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National Strategy to Reuse & Recycle our Workforce

Liu Fook Thim

CEO, Professional Supremacy Corporation Pte Ltd

2 November 2018

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AGENDA

- **How Singapore's rag-to-riches transition was built on education**
- The Reality today
- The need for a National Strategy to Reuse & Recycle our workforce



Singapore No. 1 out of 157 countries in World Bank Human Capital Index



(Source: Todayonline, 11 October 2018)



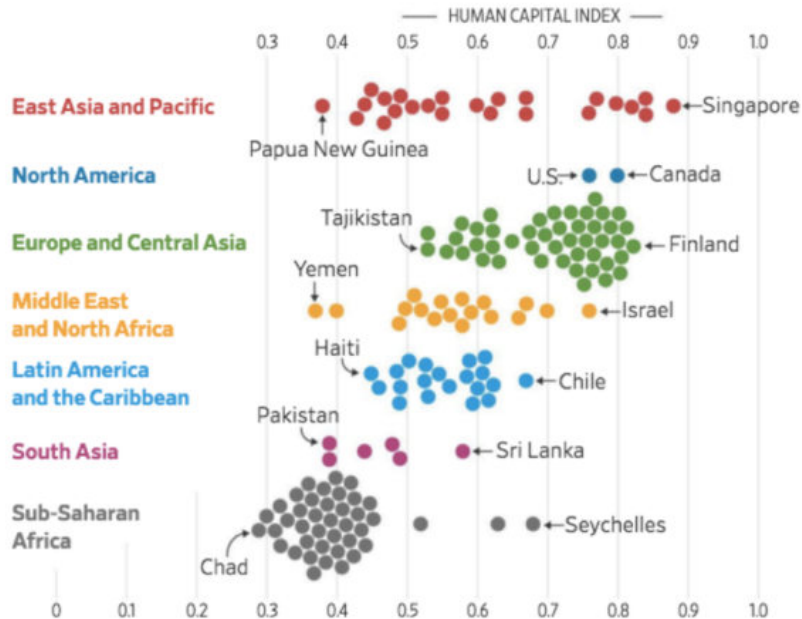
World Bank Human Capital Index 2018





Best and Brightest

The World Bank's new Human Capital Index ranks countries on their health and education outcomes, highlighting broad disparities across regions.



Note: Scores are on a scale of 0 to 1 and are based on how many children survive to school age and to adulthood, without stunted growth, and how much they learn in school.

Source: World Bank

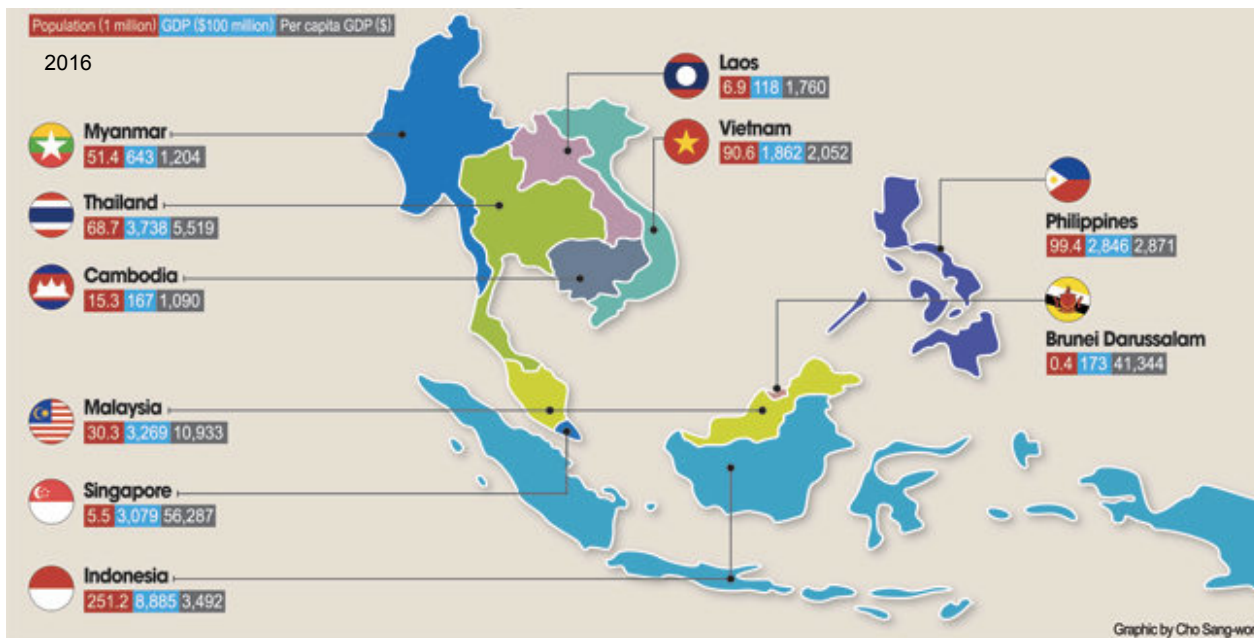
World Bank Human Capital Index 2018

Top nations on the human capital index

Rank	Economy	Lower bound	Value	Upper bound
1	Singapore	0.87	0.88	0.90
2	South Korea	0.83	0.84	0.86
3	Japan	0.83	0.84	0.85
4	Hong Kong	0.81	0.82	0.83
5	Finland	0.8	0.81	0.82
6	Ireland	0.79	0.81	0.82
7	Australia	0.79	0.8	0.81
8	Sweden	0.79	0.8	0.81
9	Netherlands	0.79	0.8	0.81
10	Canada	0.79	0.8	0.81

