

**SPEECH BY MR GAN KIM YONG, MINISTER FOR MANPOWER AT THE 5TH
APEC HUMAN RESOURCES DEVELOPMENT MINISTERIAL MEETING, 17
SEPTEMBER 2010, 9.30AM, BEIJING, PEOPLE'S REPUBLIC OF CHINA**

**Topic: Enhancing Human Resource Capacity Building to Prepare the
Workforce for Revitalising Economic Growth**

Your Excellency Yin Weimin, Minister for Human Resources and Social Security

Honourable Ministers

Distinguished Guests

Ladies and Gentlemen

INTRODUCTION

Good morning. I am delighted to participate in this 5th APEC Human Resources Development Ministerial Meeting. On behalf of the Singapore delegation, I would like to thank our host for their invitation and their hospitality. This gathering is opportune as many APEC economies are focusing on human capital development to boost economic competitiveness and improve standards of living for their people.

Building capabilities for the future

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2. 2009 will be remembered as the year when the global economy experienced one of the sharpest downturns in recent memory. Although there is consensus that we are past the worst of the crisis, economic recovery is still fragile and unemployment remains a concern in many economies. In the US, for example, unemployment rate remained closed to 10% as of August 2010.

3. While governments grapple with the immediate challenges of unemployment, it is equally important to keep our eyes on the longer-term horizon and build up our workforce capabilities for the future. Investment in human capital will be increasingly critical for economies to capitalise on the next wave of growth and ensure continued creation of employment opportunities for our people.

BUILDING A GLOBALLY COMPETITIVE WORKFORCE THROUGH EDUCATION, TRAINING AND SKILLS UPGRADING

Emergence of new growth areas

4. As world economies restructure in response to the downturn, new growth areas will emerge, which will require our workforce to re-skill and upgrade to develop deeper and more complex skill sets. For example, rapid urbanisation will require new urban solutions in areas such as water and waste management, town planning and intelligent transport systems. The drive to reduce carbon emission has also led to demand for expertise in renewable energy and green building solutions.

5. In this regard, Singapore and China have embarked on a cooperation project to develop an eco-city in Tianjin called the Sino-Singapore Tianjin Eco-city. This landmark project will not only allow both countries to leverage on each other's strengths in urban planning to develop a model city for sustainable development, it will also serve as a platform to build up our expertise and human capital in urban solutions through regular exchanges between government officials and private sector businesses.

6. To capitalise on these growth opportunities, many economies have identified skills development as a key strategic objective and have stepped up investments in this area. China's initiative for an APEC Skills Promotion Centre to strengthen exchanges and cooperation in the field of skills development within APEC is therefore a timely one. This will help raise the quality of human capital in our region.

7. Singapore is a strong believer in the importance of developing human capital, especially since we are a small open economy without significant natural resources. Skills, innovation and productivity will be the key drivers of our economic growth over the next decade. It will enable our people to enjoy sustainable wage growth and more opportunities for good jobs. We aim to double or triple our productivity growth from about 1% per annum over the past decade to between 2-3% per year over the next ten years. Let me share with you how Singapore is investing in skills and training for future economic growth.

Enabling our young to navigate the future through a world-class education system

8. First, investment in education. A good education provides a strong foundation for our workers to meet the challenges of future jobs and workplaces. Many countries are expanding their education landscape to give more opportunities for their young people to pursue intermediate and tertiary education. Students are also getting a wider array of educational choices in terms of what they learn and the way they learn.

9. Singapore is no exception. We have set up a new university, the Singapore University of Technology and Design. This is a collaboration that spans the Asia-

Pacific region, with MIT in the US and Zhejiang University here in China. The new university will offer students an innovative, multi-disciplinary curriculum which incorporates elements of entrepreneurship, management and design thinking, while harnessing the knowledge from both the East and the West.

10. Besides catering to students who are more academically inclined, our education system also provides alternative pathways for students who are better at learning through skills-based or practice-oriented approaches. Programmes with a more practice-oriented curriculum, industrial attachments and internships are created for these students. By providing different pathways, we seek to maximise the potential of every student and provide them with the relevant knowledge and skills to excel in the new economy.

