

SINGAPORE'S REPORT FOR SYMPOSIUM ON GLOBALIZATION AND THE FUTURE OF YOUTH IN ASIA

Summary

1 The number and proportion of youths in the total population has been falling over the decade 1993-2003, reflecting an ageing population. Youth participation in the labour force has declined too, reflecting the increasing number of youths who delay entry into the labour market in pursuit of higher education.

2 Unemployment for youths has worsened over the same period. This is largely due to the more volatile economic conditions which Singapore has been facing over the past 3 years, particularly during the SARS crisis in 2003. The youth share of the unemployed has in fact shrunk sharply in recent years.

3 The government's overall employment policy is to facilitate an efficient and responsive labour market and to develop a well-educated workforce. Government agencies work closely with the educational institutions to ensure that new entrants to the workforce are equipped with the right skills. The majority of youth graduating from our post secondary educational institutions (PSEIs) find employment within 3-6 months of graduation.

4 Most employment-related policies, including training and upgrading, and job placement schemes, cover all workers. Programmes that are of specific benefit to youths tend to be conducted in partnership with the educational institutions, including internship programmes, career counseling and coaching, and various programmes supporting entrepreneurship.

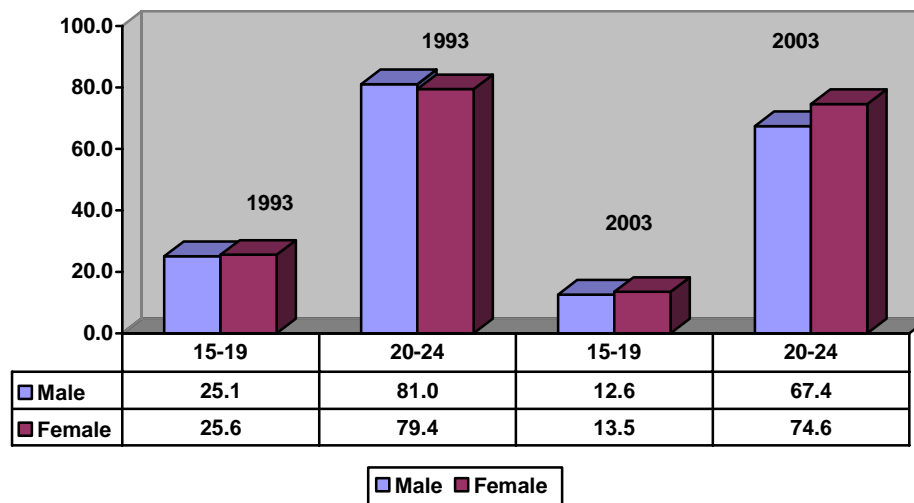
The Employment Situation of Youth

Youth in the Labour Force

5 In 2003, there were 269,000 male and 306,300 female youths aged 15-24, representing about 13.7% of a total population of 4,185,000. This represents a fall in the number and proportion of youths, from 275,800 males and 282,300 females in 1993 (17.1% of the total population).

6 The labour force participation rate (LFPR) of youths has fallen steadily in the last decade (see [Chart 1](#)), reflecting the increasing number of youths who delay entry into the labour market in pursuit of higher education. The LFPR of males fell faster than that for females for both age groups of 15-19 and 20-24.

Chart 1 – Labour Force Participation Rate of Youths, 1993 and 2003



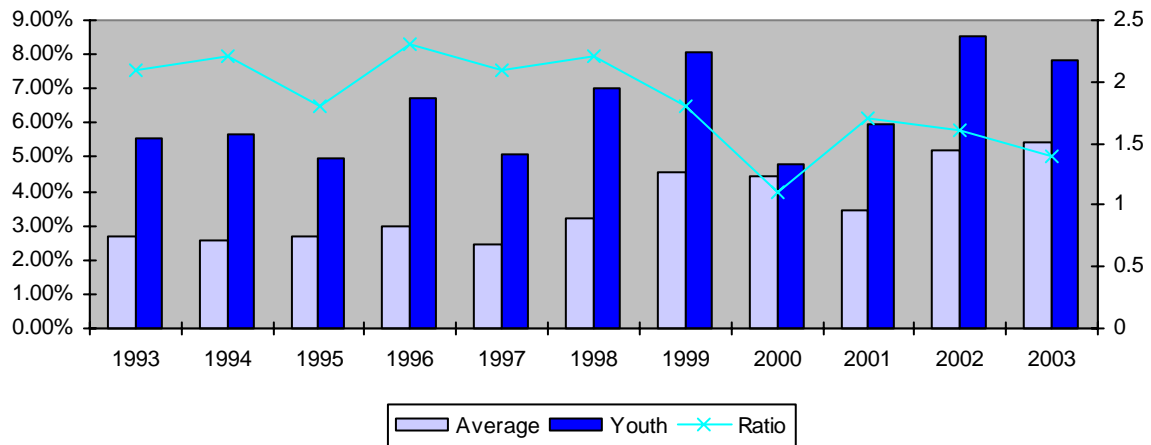
Source: Labour Force Survey, Ministry of Manpower, Singapore