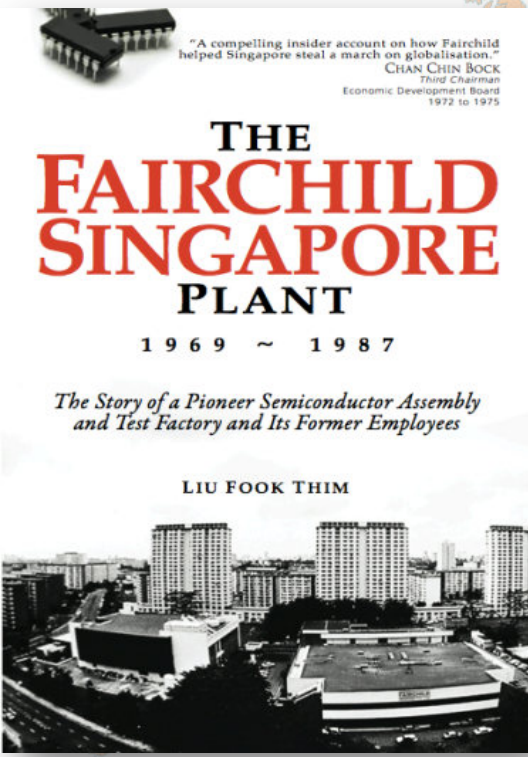


Human Capital Index - ASEAN



Country	Rank
Singapore	1
Vietnam	48
Malaysia	55
Thailand	65
Philippines	84
Indonesia	87
Cambodia	100
Myanmar	107
Laos	111
Brunei	-







First World Oasis in a Third World Region Within One Generation

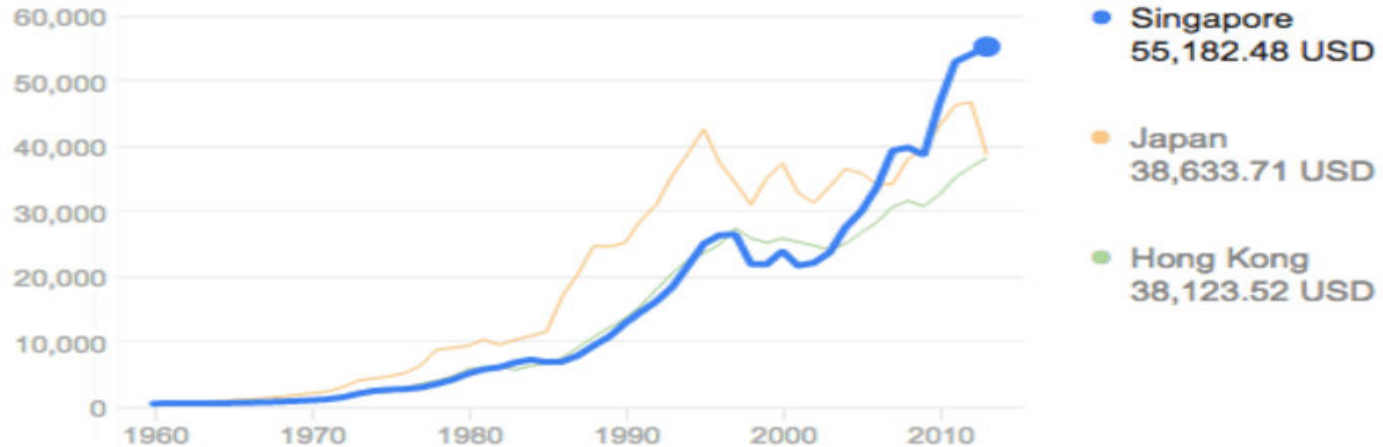




Economic Success Beyond our Size

55,182.48 USD (2013)

Singapore, GDP per capita





Human Resources

Our People, Our Brains, Our Skills



Top Scorers in Pisa 2015

Average scores for science, reading & mathematics

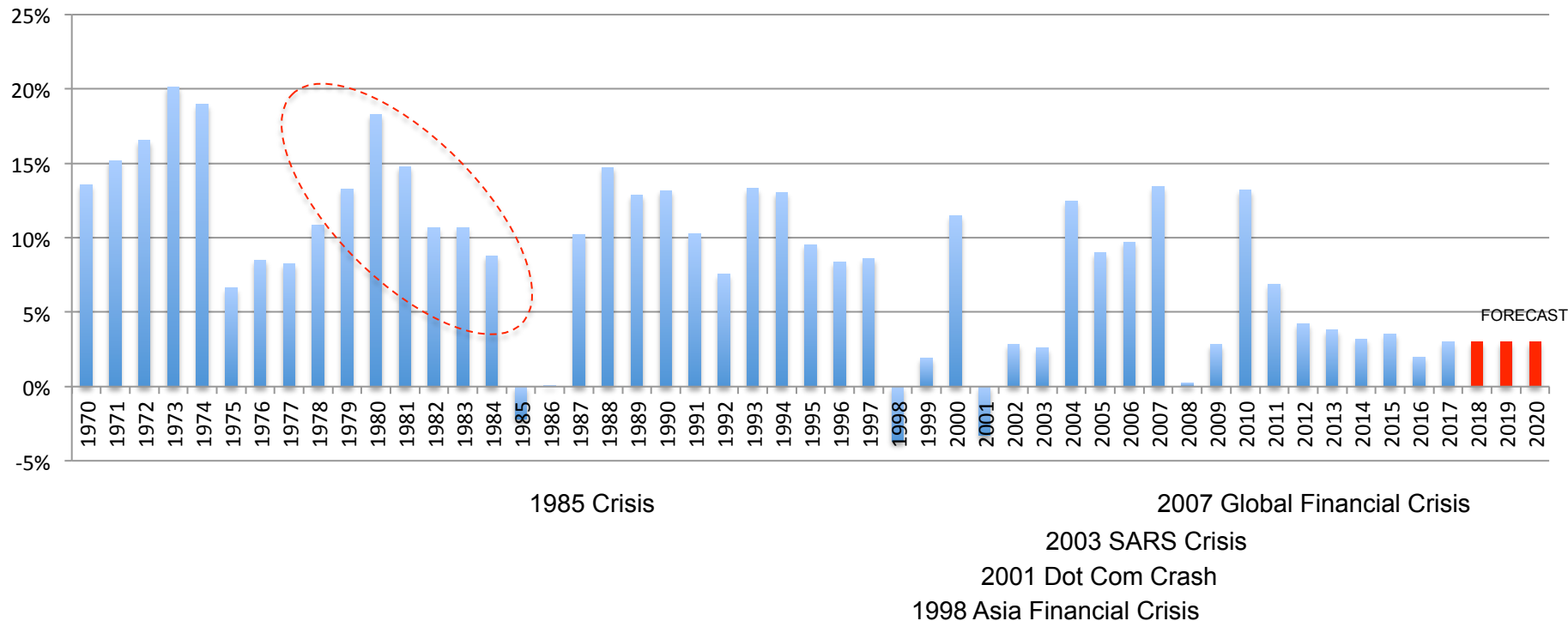
Science		Reading		Math	
Singapore	556	Singapore	535	Singapore	564
Japan	538	Hong Kong	527	Hong Kong	548
Estonia	534	Canada	527	Macau	544
Taiwan	532	Finland	526	Taiwan	542
Finland	531	Ireland	521	Japan	532
Macau	529	Estonia	519	China	531
Canada	528	South Korea	517	South Korea	524
Vietnam	525	Japan	516	Switzerland	521
Hong Kong	523	Norway	513	Estonia	520
China	518	New Zealand	509	Canada	516

