

MOM and MOE combined, with new Ministry of Ageing, can help tackle future challenges: Report

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A new Ministry of Ageing, coordinating closely with the Manpower and Education Ministries, could help the authorities resolve emerging challenges such as the displacement of mature professionals, managers, executives and technicians (PMETs) because of automation.

In particular, such a ministry should have a division to mitigate the incidence of ageism in employment, says a report about the future workforce by Institute of Policy Studies senior research fellow Faizal Yahya.

Discussing the challenges of economic disruption today, as well as Singapore's strategies to retrain its workers, Dr Faizal wrote: "A ministry of ageing may be required to cover a gamut of concerns from manpower to healthcare."

Launched on Thursday (July 11), the report is part of a larger collection by the Association of Pacific Rim Universities (APRU), a network of research universities.

Dr Faizal said the tight manpower situation in Singapore is due mainly to an ageing workforce, low total fertility rate and greater restrictions on the inflow of foreign manpower due to social and political factors.

The report noted that greater restrictions placed on the hiring of foreign employees since 2011, when voters signalled in a general election their disquiet with the rapid increase in foreign labour, have resulted in a growing reliance on local manpower in an ageing workforce.

Nonetheless, greater government coordination is needed to sustain mature workers in gainful employment, said Dr Faizal.

On education, Dr Faizal wrote: "The process of education is no longer linear, but a continuous cyclical process that follows industry cycles." He noted that links between industry and institutes of higher learning should be strengthened.

In this, an amalgamation of the manpower and education ministries would support the shift in human capital trends.

If the same ministry would oversee the supply and demand for labour, such better coordination and timely government intervention would help policymaking, he said.

And by working with a combined education and manpower ministry, a ministry of ageing could help to resolve "converging challenges, such as the large displacement of mature PMETs from certain industries, including professional services favoured by the local population". PMETs, who account for more than half of Singapore's workforce, are at increasing risk of displacement by automation.

He also recommended that the Ministry of Communications and Information should establish a division working closely with the combined Manpower and Education Ministries, as well as the Ministry of Ageing, to deal with human capital in the needs of the infocomm sector.

This sector lacks workers in critical areas, such as data analytics and cyber security, and the situation is an impediment, said the report.

"Without critical infocomm human capital, the timeline for digitalisation of Singapore's economy will be further delayed," it said.

The World Economic Forum projected that 7.1 million jobs could be lost globally from 2015 to 2020 due to disruptive labour market changes with the rise of the digital economy, although two million jobs would be created in fields such as information technology.

Singapore is placing its bets on becoming a "smart nation" to remain relevant but its digital strategy, said the report, must also encompass the needs of its human capital to adapt and benefit from ongoing economic disruption.

At the launch of the APRU publication on Thursday, Professor Tam Kar Yan, dean of the School of Business and Management at The Hong Kong University of Science and Technology, noted there is a positive correlation between automation readiness and economic growth.

But he cautioned that even as digital automation creates opportunities, it has to be handled well to avoid negative social impact.