

Employers need to ‘take the high road’ and hire older workers: SM Tharman

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- Senior Minister Tharman Shanmugaratnam urged bosses to hire and train older workers
- Mr Tharman was answering questions on the subject at an IPS forum
- He said companies could take advantage of "very strong" government schemes for hiring mature Singaporeans
- Unlike some other advanced economies, most lower-income workers here are older people

Urging employers to hire older Singaporeans who are usually not taken seriously by hiring managers, Senior Minister Tharman Shanmugaratnam said that companies need to “take the high road” and hire and train them.

“The issue is not just about skills mismatch. It’s about a willingness to be able to hire and reskill and upskill someone who already has significant skills. It’s never a perfect match. It’s never that way in labour markets,” he said.

Mr Tharman, who is also Coordinating Minister for Social Policies, was responding on Tuesday (Jan 12) to questions on what can be done for both younger and older Singaporeans to make them more competitive and productive in the labour force. It was during an online forum organised by the Institute of Policy Studies (IPS) from the Lee Kuan Yew School of Public Policy.

While there may be “unlucky cohorts” that graduated during an economic crisis, such as in the 2009 global financial crisis or the 1997 Asian financial crisis, Mr Thaman said that these younger workers were able to bounce back eventually.

His concern is more over the mature workforce.

“I think we still have a bias against our mature workers and employers have to take the high road, take advantage of the government schemes to hire our mature Singaporeans, take advantage of the very significant subsidies of training,” he said at the IPS’ Singapore Perspectives 2021 virtual conference.

While skills mismatch may be the typical reason why older workers may not be hired, Mr Tharman said that the bigger issue is employers’ willingness to hire, train and reskill someone who already has significant skills.

Employers who do that not only help these older workers find jobs, but also help firms in a very tight labour market, he added.

Mr Tharman repeated the point that the Government will not loosen its foreign worker policy, which has been tightening since 2011.

“So make the most of our Singapore workforce. There are people with experience, with the willingness to work hard and the willingness to learn.

“We are providing very strong government incentives, but it requires a change of attitude and it requires some new heart towards our mature workers.”

Some of the incentives include the Government subsidising 50 per cent of the wages of workers aged 40 and above, capped at a monthly salary of S\$5,000. The subsidy is lower, at 25 per cent, for those under 40.

Mr Tharman also said that the situation in Singapore is different from other economically advanced countries.

Professor Danny Quah, moderator of the forum and dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore, said that youth unemployment in most economies is double the rates of overall unemployment.

Here, though, most of the low-income workers are older.

Mr Tharman said: "It's our older generation of Singaporeans who did not have a chance to have an education."

About half of the bottom 10th percentile of wage-earners in Singapore are aged 55 and above.

Two-thirds of older low-wage workers only had primary school education and did not complete secondary school.

"They did not benefit from the transformation in our education system that took place in the 1970s and '80s. They had already joined the workforce. That's our Merdeka Generation and Pioneer Generation before that," Mr Tharman said.

The Merdeka Generation refers to Singaporeans born from 1950 to 1959, while the Pioneer Generation refers to those born before Dec 31, 1949.

While these cohorts left school and entered the workforce doing simple jobs, Mr Tharman said that the rapid economic growth in Singapore and its transformation led to the inequality between Singapore's young and old.

CORRECTION: An earlier version of the article stated that Mr Tharman said that most of the unemployed are older. This is incorrect. Mr Tharman said most of the low-income workers are older. We are sorry for the error.