Youth Unemployment

7 Since 2001, Singapore has been experiencing slower economic growth, resulting first from the slowdown in the global economy in mid-2001, followed by the shocks caused by terrorist attacks and SARS. This has translated in an overall increase in unemployment, from 2.7% in 1993 to 5.4% in 2003. The unemployment rate (non-seasonally adjusted) among the youth has also risen, from 5.5% in 1993 to 7.8% over the same period, but at a slower pace. Like in many other economies, the youth typically experience above-average unemployment rates, reflecting their greater job search activity as they enter the job market for the first time. Even when they are employed, they tend to seek more frequent job changes. Nevertheless, the relative prospects of youths relative to the overall labour force did not worsen, with the ratio of the rates of youth unemployment to overall unemployment falling from 2.0 to 1.4. Even in 2003, when economic growth was slow, about 70% of new graduates from the

post secondary educational institutions (PSEIs) found full-time employment within 3-6 months of graduation. Consequently, while the number of youths unemployed rose from 17,100 in 1993 to 19,700 in 2003, their share among the unemployed shrank sharply from 39% to 17% over the same period.

Chart 2: Youth and Average Unemployment Rates in Singapore, 1993-2003



Source: Labour Force Survey, Ministry of Manpower, Singapore

8 In Singapore, the duration of unemployment is closely correlated with age, with younger job seekers having a much shorter job search than older workers. The relatively short span of 4 weeks in the pre-crisis periods suggests that unemployment among our youths during non-recessionary periods is mainly frictional due to new entrants and movement of people between jobs. This unemployment arises as it normally takes times for job seekers and employers to match. Unlike in some developed countries, youths in Singapore generally do not experience long unemployment spells. It would appear that the younger segment of our workforce are better able to meet the educational, skills and other requirements of employers.

Policies and Programmes

Employment Creation and a Flexible Labour Market

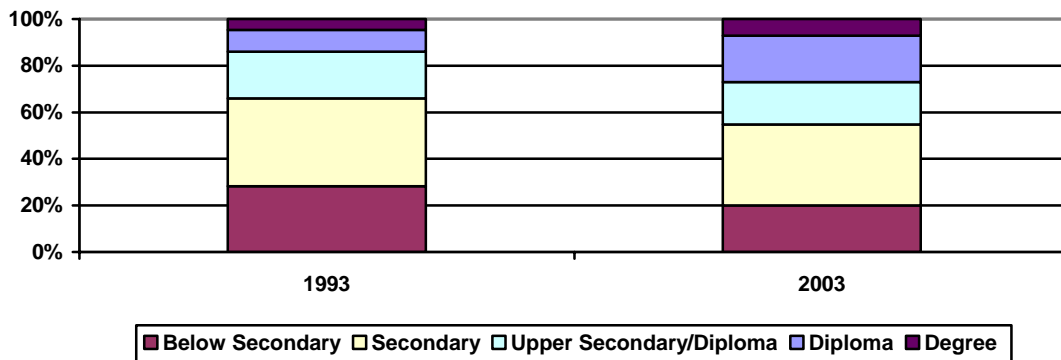
9 Job creation remains one of the government's top priorities. Singapore's strategy to employment creation is to attract and retain investments, focusing on high value-added industries that create better paying jobs. The Ministry of Manpower (MOM) is committed to facilitating employment by ensuring a flexible and efficient labour market. This is one main contributing factor to the relatively low youth unemployment rate in Singapore. The Singapore labour market is relatively free of rigid employment practices that protect existing workers at the expense of new job seekers. Hence, youths find it relatively easy to find employment. The government also tries to improve this flexibility and efficiency by providing labour market information to the public. This includes key labour market statistics, including jobs in demand and the key occupational skills that workers need to maintain their employability for jobs. There are also information guides describing jobs, earnings, career prospects and employment outlook in specific industries.

Educating our Youth with relevant skills

10 Singapore's education policy aims to provide our youth with the skills, knowledge and attitudes required for good jobs, especially in growing areas. Through manpower planning, we aim to ensure that manpower supply is able to keep pace and support the anticipated manpower needs of industries, and to help minimize structural unemployment among Singaporeans. To this end, the National Manpower Council (NMC) was formed to set directions and oversee national manpower planning and development. Amongst other things, the NMC oversees the setting of pre-employment training (PET) targets for public post-secondary educational institutions (PSEIs). These are endorsed annually with inputs from the PSEIs, and relevant economic agencies and Ministries.