Source: PISA 2015, OECD

**Education
central to
building
both the
Economy
and Nation**



Singapore's GDP Growth (at Current Market Prices)



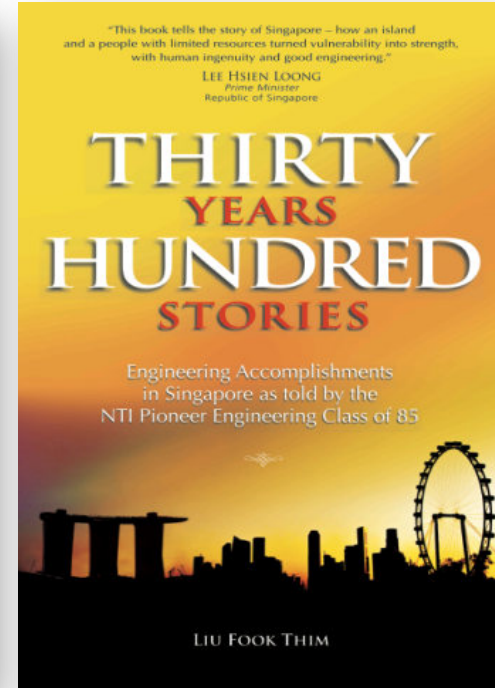
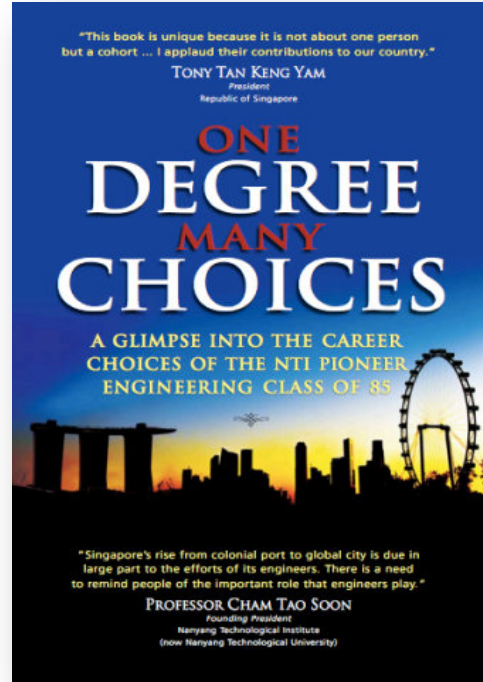


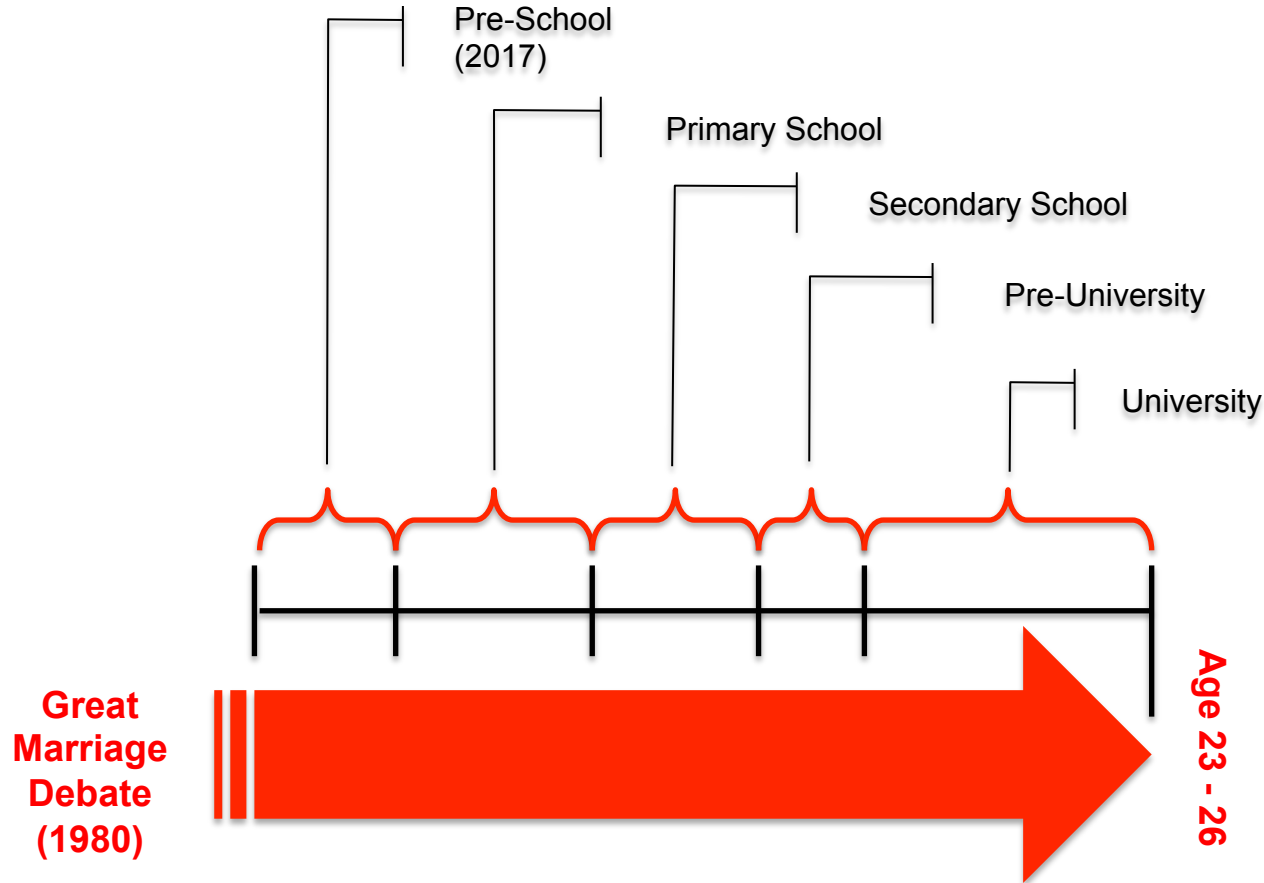
Council on Professional & Technical Education

Proposed the setting up of the
Nanyang Technological
University
in 1981



The government had a pragmatic approach to education for economic growth, creating jobs and ensuring a livelihood for its people.

