

Report proposes MOE and MOM be merged to tackle skills gap among Singapore's workforce

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A report by a think-tank has proposed that the Ministry of Manpower and the Ministry of Education be combined to ensure that Singaporean workers have the skills the economy needs.

This is because work and study are phases that are increasingly converging, with education no longer a linear process but a continuous cyclical process that follows industry cycles, Institute of Policy Studies' research fellow Faizal Yahya wrote in the report.

A single ministry that oversees the supply and demand for labour would mean, therefore, that there is better coordination and timely government intervention.

“The links between industry and institutes of higher learning should be strengthened further,” Dr Faizal said in the report, which aimed to examine strategies to reskill the workforce as Singapore undergoes an economic transformation.

He also proposed that a new Ministry of Ageing be established, to “cover a gamut of concerns from manpower to healthcare”.

Better government coordination is needed to sustain older workers in gainful employment, especially since Singapore's workforce is ageing, he said.

Skills Shortage

Even as Singapore embarks on a digital transformation, Dr Faizal noted that there are “acute shortages” of skills in several sectors, especially in the info-communications and technology (ICT) sector.

Citing public reports, the study said that there was an estimated shortage of 30,000 technology specialists at the end of 2017.

In the ICT sector, the skills shortage has meant that companies have relied on importing foreign labour. That, however, has lowered wages, leading to Singaporean workers avoiding this sector. “Singapore's key challenges are to increase the pace of digital innovation and have business leaders with the ability and skills to collate all generated data in a way that helps keep their companies competitive,” Dr Faizal wrote.

Calling the shortage of skills a “key problem”, he said that new educational pathways need to be created so that workers would be able to access new employment opportunities that companies in the digital economy are offering.

Skills developed must also be “relevant” as technological developments evolve, so institutes of higher learning are increasingly required to equip students with employable skill sets suited for a cluster of industries.

“There is a need to move from academic learning for the sake of credentials towards skills needed in the workplace,” he added.

Combining both MOE and MOM would help meet the challenges brought about by these latest human capital trends, Dr Faizal said.

Ageing Workforce

With a total labour force of about 3.66 million people, Singapore faces a tight manpower situation. That is mainly because of an ageing workforce. With a low birth rate and the tightening of the inflow of foreign labour after the 2011 General Election, there is an increasing reliance on older workers, Dr Faizal said.

Based on Ministry of Manpower statistics, the labour force participation rate from 2008 to 2016 has increased by 9.2 per cent for those aged between 55 and 59, 14 per cent for older workers aged 60 to 64 and 15.7 per cent for the 65-to-69 age group.

Dr Faizal said that the proposed Ministry of Ageing should have a strategic division on mature workers that is linked to the new combined education and manpower ministries to “mitigate or reduce the incidence of ageism in employment”.

The ministries can also work in a more coordinated manner to resolve “converging challenges”, such as when mature professionals, managers, executives and technicians are being displaced.