11 Continued investments in education have resulted in the improving education profile of the youth workforce. The education profile of Singapore's youths has improved over the years in line with better educational attainment of new cohorts to the labour force. In 1993, 34% of the youths in the workforce had at least post-secondary education. By 2003, 45% of the young job seekers had at least post-secondary qualifications. Generally, the younger new entrants to the workforce are better educated and better able to compete for the jobs available.

Chart 3 - Educational Attainment of Youths in the Labour Force, 1993 and 2003



Source: Labour Force Survey, Ministry of Manpower, Singapore

12 Noting the importance of market-based signals and indicators to achieve alignment of interest among the various parties, i.e. universities, industry and students, the PSEIs are also encouraged to make public the findings of their graduate employment surveys, and 5-year or 10-year tracer surveys (e.g. employment and wage rates of their graduates) in a format that facilitates comparison across the institutions. This will help to inject healthy competition among the institutions, and spur them to train graduates who are relevant to industry. Such market-based signals would also serve to encourage students to go into areas with high demand.

13 Internships are also encouraged, with various institutions making the internship component a requirement for graduation. Internships are great opportunities for students to try out a field before committing to it, or a chance to work with the latest technology. Many students who perform well in their internships are subsequently considered for permanent positions with the companies. Such internships are not restricted to companies in Singapore, but may also include internship opportunities overseas, such as the HOTIntern programme, which offers NUS students the opportunity to serve a one year internship with start-ups in Silicon Valley, Philadelphia and Shanghai.

Singapore Workforce Development Agency (WDA)

14 The Singapore Workforce Development Agency (WDA) was set up in September 2003 to promote employment by helping workers remain employable through continued skills training and upgrading, counseling and job placement assistance. The WDA acts as a catalyst and champion of workforce development. It aims to enhance the employability and competitiveness of both employees and job seekers. WDA reaches out to the future entrants of the labour market through the teachers and career counselors in schools and vocational institutes.

15 In June this year, WDA organized a Teachers' Attachment Programme (TAP) for secondary school teachers to be attached to leading companies in key industries to gain direct appreciation on the skills needed in today's workplace to more effectively develop the employability of their students. TAP also provides teachers with a better understanding of industry trends and manpower needs, as well as career opportunities and development pathways for workers. The teachers are then better placed to shape and influence their students' career aspirations, by offering pragmatic and up-to-date career guidance to prepare students for future jobs.

16 In the same month, WDA also organized a career coaching workshop to equip career guidance staff in vocational institutes with a structured career guidance framework to better guide and advise students in their career planning. Following the training, WDA has launched a sector-specific career info pack for the counselors to advise their students on job prospects and prepare their students on entry into the labour market.

17 The WDA also provides employment assistance in partnership with 23 Distributed CareerLink Network (DCN) partners, which comprise 5 Community Development Councils, self-help groups, identified associations and the National Trades Union Congress. Each DCN provides job-matching facilities to job seekers patronizing the Centres. All centres share the same National Database called the Public Employment Service System and the National Job Bank.

18 There are also various training schemes, where job seekers receive training and are matched with potential employers before, during or at the end of the training. Youths are able to take part in the various schemes if they meet the criteria.

Supporting Entrepreneurship

19 As Singapore continues to mature into a global and knowledge-based economy, there is a greater need for youths to become more innovative and enterprising. Schools, community organizations, businesses and government have all come together to help develop budding entrepreneurs in for-profit and social enterprises through an emphasis on innovation and enterprise in the curriculum, business plan competitions, networking, providing seed funding and supporting pro-enterprise policies.

20 Students engage in a number of activities aimed specifically at promoting entrepreneurial skills. For instance, a number of schools and junior colleges have set up Enterprise Clubs, giving students the experience of managing mini-markets and other business activities. A growing number of schools are participating in the Youth Entrepreneurship Challenge organized by Singapore Polytechnic. Many schools have signed up with Bizworld, a programme conceptualized by Tim Draper of the VC firm Draper Fisher Jurvetson, which

teaches business, entrepreneurship and business concepts. A Youth Entrepreneur Network, started by Youth Challenge, provides youth between the age of 16 to 25 with access to top entrepreneurs in Singapore.

21 At the tertiary level, there are specialized programmes to guide budding entrepreneurs. The Nanyang Technological University has set up a revolutionary graduate diploma Technopreneurship and Innovation Programme, which has spawned a club to drive student entrepreneurship efforts on campus. The National University of Singapore has set up an Entrepreneurship Centre and organizes StartUp@Singapore, a nation-wide business plan competition.

Prepared by: Ministry of Manpower
Singapore