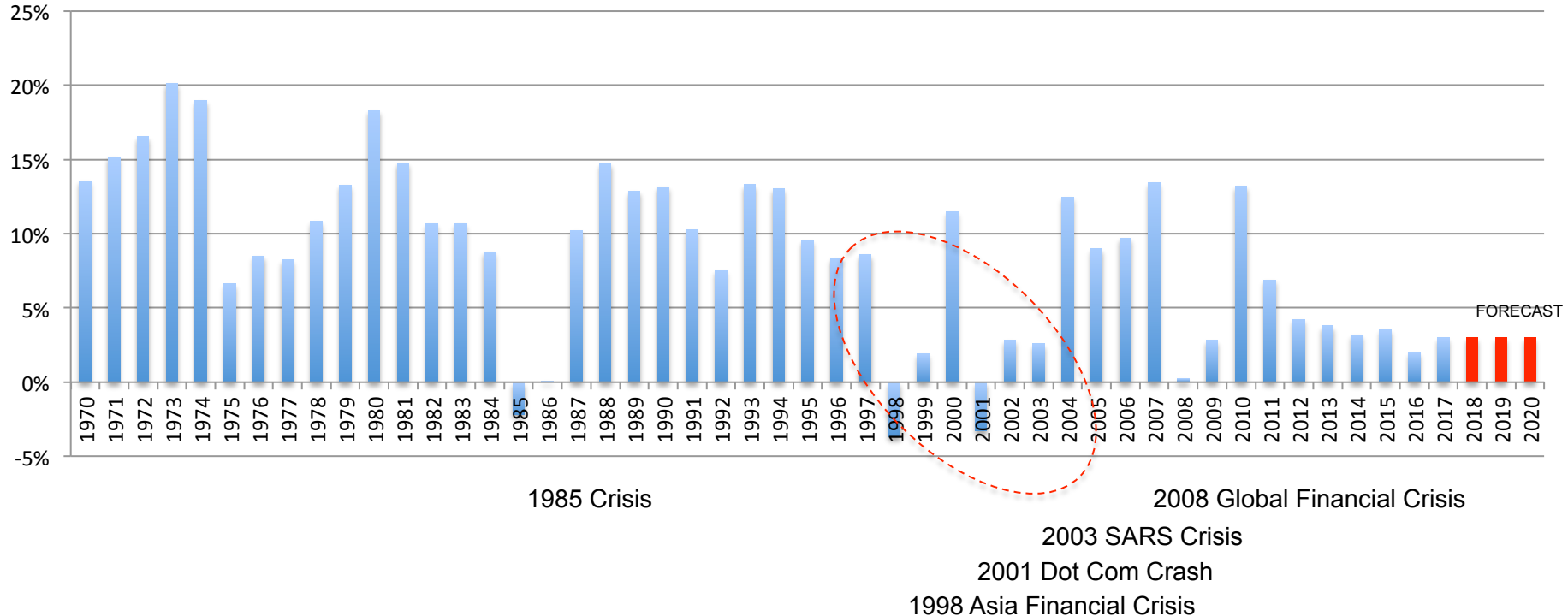




**What is it that
OUR
CHILDREN
need to be
successful in
tomorrow's
economy?**



Singapore's GDP Growth (at Current Market Prices)





The Singapore Workforce Development Agency



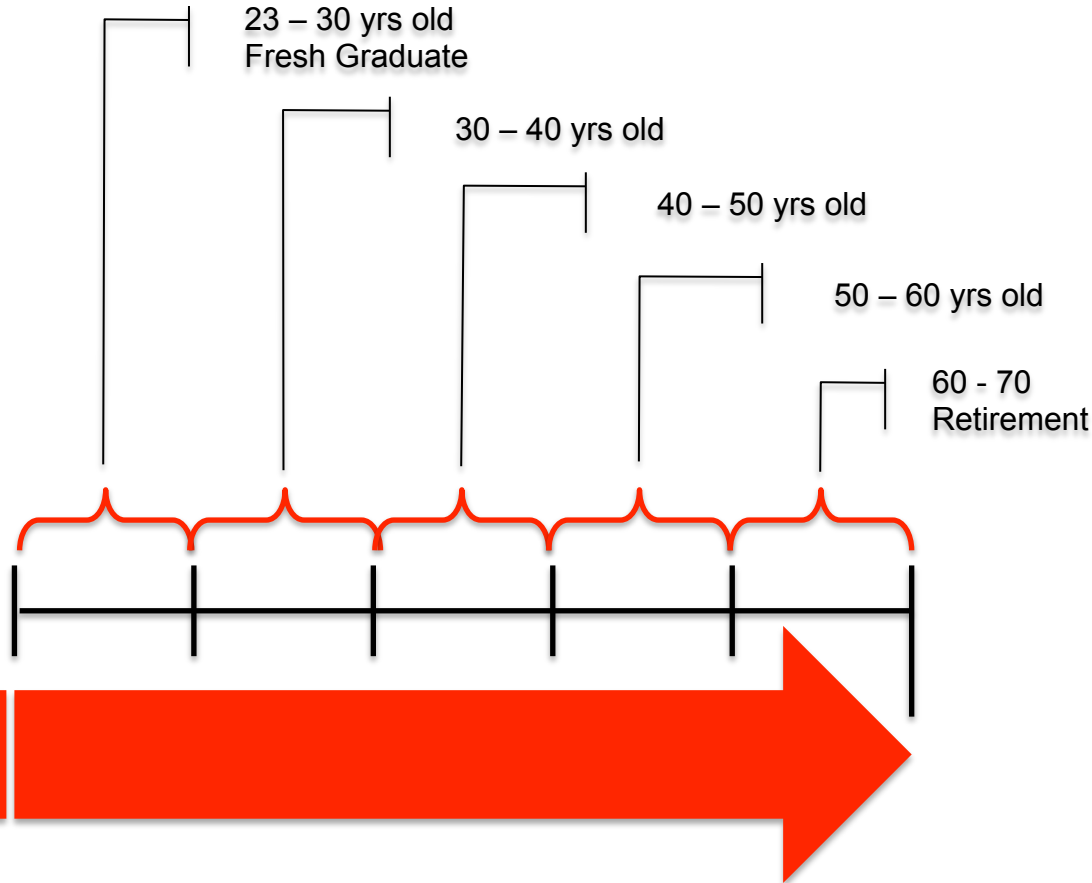
Formed on 1 Sep 2003 as a statutory body under the
Ministry of Manpower

