

Economic upswing pushes total employment to 2.3m

More jobs created for S'poreans, with nearly 50,000 employed in the first six months

CLIMBING the stairs back to his seventh-floor HDB flat in Sembawang has never been easier for Mr Joseph Lee since he found a job five months ago.

The 48-year-old, who was retrenched from his former managerial post at a chemical plant in March after almost 20 years of service, had thought that his future looked bleak. Without a job, how would he settle the housing loan and expenses for his family of four?

"I felt as if I was dragging a huge rock back home the day I was laid off... Returning home had never been so tough for me because I didn't know how to break the news to my wife and two teenage children," said Mr Lee, shrugging his shoulders.

As the sole breadwinner for his family, Mr Lee knew he could not afford to sit still. Collating recent copies of Recruit (classified job ads) from The Straits Times, he began his job hunt, and submitted no less than 20 applications.

To his surprise, three companies responded to his application in less than a month. He eventually took up a job as an administrative officer at a shipping company, albeit with a 40 per cent pay cut. But Mr Lee isn't complaining.

"I'm happy to be offered a job. At least I'm still earning money to support my family. My wife is also looking at returning to work as a clerk to supplement the family income," he said with a sigh of relief.

Mr Lee could very well be among the 49,500 workers who were employed in the first six months of this year, double



the 24,600 over the same period in 2004, thanks to the economic upswing in the past 18 months.

Statistics released by the Ministry of Manpower (MOM) on the recent trends in employment creation are a cause for cheer. The labour market has definitely turned for the better after years of job losses, with job creation in the first half of 2005 at its strongest in four and half years.

With strong employment expansion of 71,400 in 2004, some 120,900 jobs were created over the last one and half years, far exceeding the losses totalling 35,900 from 2001 to 2003.

This has brought total employment in June 2005 to an all-time high of 2.25 million, which is 210,000 more people employed than at the start of 1998.

The majority of jobs created over this period have also gone to Singaporean workers. In the last one and half years, local employment alone rose by 78,400,

contributing 65 per cent of the total employment created over this period. Overall, local employment has risen by 186,400 since the start of 1998.

"Despite the volatile economic conditions in recent years, brought about by a series of economic shocks amid structural challenges in a highly competitive global economy, our economy has still succeeded in creating jobs," said the MOM report.

NTUC is equally pleased with the employment creation trends, noting that the report "brings much cheer and encouragement to the labour movement".

Said NTUC Assistant Secretary-General Halimah Jacob: "The upward trend in job creation and employment for Singaporeans is a clear indication that the tripartite partners' approach to job creation and employment is on the right track."

More good quality jobs for PMETs

THE jobs created in recent years have been of good quality driven mainly by gains in professionals, managers, executives and technicians (PMETs).

This reflects the restructuring in the economy towards higher value-added and knowledge-intensive activities as low-end ones shift out of Singapore to capitalise on cheaper costs in the emerging economies, said the MOM report.

In contrast, job losses were observed for plant and machine operators and production craftsmen as manufacturers continue to shift their operations overseas to take advantage of the cheaper labour and business costs.

As a result of the shift towards higher quality jobs, the share of PMETs among the locals employed has been rising steadily over the years, increasing from 41 per cent in 1998 to 48 per cent in 2004.

In contrast, the share of production craftsmen and plant and machine operators declined from 22 per cent to 17 per cent of total local employment. Employment shares of clerical workers, sales and service workers and cleaners and labourers were relatively stable over the period studied.

Tackling structural unemployment

NTUC is determined to continue helping workers who are or would be affected by structural unemployment through its various programmes such as the Job Re-Creation Programme and other job training and placement initiatives.

This would involve finding different ways to create and re-create jobs, to train and retrain workers, as well as matching workers to the jobs.

Reiterating its commitment, NTUC Assistant Secretary-General Halimah Jacob said structural unemployment remains a challenge for workers here

as high value-added jobs continue to be created here, while low value-added jobs are moved overseas.

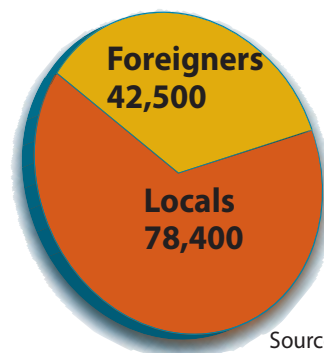
Mdm Halimah's comments came following the MOM's report findings that despite strong employment creation, it has not led to a significant fall in unemployment.

The reason: there is a skills mismatch between lower educated job-seekers and the new jobs created. In June 2005, the overall seasonally adjusted unemployment rate was 3.4 per cent, which is only slightly lower than 3.6 per cent of a year ago.

"Together with our tripartite partners, we will continue to explore various means to create more and better job opportunities for various groups of Singaporeans like the older workers and lower-income earners," she added.

MOM also remains optimistic, noting that as jobs are redesigned to attract lower skilled Singaporeans and job-seekers pick up new skills in demand, more can

Bulk of created jobs go to locals (2004-1H 2005)



Source: Ministry of Manpower

look forward to securing employment so long as the economy continues to grow and create jobs.