

Committee of Supply debate: Ministry of Manpower

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# Hard slog to help those laid off, and firms grow



Lydia Lim

Associate Opinion Editor

Trust down-to-earth Manpower Minister Lim Swee Say to say it as it is: Many workers fear that the Future Economy will leave them not better off, but worse off. That cannot be so, and the hard slog of ensuring it is not so is under way, he said in response to MPs' concerns about retrenched professionals, managers, executives and technicians (PMETs), and gig-economy workers. During the debate on his ministry's budget yesterday, Mr Lim noted growing concern over

job opportunities and job security. Retrenchments were up last year, to their highest level since the global financial crisis in 2009. Unemployment, though low, also crept up to 3 per cent for citizens and permanent residents. Said Mr Lim: "As we transform, some may wonder: What will the Future Economy bring us? Will more workers be displaced by technology... Will more jobs go to foreigners? Will the rise of the digital and gig economy... result in more freelancing? In short, will we have enough jobs, enough good jobs? Or will more workers be hit by unemployment, underemployment or structural unemployment?" He added: "The purpose of us transforming towards our future economy is to improve our jobs, our careers, our lives, not to make them worse." There is, however, no easy way to help retrenched workers secure new jobs. For as labour MP Patrick

Tay (West Coast GRC) pointed out, there are often mismatches of skills, expectations and jobs to be overcome. Those who have been jobless for six months or more are in greatest need, but the work of helping them is labour intensive and time consuming, and impossible to automate. "Helping the long-term unemployed requires a case-management approach," he said. "We need to adopt a one-to-one or one-to-few approach and not a one-to-many approach unlike traditional job placements... These long-term unemployed require more than just counselling or being notified of career fairs or job openings. They require peer support, mentoring and coaching." At the national level, there is also no one-size-fits-all solution to the jobs challenge. The multilevel, multisectoral and multidimensional nature of this problem came through in MPs'

speeches, which highlighted problems faced by young and old PMETs, gig-economy freelancers and even women workers. The Government has, in recent years, rolled out a slew of schemes to help older jobseekers - from training and wage subsidies to job placements and, now, job attachments. But implementing these schemes is a hard slog because every business sector is different, and every worker is unique - not only in terms of skills and adaptability but also in his personal circumstances. And it was on this that Mr Lim became emotional when speaking about a woman who was not only a single parent to two children, with an aged mother to support, but who also had a brain tumour. And yet, she managed to persevere with a Professional Conversion Programme that enabled her to make the switch from the property sector to the healthcare sector, where she now

works as a clinic assistant. The need for tailored help extends beyond workers to small and medium-sized enterprises (SMEs), which employ the bulk of the local workforce. During the debate on the budget for the Communications and Information Ministry, Dr Yaacob Ibrahim announced the roll-out of a programme called SMEs Go Digital. The Info-communications Media Development Authority will provide customised help to SMEs, from funding and consultancy to pre-qualifying tech products. The Government has set aside \$80 million over four years for the programme. While Dr Yaacob assured SMEs they would receive "step-by-step advice" on their technology needs, Mr Lim urged workers not to view technology as a threat to their jobs but as a tool to learn and exploit, so they and their employers can better compete on the world stage. Besides PMETs, the other group

of workers championed by MPs were gig-economy freelancers. Ms Foo Mee Har (West Coast GRC) called for parties entering into a contract for service to make Central Provident Fund contributions. There should also be a marketplace for gig workers to access pooled medical coverage and job matching, a special SkillsFuture track for these workers, and steps to stop tax leakage due to informal work arrangements, she added. Mr Lim said a tripartite group will be set up to look at how best to address freelancers' concerns. The reality is that an economy restructuring amid global uncertainty is bound to disrupt workers' lives in big and small ways. Yesterday's debate showed that the Manpower Ministry stands ready to help, though success will also depend on workers being willing to help themselves.

lydia@sph.com.sg

# New group to study issues that freelance workers face

MOM taking concerns seriously as pool of such workers is set to grow in the future economy: Lim Swee Say

Joanna Seow

Greater protection for freelance workers is on the cards, with the setting up of a tripartite group to study the issues they often face. The move follows the findings of a pioneering survey the Ministry of Manpower (MOM) did on the 200,000 or so freelancers in Singapore. Their No. 1 worry is whether they can find enough work, said Manpower Minister Lim Swee Say when he announced the group of government officials, union leaders and business officials. Another is the lack of income security, which is made worse when they fall ill or go for training. Other concerns are whether their

clients will pay them on time and in full, and if they can save enough to buy a home and for retirement. Mr Lim said his ministry is taking the concerns seriously because the pool of freelancers will "grow in our future economy, in tandem with the growth of the platform economy". Primary freelancers, however, have remained at around 8 to 10 per cent of employed residents over the past decade. These are people who freelance as their main job. Most freelancers, or 81 per cent, choose to work this way. Many are in traditional jobs such as taxi drivers, real estate agents, insurance agents and private tutors. There are over 10,000 in each of these. More than 20,000 freelancers are in the gig economy - those who

use online platforms to link up with and offer services to people. It includes about 10,500 private-hire car drivers with Uber and Grab and about 10,000 other gig freelancers such as graphic designers, photographers and deliverymen. At least seven MPs want the Government to give more help to freelancers and gig workers. Several suggested ways to help them get better medical benefits. Mr Ong Teng Koon (Marsiling-Yew Tee GRC) suggested letting employees pay to continue their coverage after leaving an employer. Mr Chen Show Mao (Aljunied GRC) called for more risk-pooling initiatives to offer protection if they are injured at work. Ms Foo Mee Har (West Coast GRC) suggested a marketplace for pooled medical coverage for gig workers. She also called for rules on contributions to the Central Provident Fund by both the clients and freelancers.