Vision

A competitive
workforce, with
workers learning for
life and advancing
with skills

Mission

Enhance
employability and
competitiveness of
our workforce



**What is it that
OUR
WORKFORCE
need to be
successful in
tomorrow's
economy?**



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Ministry of Trade & Industry

...GDP is expected to grow by 2 per cent to 4 per cent per annum for the rest of the decade

Taking into account both supply- and demand-side considerations, MTI has projected that GDP growth for the rest of the decade (i.e., from 2014 to 2020) could range from 2 per cent to 4 per cent per annum, or around 3 per cent per annum on average. The lower end of the range takes into account the downside risks to growth posed by the external environment.

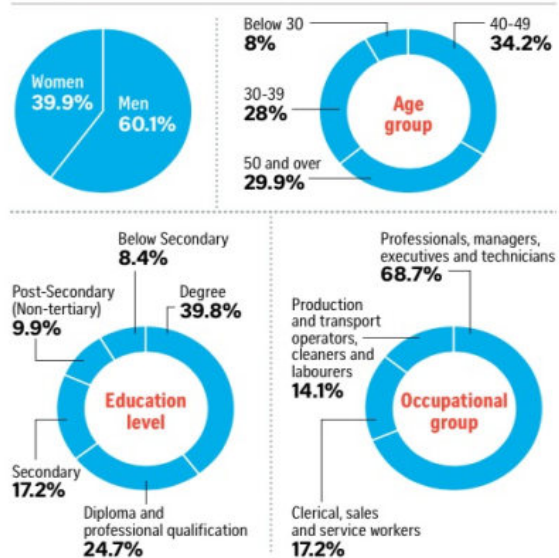
Although GDP growth is expected to slow, it is likely to be increasingly driven by productivity growth as workforce growth slows, especially towards the end of the decade. Achieving this will take a concerted, collaborative effort on the part of the Government, businesses and unions to uplift productivity growth, especially in our domestically-oriented sectors. The Government will continue to provide the necessary support to businesses and workers as we continue on our restructuring journey.



| THE STRAITS TIMES | FRIDAY, SEPTEMBER 16, 2016 |

Who lost their jobs?

Profiles of residents made redundant

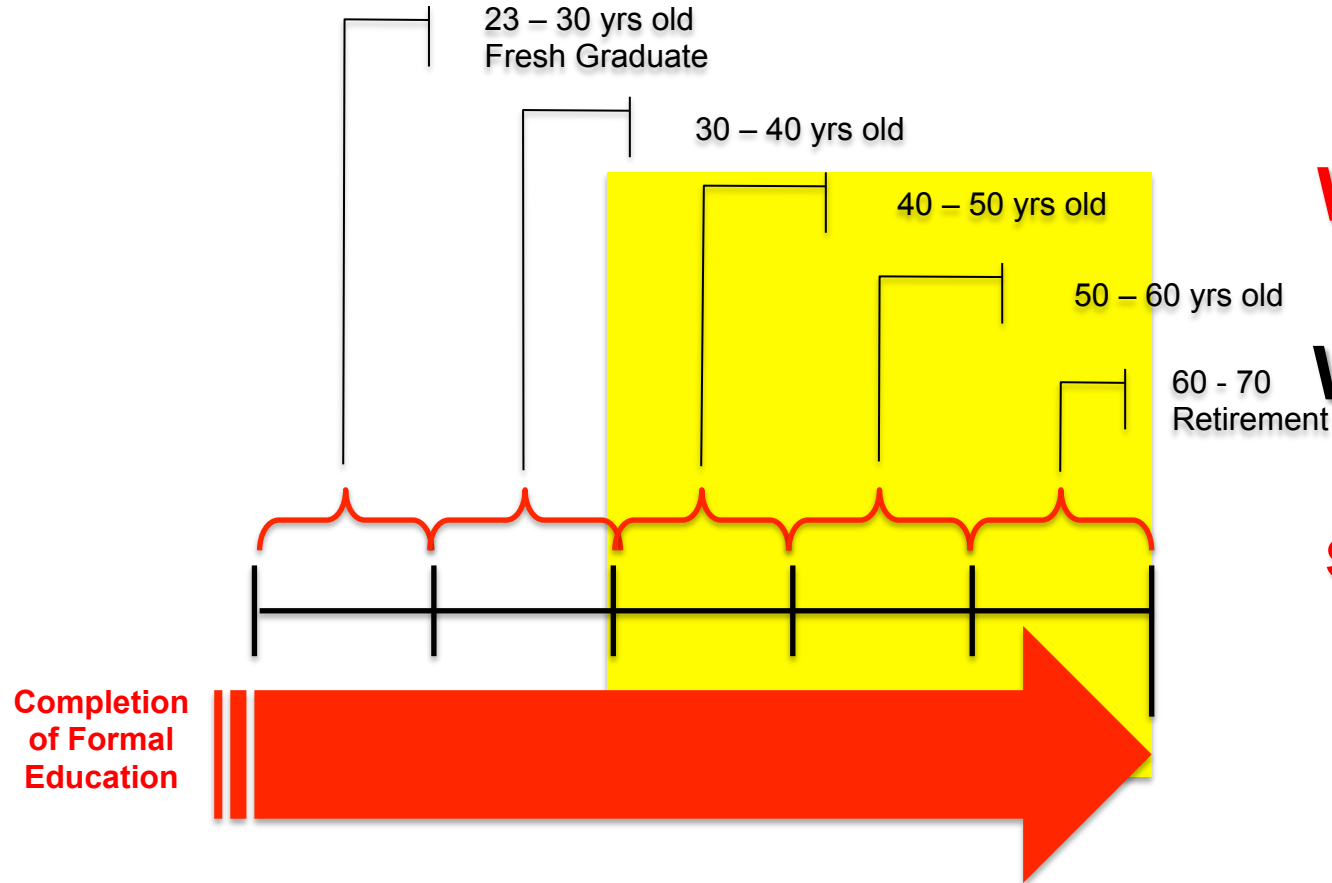


NOTE: Data is for the second quarter of this year. It may not add up owing to rounding off.

