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Subject: (Embargoed) Opening Address by Dr Lee Boon Yang, 30 Jun 99, 9am

Singapore Government

PRESS RELEASE

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OPENING ADDRESS BY DR LEE BOON YANG MINISTER FOR MANPOWER, SINGAPORE AT THE ILO  
ASIAN AND PACIFIC TRIPARTITE CONSULTATIVE MEETING ON HUMAN RESOURCE DEVELOPMENT AND  
TRAINING HELD AT THE MARINA MANDARIN, TAURUS ROOM ON WED, 30 JUNE 1999 AT 9AM

Ms Mitsuko Horiuchi,

ILO Regional Director for Asia and the Pacific,

Mr W. Sengenberger,

Director Employment and Training Dept, ILO

Distinguished Guests,

Participants,

Ladies and Gentlemen,

1 It is my pleasure to welcome you to this Tripartite Consultative Meeting on Human Resource Development and Training. Singapore is indeed honoured to have been chosen as a venue for this consultative meeting held under the auspices of the International Labour Organization. This meeting will no doubt serve as a valuable forum for participants from countries in the Asia Pacific region to exchange ideas and experiences on human resource development and training. Increasingly, human resource development is regarded as the key to improving the capability, productivity and employability of workers. This will, in turn, enhance the competitiveness of workers and help countries achieve sustainable economic growth.

#### Importance of HR Development and Training in Knowledge Economy

2 The convening of this tripartite consultation is timely as countries affected by the Asian currency and economic crisis of 1997 begin to show signs of recovery. One of the consequences of the economic crisis was the restructuring of business sectors in the affected countries. This has affected millions of Asian workers and resulted in rising unemployment. Economic recovery means these displaced workers can now look forward to better employment prospects. However, in some cases, re-employment will come about only if workers possess the skill set and capabilities needed for the jobs which are being created. Hence, the importance of HRD cannot be overstated. Another reason why this meeting is timely is the emergence of the knowledge-based economy (KBE). The KBE is one in which intellectual capital will be the key source of competitive advantage instead of physical assets. Increased globalisation and rapid advances in technology, communications and transportation has greatly removed the geographical barriers of time and space. This means that the importance of physical assets such as land, labour and infrastructure as key factors to sustain competitive advantage has been significantly eroded. Factors of production are now more mobile and portable, travelling freely across the globe unhindered by national boundaries. The advantage derived from easy access to land, natural resources and low cost labour will be replaced by the emergence of a new determinant of wealth, which is knowledge. The ability of a workforce to absorb and apply knowledge to add value will instead be the key source of competitive advantage in the business environment of the future. Peter Drucker had succinctly summarised the importance of knowledge by stating that only knowledge can enable workers to achieve higher productivity and innovation.

3 HRD or the continual development and investment in people has therefore become more important today than ever before to provide the skills and intellectual capital that is essential for businesses and nations to not only survive but to explore new business opportunities.

#### Importance of Partnerships in Training

4 The effectiveness of HR development and training efforts, however, hinges very much on partnership and shared commitment of employers, employees and the government. It has to be a tripartite effort. Effective HRD programmes would require employers to invest in training and skill upgrading that go beyond meeting the requirements of present jobs. Employers must prepare workers for changes in technology and the way in which a company does its business. Employers must also

encourage and reward workers for their keenness to master new skills or upgrade old skills. For employees, their active participation in learning and re-learning would sharpen their competency and adaptability to new and higher-value added jobs in a rapidly changing business environment. Skill upgrading is the worker's guarantee of employability. Likewise, Governments have a social responsibility to invest and equip the workforce with basic education that are essential for the acquisition of new skills to keep pace with technological changes. Governments must promote the concept of life-long learning and constant refreshing of every worker's stock of skills and knowledge.

5 Shared commitment amongst the tripartite partners is necessary to put in place a supportive infrastructure to build up a learning culture whereby workers are continuously motivated to train and upgrade themselves even as the labour market evolves to meet new demands.