Creating a culture of lifelong learning through Continuing Education and Training (CET)

11. With a fast-changing economic environment, the challenge is to maintain the currency of workers' skills throughout their careers so that they remain productive and relevant.

12. Continuing Education and Training or CET is the key driver in Singapore to support lifelong learning for our workforce. Over the last few years, we have successfully built a national CET framework - the Workforce Skills Qualification (WSQ) system which provides different levels of certifiable training in employability

and vocational skills. We have also built a strong CET infrastructure, with a network of about 50 CET centres providing comprehensive training and career services.

Building of National CET Campuses

13. Going forward, Singapore has committed to invest S\$2.5 billion in CET over the next 5 years to build a comprehensive system. We will also be developing two new national CET Campuses to bring about the best learning experience for our adult learners. Targeted for completion by 2013, the Campuses will bring multiple CET providers in different fields under one roof. These Campuses will reach out to all segments of workers and companies and offer a one-stop solution for workers seeking to upgrade themselves in different areas. This will be complemented with career services to help workers find jobs and help employers recruit workers.

BUILDING STRATEGIC HR AND MANAGEMENT CAPABILITIES

14. Beyond education and training, Singapore is also focusing on the development of leadership and human capital management capabilities, in both our HR professionals and business leaders. A strong workplace culture that supports learning and innovation is crucial in maximising the potential of each worker, as well as in attracting and retaining talent.

Strategic Management Capabilities in Asia

15. The unprecedented rise of Asia has created new human capital challenges which require unique leadership and management solutions. We have created a platform, the Singapore Human Capital Summit, which brings together global CEOs,

HR professionals and thought leaders to discuss and gain insights on the latest human capital and leadership practices in Asia.

16. We have also recently set up a Human Capital Leadership Institute to help raise human capital capabilities in Asia. This institute will conduct pan-Asian research on important human resource challenges, and offer global participants best-in-class training and development programmes on leadership and management.

FOSTERING INCLUSIVE GROWTH

17. Even as we take advantage of the numerous growth opportunities, the widening gap between highly-educated and less-skilled workers is a growing concern for many countries. As pointed out by many delegates in the meeting, our efforts to develop our human resources should remain an inclusive one that benefits all segments of the workforce.

Providing training incentives for low wage workers

18. To ensure inclusive growth, Singapore has introduced the Workfare Training Support (WTS) Scheme to encourage our low wage workers to go for training. This is done by firstly providing higher funding subsidies to companies to incentivise them to send their low wage workers for training; and secondly by providing a cash award to reward these workers for attaining a certain level of training.

19. Ultimately, inclusive growth needs to be supported by productivity improvement, as raising skills and productivity is the only way to ensure sustainable

wage growth and improvement in the standard of living. We must help low-skilled workers move out of low wage employment into better and more productive jobs through training and upgrading. I am glad this idea of inclusive growth is shared by the APEC community, as we make this a part of our new growth strategy to ensure that every citizen has the opportunity to thrive in the global economy.

CONCLUSION

20. As APEC economies, we face many common challenges as we prepare our workforces for rapidly changing skills needs, ageing populations and other key issues such as strengthening economic integration and promoting sustainable development.

21. The continued emphasis on education and training will be necessary to overcome these challenges. As China's Premier Wen Jiabao said, “国家兴盛,人才为本,人才培养,教育为本”.

22. Besides providing the best education and training opportunities for our workforce, we need to build up the HR capabilities and leadership that can anticipate emerging trends and have the drive and motivation to experiment with innovative solutions. Our efforts must also be inclusive to ensure every worker can find better jobs, achieve greater balance in work-life, and benefit from higher productivity and wages.

23. In conclusion, I would like to once again thank our host China for the warm hospitality and excellent arrangements during our stay. This has been a fruitful meeting for the APEC community to share our collective insights on human resource development. Singapore looks forward to working closely with the community in shaping our next generation of globally competitive workers, and improving standards of living for our peoples. Thank you.

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