Source: MINISTRY OF MANPOWER STRAITS TIMES GRAPHICS

Professionals, Managers, Executives, Technicians (PMETs) Retrenchments 2016

- Age Group: 40+ = 64%
- Education: Degree = 40%
- Occupations: PMETs = 60%



**What is it that
OUR
WORKFORCE
need to be
successful in
tomorrow's
economy?**



What's the Problem?

Mismatch of skills hurting labour market: MAS

Despite jobs being available, many laid-off PMETs find it difficult to qualify for them

Chia Yan Min
Economics Correspondent

Laid-off workers are struggling to find new jobs as they no longer have the skills employers want.

This skills gulf highlighted by the Monetary Authority of Singapore (MAS) yesterday means good jobs are going begging in some industries while other sectors are seeing jobs disappear by the month.

The hardest-hit class of workers is

PMETs – professionals, managers, executives and technicians – noted the MAS in its biannual Macroeconomic Review published yesterday.

The MAS said a combination of slow economic growth and these increasing skill mismatches is weighing on the labour market. People are also clinging to their jobs, with seasonally adjusted resignation rates at their lowest in more than seven years.

The economy is on track to log its slowest year of growth since 2009,

when the global financial crisis was in full swing. There is not much hope for an upturn next year either, with global trade expected to remain weak.

OCBC economist Selena Ling said the central bank's report signals that "wage growth is going to slow, and hiring intentions are going to flatline". She added: "Ultimately, it's still a weak global growth story."

The effects of the skills gulf are being felt in the labour market, with redundancies picking up.

There were 2.4 layoffs per 1,000 workers in the first six months of this year, from 2.1 in the preceding six-month period, and well up on the 1.7 in the same period the year

before, the MAS report said.

Resident workers who have been laid off have also found it harder to find new jobs.

PMETs accounted for more than two-thirds of the residents let go in the first half of this year – more than their share of the total workforce. But while more than half of the job openings in the same period were targeted at PMETs, only 39.6 per cent of laid-off resident workers in this category managed to secure a post within six months.

The solution lies in part with the workers themselves, said the MAS report. "(They) should equip themselves with the necessary skills to fill the jobs that are currently availa-

ble and will be in demand in the coming years," it noted.

"These include professionals in IT, engineering and finance, as well as healthcare workers and early childhood educators. Increasingly, more specialised skills would be needed to take on these new jobs, such as capabilities in IT applications and cyber security analytics."

There is still strong hiring demand in some segments of the economy – such as tech start-ups – but candidates with the right skills are hard to come by, said Mr Ben Chew, founder of human resource platform Startup Jobs Asia.

Companies are looking for digital marketers and developers, as well

as people for roles in growth hacking – which involves identifying the most effective ways to grow a business – and big data, he added.

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Source: The Straits Times, 26 October 2016

PMET's skills not wanted in Singapore market.



WhyItMatters

 Labour pains
set to last


Joanna Seow

Tough times are on the horizon for Singapore workers.

Official labour market figures released earlier this week show more residents are out of work for at least 25 weeks, a period economists use for calculating the long-term unemployment rate.

For the first time in seven years, the rate for September rose to 0.8 per cent this year, the highest since September 2009 amid the global financial crisis, when it was 0.9 per cent.

It is worrying because the longer workers are jobless, the harder it is to land a job as potential employers tend to perceive their knowledge and skills as not being up to date.

To aggravate the situation, the figures from the Manpower Ministry show the ratio of job openings to job seekers has fallen further, to 0.91, after accounting for seasonal variations.

The storm clouds are also getting more threatening for the economy.

Private-sector economists have cut their growth forecasts for this year to 1.4 per cent, according to a quarterly Monetary Authority of Singapore poll published a day after the labour statistics.

It is below the upper limit set by the Trade and Industry Ministry which, last month, had cut its growth forecast for the year to between 1 per cent and 1.5 per cent. This is a reduction from its earlier forecast of between 1 per cent and 2 per cent.

The reduced rate is bad news for workers because there is a time lag before the labour market responds to economic performance.

But companies hopefully will find other ways, like a shorter work week, to stay afloat. It would be preferred over retrenchment, especially during the festive season.

As for workers thinking of switching jobs, it would be prudent to think again, lower pay expectations, and be diligent in researching which are the industries and companies with growth prospects.

There are a number of promising sectors, such as healthcare and information technology.

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Is it going to get better?

No.

- Economy restructuring
- Economy slowing down

Source: The Straits Times, 16 December 2016



Government figuring what to do...

EXCELLENCE IN REDESIGN: SOCIETY OF NEWS DESIGN  BEST IN NEWSPAPER DESIGN, BEST NEWS WEBSITE: WAN-IFRA 

Drive to match PMETs to jobs in growth sectors facing disruption

Five political office holders to helm efforts in sectors that employ almost a million workers

Joanna Seow

Five political office holders, including a Cabinet minister, will coordinate efforts to match Singaporeans to jobs in industries that hold the promise of growth, but where higher-skilled workers may need help to adapt to the sweeping changes coming their way.

Manpower Minister Lim Swee Say said yesterday that the five industries were chosen as they were

likely to be the most affected by disruptive technology.

At the same time, they have tremendous potential for job growth, he added. Between them, these industries currently employ almost a million workers.

Second Minister for Manpower Josephine Teo will lead the effort. The growth sectors, which will be overseen by four senior ministers of state, are: healthcare (headed by Dr Amy Khor); infocomm and media (Dr Janil Puthuchery); wholesale

trade (Dr Koh Poh Koon); professional services; and financial services. The latter two will be overseen by Ms Indraneel Rajah.

New sectors may be added to the list later on, Mr Lim told reporters at the opening of the Careers Connect centre at the Lifelong Learning Institute in Paya Lebar.

This latest move will also help tackle the growing risk of job loss faced by professionals, managers, executives and technicians (PMETs). This group makes up about seven out of 10 residents made redundant.

Mrs Teo noted in a Facebook post yesterday that in the next few years, about half of the 25,000 to 40,000 PMET jobs created each

year are expected to be in the five growth sectors.