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Mr Lim also gave details of other measures to improve employment protection for workers. From April 1, workers can tap the Tripartite Alliance for Dispute Man-

agement (TADM) for mediation on salary-related disputes, and head to the Employment Claims Tribunal if mediation is unsuccessful. Local workers can approach TADM at the Devan Nair Institute for Employment and Employability in Jurong, while work pass holders can go to the MOM Services Centre in Bendemeer. From April 1, TADM will also give local low-wage workers financial aid from its Short-Term Relief Fund, financed by MOM. It is for those who cannot recover unpaid salaries because their bosses do not have money or have closed shop. The help will be means-tested and likely for workers in the bottom 20 per cent. TADM will work with other organisations to link people to services such as legal clinics, employment help or social and emotional support, and the scope of its services will be broadened progressively. The ministry is also launching new tripartite standards for employers to follow voluntarily. These could include standards for flexible work arrangements or sector-specific work arrangements. Companies that agree to adopt them will be listed online on the Tripartite Alliance for Fair and Progressive Employment Practices website and Jobs Bank. The first series of tripartite standards will be launched by the end of the year, said Mr Lim.

joseow@sph.com.sg

# Salary base for local workers to go up

Nur Asyiqin Mohamad Salleh

From July this year, the minimum salary firms must pay their local workers each month if they want to hire foreign workers will go up. The amount a resident worker must earn to count as a full-time worker will rise from \$1,000 now to \$1,100 in July, and \$1,200 from July next year, Minister of State for Manpower Sam Tan said. Sustainable wage increases are one way to lift the lot of low-wage workers, Mr Tan said at the debate on the Ministry of Manpower's (MOM) budget, as he detailed changes to the salary threshold. The number of foreign workers a company can hire is tied to its number of full-time local workers, under a quota system known as the Dependency Ratio Ceiling (DRC). The DRC of 60 per cent in the manufacturing sector, for instance, means an employer can hire up to 1.5 foreign workers for every full-time local worker. This salary threshold is regularly reviewed to stay in line with income trends, said Mr Tan. "If not, it means that we are gradually loosening our foreign worker controls simply due to rising nominal wages," he added. The figure was last reviewed in 2013, when it went up from \$850 to \$1,000. Then, the income of workers at the 10th percentile was \$1,200. This rose to \$1,300 in 2015. Given rising income levels, the ministry has decided to adopt the new salary threshold.

"If we do not update the salary threshold now, it will mean having to make an even larger increase in future," Mr Tan said. Low-wage workers are being helped by supplementing their incomes and retirement savings, through the progressive wage model, and stepping up "best sourcing" efforts, which encourage service buyers to award contracts based not just on price. An updated Tripartite Advisory on Best Sourcing Practices was released yesterday. MOM is also working with other agencies to review further measures against contractors that fail to safeguard basic employment rights of outsourced workers under government contracts. More details will be announced at a later date. Mr Tan noted that measures are also in place to ensure vulnerable workers, such as the elderly and injured, are looked after. The re-employment age will be raised to 67 from July this year, so that a growing pool of older workers can contribute as long as they are able to. A Return to Work programme - which will give personalised help to injured workers and their companies - will be introduced this year. Coordinators will help employers make adjustments to workplaces and jobs to facilitate the rehabilitation of injured workers. This will be an effort by the Government, employers and unions, he added.

asyiqins@sph.com.sg



Mr Samioen says not having perks used to be a concern, but he has saved enough to buy his own medical insurance. ST PHOTO: SEAH KWANG PENG

# Lifelong freelancer who saves with discipline

Private-hire car driver Samioen Moksam has spent almost all his working life without a boss telling him what to do. The 51-year-old was a property agent for more than 20 years, after which he turned to driving. Initially, he helped a friend to pick up clients from the airport and show them around Singapore. In 2013, when gig platform Uber came

onto the scene, he signed up and, today, drives for Grab as well. The job gives him the freedom to dedicate time to family and religious studies, he said. "I can arrange my work so I can spend time with my kids," said Mr Samioen, who has four children aged between 16 and 28. He is one of about 10,500 private-hire car drivers in Singapore, a fig-

ure Manpower Minister Lim Swee Say disclosed yesterday, following a survey his ministry did for the first time on freelance workers and their concerns. Mr Samioen said that when he was younger, not having Central Provident Fund savings, medical benefits, annual leave or bonuses was a concern. But he has since saved a comforta-

ble amount to provide for his family and buy medical insurance. "Our income is not fixed, so we must have discipline. In the months we earn more, we must put aside some for savings," he said. "Not every day is Sunday," he quipped, referring to the busiest day of the week for most drivers.

Joanna Seow