-style-type: none"> - Filippo Gori, CEO Asia Pacific |
| 10:10-10:20 | Professor Brent Ryan, Head, City Design and Development Group, MIT |
| 10:20-10:40 | Highlights of Inclusive Growth Research Findings <ul style="list-style-type: none"> - Professor Sunnie Lau, MIT Node |
| 10:40-10:45 | Highlights of SCC Advisory Paper to Hong Kong Government Smart City Blueprint 2.0 <ul style="list-style-type: none"> - Mr Daniel Chun, Chairman of Research and Blueprint Committee, Smart City Consortium |
| 10:45-10:50 | Highlights of KPMG Future Hong Kong 2030: Public and private sector insights for smart city development |
| 10:50-10:58 | Mr Anson Bailey, Head of Technology, Media & Telecoms, KPMG Hong Kong |
| 10:58-11:00 | Q&A from Audience and Chat Box |
| | Closing and Thank you again J.P. Morgan and all the Speakers and Audience |

EXECUTIVE SUMMARY

OVERALL BACKGROUND OF KWUN TONG

Kowloon East (Kwun Tong 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 programs 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 labor 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 labor force.

LOOKING AHEAD

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

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

Such enterprises and sectors would include small and medium sized entrepreneurs (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.

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 programs. 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 startups, 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.

ACKNOWLEDGEMENTS

We gratefully acknowledge the following individuals and organizations for their generous financial and in kind contributions received in support.

J.P.Morgan

J.P. Morgan (JPM)

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.7 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

Economic opportunity is deeply rooted in neighborhood conditions. Where people reside has lasting impacts on how they live, from life earnings to life expectancy. Yet even with broad economic growth, many neighborhoods continue to struggle with concentrated poverty, disinvestment, unemployment, and other challenges. At J.P. Morgan, we are applying our business expertise, sustainable business practices, and data alongside with our philanthropic capital to help build thriving neighborhoods. We are committed to focus on catalyzing locally driven solutions to cultivate opportunity-rich neighborhoods where individuals and families at all income levels can live. This report was commissioned to help inform evidence-based philanthropic investments for all stakeholders committed to developing the thriving community of Kowloon East.



MIT Hong Kong
Innovation Node

Supported by

J.P.Morgan

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

MIT HK Innovation Node
1st Floor, 78 Tat Chee Ave
Kowloon Tong, Hong Kong
hkinnovationnode@mit.edu

<https://hkinnovationnode.mit.edu/>