Already, they employ more than half a million local PMETs.

"Even against global headwinds, these five sectors in Singapore are growing and creating new jobs for PMETs. Our goal is to help Singaporeans access these opportunities," she said.

The five ministers have started working with agencies, such as the Monetary Authority of Singapore, Economic Development Board, Infocomm Media Development Authority, Health Ministry and International Enterprise Singapore, to systematically identify job openings and the skill requirements.

Mr Lim also said that the Government, employers and unions in each of the sectors will look at how workers will be affected by industry changes.

They will also explore ways to retrain them for new jobs by, for instance, using Adapt and Grow schemes, including Professional Conversion Programmes.

In the finance sector, jobs in areas such as asset and wealth management, as well as finance-related IT jobs such as data analytics and machine learning, are expected, Ms Indraneel, Senior Minister of State for Finance and Law, said in a Facebook post.

She added that her workgroup

aims to more effectively match people to jobs they are best suited for.

Dr Koh, Senior Minister of State for Trade and Industry, said wholesale trade is a diverse industry with an international component, "so PMEs must be prepared to take on regional roles and understand regional market needs".

More help to connect job seekers with jobs was also launched yesterday by statutory board Workforce Singapore (WSG).

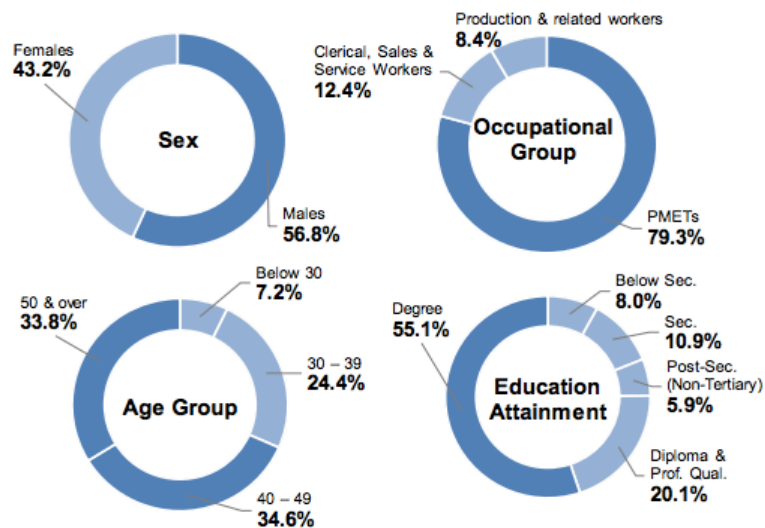
It added five new free programmes at its career centres. These include one-on-one career guidance for job seekers and counselling for those struggling to cope emotionally with job loss.

Employers can turn to workshops on writing job descriptions with clear skills-based requirements to attract the right talent.

WSG has also redesigned its three career centres to make them more user-friendly. Now called Careers Connect, they are located in Paya Lebar, Tampines and Woodlands.

joosew@sph.com.sg

[SEE TOP OF THE NEWS A8](#)


Chart 9 Profile Of Retrenched Residents, Second Quarter 2018


Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes:

- (1) Data on retrenched residents pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) Data may not add up to the total due to rounding.

Professionals, Managers, Executives, Technicians (PMETs) Retrenchments 2018

- Age Group: 40+ = 68%
- Education: Degree = 55%
- Occupations: PMETs = 79%



Retrenchment Profiles 2Q2016 vs 2Q2018

		2Q2016	2Q2018	Change
Age Group	40+	64%	68%	+2%
Educational Level	Degree	40%	55%	+15%
Occupational Group	PMETs	69%	79%	+10%

Table 1. Profile of Singapore Workers made redundant



Today's Investment Reality

FRIDAY, JUNE 22, 2018 | THE STRAITS TIMES |

TOP OF THE NEWS | A9

ExxonMobil starts up 2 new plants in S'pore



Jurong Island units
add 140 jobs to US
energy giant's
workforce here

An aerial view of the butyl and resin plants on Jurong Island. The new plants were built under a multibillion-dollar expansion project at the Jurong Island site.
PHOTO: EXXONMOBIL



Singapore's Golden Years (1970s – 2000s)



Lorong 3, Toa Payoh (1969 -1987)



Singapore's Golden Years (1970s – 2000s)



Fairchild Singapore (1969 -1987)



Today's Investment Reality

Google building third data centre in Singapore with added investment of US\$350m

(Source: The Straits Times, 1 August 2018)

The tech giant did not say in the blog post how many new jobs its latest data centre will create but the Google spokesman said "we are actively hiring, with openings listed on our jobs site".



Today's Investment Reality



Facebook to build \$1.4b first-in-Asia data centre in Singapore

(Source: The Straits Times, 6 September 2018)

Facebook's \$1.4 billion data centre will support "hundreds of jobs" and form part of Facebook's growing presence in Singapore and the region. PHOTO: FACEBOOK/SINGAPORE DATA CENTER



Help SMEs to renew economic growth

Over 50 years and within one generation, Singapore catapulted from Third World to First.

This was due to an inspiring strategy to, first, leapfrog the region and connect directly to the developed world, and second, to transform Singapore into a First World oasis in a Third World region.

The Government followed on with policies and structures to support the new strategy.

This included setting up the Economic Development Board (EDB) as well as launching tax-free pioneer status policies to attract multinational companies to invest in Singapore.

Today, economic growth resulting from this bold strategy has petered out. Big multinational companies have moved their operations out of Singapore.

The Government has decided

that local small and medium-sized enterprises (SMEs) are needed to fill the gap as well as internationalise.

These are great ideas, but local SMEs are ill-prepared.

The first bold move for the fourth-generation leaders to consider is to ensure there is only one economy going forward that is powered by our SMEs.

This means merging EDB with Enterprise Singapore so that a single agency can ensure that foreign investments are welcome only if they take our SMEs to the next level.

All policies that benefit multinational companies must also be offered to our SMEs to strengthen their positions.

For example, the billions that the National Research Foundation pumps into research must directly benefit our SMEs, which are not

currently on their radar.

The next bold move is to direct all government enterprises that have become regional behemoths to include local SMEs in their regional plans and adopt SME solutions surfaced by the industry transformation maps (ITMs).

Finally, the Government must ensure that "selling out" is not an option for government-linked companies facing market challenges.

