

Year in Review: Manpower 2

06/01/2014



In the first part of 938LIVE's round-up of Singapore's manpower policies in 2013, we outlined the steps the government has taken to spur growth through a renewed focus on productivity.

This has come in the wake of curbs on the growth of foreign manpower supply.

Some believe that such curbs are timely, because the over reliance on foreign labour has not just harmed Singapore's productivity in some sectors, but has also brought social costs.

Our reporter, John Yip, finds out more.

Dr Faizal Yahya, a research fellow at the Institute of Policy Studies, has no doubt about the importance of economic growth to Singapore's future.

"Clearly, growth is important. But it has to, perhaps, in some sense now be tempered with a perception that there is a social cost to the growth, which has come on board strongly in the narrative and the discussions in the last three or four years."

The government has championed the need for economic growth, saying that it's needed to ensure good jobs with good wages and good prospects for Singaporeans.

But Dr Faizal, who studies human capital flows in the region, says this objective poses inherent challenges for tiny Singapore.

"Human capital, the very top-end human capital, thrive on challenges. If they get bored, they move on. And you'll find that if you have a group of top-end human capital, they'll attract other human capital. What works against us in Singapore is that we're a very small market. There are not many of those kinds of challenging jobs, for example in R&D or even in finance, that's enough to satisfy this top-end talent. That's why they leave."

More importantly, he's concerned about how some Singaporeans may react to this focus on top-end jobs.

"So, one aspect is that you move up in terms of the value chain into these kinds of top-end jobs. Very high-end financing, banking, services, R&D and so forth. But the downside is that, you're creating this gap, between the top end and your lower-income as well. So the perception is that, oh, you're paying too much attention on your top-end talent, and not enough on your middle- and lower-income."

The government is mindful of this gap.

Chairman of the Government Parliamentary Committee for Manpower, Zainudin Nordin.

"We're also trying to see whether, if the worker can be continuously upgraded and improved. So that the worker themselves, see that they as a worker, even though they may start off at a very low-wage level, but they may feel that they continue to improve, they become better. They can get the benefit of the economic growth."

One of the Manpower Ministry's goals in 20-13 was to find sustainable ways to raise the wages of low-wage Singaporean workers in the cleaning and security industries.

And some success have been achieved in these industries through the progressive wage model.

The model encourages workers to learn new skills through training, and employers to recognise these efforts with better pay.

The median gross pay of security guards has gone up to \$1,700 per month in 2012, up from about \$1,300 in 2010.

As for general cleaners, their median gross pay was \$850 per month in 2012, up from about \$800 in 2010.

Meanwhile, Singaporeans have been grappling with another form of social tension brought about by the recent influx of foreigners.

Singapore's declining fertility rate has led to a shrinking resident workforce, so this shortfall had to be made good with foreign workers.

Dr Faizal Yahya.

"If a large number of your workforce is foreign, you're going to get tension. A lot of places, for example, anecdotally if you just sit at Shenton Way or Raffles Place during lunch hour, you will get an idea you are overwhelmed with foreign human capital."

The Fair Consideration Framework will try to tackle such concerns when it is implemented in August.

Unfortunately, the Little India riot in December once again threw a negative spotlight on foreigners.

Professor Hoon Hian Teck, the Associate Dean of the Singapore Management University's School of Economics, says it was a tragic incident, as it was sparked by an accident that killed an Indian national.

While it's too early to speculate on underlying causes, Professor Hoon underlines a few issues Singaporeans could reflect on in the wake of the riot.

"I think one is the reality of how we continue to establish law and order; second is the issue of how we continue to integrate people. I mean it is true that the pool of transient workers, so to speak, may mean the people in the pool won't be here for the long term, but the reality is that at each moment there'll be a large number of them. And so the process of social integration is one that is always work in progress."

He adds one more important point.

"The third dimension is really to see the economic benefits on both sides. I mean these are



Publication: 938LIVE
Date: 6 January 2014
Headline: Year in Review: Manpower 2

workers who clearly see that the circumstances in the work environment they get here, both the work conditions and the pay they get must clearly exceed what they get in their home country. Which is why there is a tremendous desire to want to work in Singapore.

He says, ultimately, Singaporeans and foreigners are working together in a social collaboration to produce something good.