

## **‘Lots of room’ to raise educational levels of S’poreans**

***Tan Weizhen***

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In order to strengthen the ability of Singapore’s workforce to take on more complex tasks and leverage technology, there is “still plenty of scope” to increase the proportion of Singaporeans with non-tertiary education such as secondary, diploma and professional qualifications, said Monetary Authority of Singapore managing director Ravi Menon.

Compared with university graduates, this group “will be better placed to transform the nature of many jobs, raising standards and quality, thus enabling productivity and wages in these occupations to rise”.

At the same time, Singapore can professionalise rank-and-file jobs to strengthen and broaden the middle class, and make for a more equitable society, Mr Menon said on Monday (Jan 22).

Speaking at the Singapore Perspectives 2018 conference held by the Institute of Policy Studies (IPS), Mr Menon noted that as recently as 2000, 45 per cent of the resident workforce had below secondary school education, and only 12 per cent had university education. Today, those with less than secondary school education has fallen below 30 per cent, and the proportion of university degree holders has more than doubled to nearly 30 per cent.

This was achieved in just 1.5 decades, “reflecting the cumulation of efforts made over preceding decades”, he pointed out.

Given such a trend, it is time for policymakers to focus on increasing the education levels of other groups, he said. “The share of the university-educated may not continue to rise sharply,” he noted.

Apart from improving the quality of the foreign workforce, there is scope to increase productivity and efficiency in many domestic services jobs.

Mr Menon cited the examples of four occupations: Childcare worker, baker, security guard and plasterer. He then compared the wages of these jobs across four countries — Singapore, Australia, the United States and the United Kingdom (UK).

In Singapore, the typical pay for these occupations is between 30 and 60 per cent of the median wage. In the other three countries, however, it is much closer to the local median wages.

For instance, a baker in Australia earns 141 per cent of the country’s median wage. In comparison, bakers here earn 49 per cent of the Republic’s median wage. Similarly, a security guard here earns 59 per cent of the median wage, but in the UK, this goes up to 90 per cent.

Mr Menon said: “There is scope to further professionalise these jobs in Singapore. In particular, to increase the skills content, leverage on technology, and improve business processes, and raise the quality of output”.

He noted that such efforts have been rolled out for other occupations in Singapore — including bank tellers, hairdressers, vehicle mechanics and bus drivers who now earn a wage that is “quite close to the median”.

Mr Menon noted that the experience of other leading cities “suggests that demographics is not destiny”.

While vibrant cities do attract people, “the main source of their growth and dynamism is not headcount but productivity”, he stressed.

He noted that it seems that for such cities, about two-thirds of their overall gross domestic product (GDP) growth were down to productivity improvements. In comparison, productivity has accounted for about half of Singapore’s GDP growth.

Mr Menon also cautioned if a country’s economic growth falls below 2 per cent, it would discourage talent from seeking work here.

“It is hard to imagine a dynamic city growing at less than 2 per cent or worse still, 1.5 per cent. It will be unattractive to investors and talent, including the city’s own investors and talented people,” he said. “A reasonably good rate of growth helps to create opportunities and preserve a sense of progress and hope, particularly among the young. It will also facilitate upward social mobility.”

Singapore’s economy grew 3.5 per cent last year, and the official forecast for this year’s growth is between 1.5 and 3.5 per cent.