For example, instead of learning how to disrupt our own shipping line, the soft option to sell Neptune Orient Lines was taken.

That was a mistake, given that one key strategy of the Sea Transport ITM is to build up a well-connected international maritime centre.

Liu Fook Thim

Outdated Policies & Structures

Source: The Straits Times, 17 May 2018



Lack of Clarity in the New Economic Direction

**Industry transformation maps
'disconnected from needs of businesses'**

Panellists at pre-Budget roundtable also point to ITMs' lack of links to other industries in fast-changing world

Source: The Business Times, 10 January 2018



AGENDA

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- The Reality today
- **The need for a National Strategy to Reuse & Recycle our workforce**



NATIONAL STRATEGY

Government

WORKFORCE

SMEs
(Trade Associations)

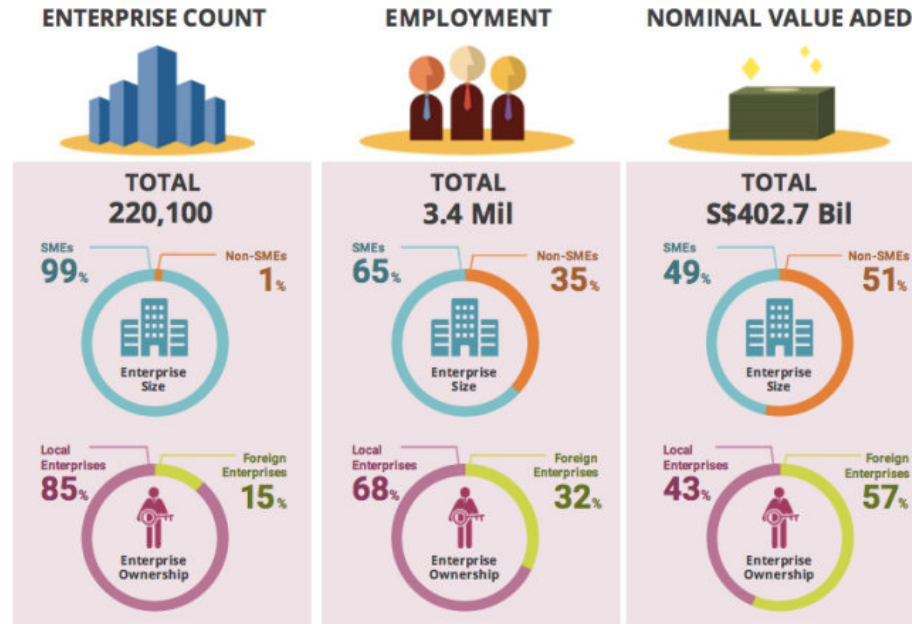
**Professional
Bodies**

**Training
Providers**



Government Legislation: Reuse our over-40 Workforce

Single
economy
powered by
SMEs



Source: www.singstat.gov.sg



Government Legislation: Reuse our over-40 Workforce

Mobilise senior executives to take SMEs to the next level, not replace existing staff with salary subsidized by Government

SALARY SUPPORT FOR COMPANIES FROM APRIL 1			
For Singaporean PMETs	Months of employment		
	First 6 months	Second 6 months	Third 6 months
≥40 years, unemployed; actively looking for job for ≥12 months	50% Up to \$3,500/month	30% Up to \$2,100/month	20% Up to \$1,400/month
≥40 years, unemployed; actively looking for job for ≥ 6 to <12 months or made redundant	40% Up to \$2,800/month	20% Up to \$1,400/month	N.A.
<40 years, unemployed; actively looking for job for ≥6 months	20% Up to \$1,400/month	10% Up to \$700/month	N.A.

Salary: SMEs: at least \$3,600/month.
Non-SMEs: at least \$4,000/month.
All must be registered or incorporated in Singapore

Source: WSG SUNDAY TIMES GRAPHICS

Source: The Straits Times, 2 April 2017



Government Legislation: Reuse our over-40 Workforce

Government to finance
these SME initiatives
similar to how they
finance foreign entities &
government linked
companies





Government Legislation: Reuse our over-40 Workforce

Replace young and inexperienced officers at Enterprise Singapore with seasoned executives who have spent years helping MNCs conquer world markets





Government Legislation: Reuse our over-40 Workforce

Direct government
linked companies to
include local SMEs in
their regional plans



Temasek Holdings' Major investments (above 50%)

Industry	Companies	Shareholdings as at 31 March 2017
Financial Services	PT Bank Danamon Indonesia Tbk	67%
Telecommunications, Media & Technology	Singapore Technologies Telemedia Pte Ltd	100%
Telecommunications, Media & Technology	Mediacorp Pte Ltd	100%
Telecommunications, Media & Technology	Singapore Telecommunications Limited	52%
Transportation & Industrials	PSA International Pte Ltd	100%
Transportation & Industrials	Singapore Technologies Engineering Ltd	51%
Transportation & Industrials	Singapore Airlines Limited	56%
Transportation & Industrials	Singapore Power Limited	100%
Transportation & Industrials	SMRT Corporation Ltd	100%
Consumer & Real Estate	Olam International Limited	52%
Consumer & Real Estate	Puleu Indah Ventures Sdn Bhd	50%
Consumer & Real Estate	Surbana Jurong Private Limited	100%
Consumer & Real Estate	Ascendas-Singbridge Pte Ltd	51%
Consumer & Real Estate	Mandai Park Holdings Pte. Ltd.	100%
Consumer & Real Estate	Mapletree Investments Pte Ltd	100%
Energy & Resources	Pavilion Energy Pte Ltd	100%

Source: Temasek Holdings



Professional Bodies

1. Take the cue from Singapore Medical Council & The Law Society
2. Re-focus Engineering Profession in particular due to SMART Nation initiative
3. Introduce Technology Minister in Cabinet (aka Law Minister)





Recycling the Workforce

1. Comprehensive long term planning based on nation's economic direction
2. Training Providers to align with economic direction and professional bodies
3. Re-Skill & Up-Skill the Workforce accordingly





Conclusion

A national strategy that re-examines the relationship between government legislation, professional bodies, trade associations, and training providers (institutes of higher learning) is needed.





Conclusion

The goal is to develop an **efficient** and **economically viable** adult education industry that is **financially rewarding** for all its stakeholders and in line with the next phase of our nation's development.



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Liu Fook Thim

CEO, Professional Supremacy Corporation Pte Ltd

2 November 2018

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