

Good jobs crucial amid low employment growth

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Office workers crossing the road in front of the CPF building in Robinson Road. ST PHOTO: JAMIE KOH

Growth in the number of employed locals has slowed as a result of the economic cycle as well as a shift towards smaller cohorts of new workers and larger cohorts of retirees, said Manpower Minister Lim Swee Say yesterday.

This is why it is important to create good jobs that match the skill profiles of new workers, and ensure foreign manpower grows in a "balanced" way that complements local workers, Mr Lim told Parliament.

There is concern on the ground that local employment growth has been flat, at just 500 over the past 18 months. Average yearly growth was 73,000 from 2012 to 2014.

Mr Lim said economic conditions and policy factors can affect the number of people joining and leaving the workforce, such as more people leaving work after termination and completing contract and casual work, or for further studies and training. At the same time, more people are leaving jobs and fewer are entering them due to a structural shift in Singapore's labour force.

The number of residents retiring each year has nearly doubled from 2013 to 2015, rising from 11,000 to 20,000, according to Ministry of Manpower (MOM) data that Mr Lim showed. But the number of residents aged 15 to 24 joining the workforce fell in the same period, from 81,000 in 2013 to 69,000 last year.

"With ageing and lower birth rates, coupled with our relatively high labour force participation rate and low unemployment rate, we will see a continued slowdown of local labour force growth towards negligible levels or even stagnation in the next decade," he said.

Singapore should strive for a growth rate of 2 per cent to 3 per cent with good jobs, not the current 1 per cent to 2 per cent, he added. This is important as many new entrants to the workforce are not looking for the jobs vacated, he said.

Foreign manpower policy must also be well balanced. Neither taking in many more workers, nor reducing foreign manpower growth to zero, will be good for the economy.

In the first case, restructuring and productivity will be hit as companies become overly reliant on foreign manpower, he said, and in the second, no labour force growth coupled with low productivity growth will lead to a stagnant economy.

Asked by Mr Liang Eng Hwa (Holland-Bukit Timah GRC) and Ms Foo Mee Har (West Coast GRC) about Employment Passes, Mr Lim said the MOM is increasingly selective in approving work passes for foreigners, and considers companies' adoption of fair and progressive human resource practices.

There are about 250 companies now on MOM's watchlist for being "triple weak", that is, not being up to scratch in having and nurturing a strong Singaporean core, and not having strong relevance to Singapore's economy and society, he added, in reply to labour MP Patrick Tay (West Coast GRC).

They include 80 out of 100 companies first identified in February this year that did not improve. Another 180 were identified since then. Around 20 of the original companies responded well by taking part in job fairs and stepping up training for locals, Mr Lim added.

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