#### Singapore's Initiatives on HR Development and Training

6 In Singapore, we have long recognized the importance of tripartism in the training and development of our workforce. Over the years, our training initiatives have been introduced as tripartite efforts. For example, the setting up of the Skills Development Fund (SDF) in 1979 was on the recommendation of the tripartite National Wages Council. The SDF provides incentive grants to encourage employers to step-up training and upgrade the skills of their workforce. The Fund is financed by employers who contribute 1% of the monthly remuneration for workers earning \$1,000 or less per month under the Skills Development Levy Act. It has benefited companies and workers who undergo skills training and upgrading. In 1998, more than half a million training places was supported by the Fund with a total grant of S\$88.4 million. Nationally, the Fund has played an important role in encouraging employers to take skills upgrading seriously and to set aside more resources for training. Apart from training financed by the SDF, companies also provided additional employer-based training. Such investment in training by companies as a percentage of their total payroll has also increased steadily over the years to reach an average of 3.6% in 1998. Our target is to achieve a 4% in companies' training expenditure.

7 A recent training programme which received additional funding support from the Government is the Skills Redevelopment Programme (SRP) initiated by the labour movement - the National Trades Union Congress (NTUC). The SRP aims to help the older and lower-skilled workers to undergo re-training to enhance their employability and minimize structural unemployment caused by the lack of skills needed for new jobs. To date, more than 20,000 workers from 249 companies from many different sectors, are committed to training under the Skills Redevelopment Programme. As a demonstration of support for continual training and upgrading of workers, the Singapore Government had allocated a total of S\$120 million to the programme. This is supplemented by another S\$50 million set aside by the Skills Development Fund for the SRP. A Skills Development Centre costing S\$20 million has been established to increase the training capacity under the SRP.

8 The close tripartite partnership between the Government, employers and unions in the development of human resource, is also reflected in the formulation of Singapore's strategic manpower blueprint, known as "Manpower 21". To be launched next month, "Manpower 21" is an attempt to prepare our workers with the necessary skills and capabilities to take on the challenges of a knowledge driven economy in the 21st century. A strategic thrust of Manpower 21 is the creation of a national system of lifelong learning for our workers so that their knowledge and skills will remain relevant and needed as job requirement changes. One feature of our life-long learning system is the concept of a School of Lifelong Learning, which will provide

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all workers with a wide range of Continuing Education and Training (CET) tailored to the needs of industries. The CET framework will involve our Institutes of Technical Education, Polytechnics and Universities. In other words, all our post-secondary education institutions will take on the additional task of providing CET to the workforce.

9 In addition, we will set up a network of career centres to provide workers with job placement assistance, as well as assisting them in seeking out appropriate skills training and upgrading. The longer-term objective is to create a strong learning culture in Singapore where every worker with the desire to upgrade himself or herself, will have the opportunity to acquire new knowledge and higher skills. For our workers, life-long learning translates into life-long employability.

#### Conclusion

10 The changes in the business environment as a result of rapid globalization and technological progress present new challenges in the area of human resource development. This tripartite consultative meeting will provide an excellent opportunity for the social partners from countries in the Asia Pacific Region to share experiences and to formulate new strategies for human resource development and training. Successful implementation of human resource development and training programmes will play an important part in helping countries in the region overcome the effects of the Asian crisis and to achieve sustainable economic growth. This will in turn bring about greater employment opportunities, social progress and a higher standard of living for workers in the region.

11 I would like to commend the ILO for taking on this challenge and to provide more assistance to member states in this critical area of HRD and training. This will certainly be a productive and rewarding effort, which will benefit all ILO members. It is also consistent with ILO's sharpened focus to assist member states to "create greater opportunities for women and men to secure decent employment and income".

12 I wish all of you a fruitful discussion and successful meeting.

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