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Recession survivors

Back when times were good and jobs and cash aplenty, Singaporeans lived fast, furious - and fastidious. Exhortations to workers to go for retraining were met with disdainful sniffs. Few bothered to venture out of their comfort zones. But now, thanks to the recession, the hardier and more resilient side of Singaporeans is surfacing. Many are learning to cope with the crisis by going for training or accepting new jobs in different sectors. As Insight finds out, there are Singaporeans who say: 'Yes we can.'

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MS IVY Chai could not believe her bad luck when her boss handed her a letter last October and told her to pack up.

It was her third layoff in 22 years, each time coinciding with a major recession in Singapore.

But instead of wallowing in self-pity, she steeled herself to stay upbeat.

"Nobody will know the future, but you must tell yourself that it will get better and better," she tells Insight.

She knows this from experience. The plucky 43-year-old is a recession survivor - picking herself up after each retrenchment from the finance sector.

The first was in 1986. She was 20, and earning \$500 a month as an administrative clerk in a bank.

It was "not that bad", as she had no financial commitments. She found a job a few months later, in the same position at another bank - but with a higher monthly salary of \$800.

Round Two, however, was crushing.

The year was 1997, amid the Asian financial crisis.

"I was a stockbroker earning \$6,000 a month. I had a big car - a BMW. I couldn't pay the instalments of \$2,088 a month," she recalls.

She sold her car, and even her three-room HDB flat in Upper Cross Street.

It took her one year to get another job, as an assistant dealer in a stockbroking firm earning about \$4,000 a month.

She slowly built up her life again, until last year when she was dealt the third blow.

Still, she finds reasons to smile.

“My advantage is my 20 years’ experience as a broker. As long as I’m confident in myself, I’ll be okay,” she says.

Casualties and survivors

THERE are many like Ms Chai who are putting on a brave face and putting up a good fight to survive this recession, the most severe since independence.

The casualty count is climbing, with 7,500 workers laid off in the final three months of last year, three times more than in the previous quarter.

The situation is expected to worsen, rising beyond 10,000 layoffs in the first three months of this year.

Among those laid off, some are fortunate.

One is a 40-year-old IT technician, who wants to be known only as Patrick. He snagged a job one month after he was laid off last December.

The best part: The job is similar to his previous one. The pay cut? Less than 10 per cent compared with his last-drawn salary.

He counts himself lucky. “I was prepared to wait a few months, knowing that my expectations would be revised downwards as time went by,” he says.

Others need some help to find their footing again. They approach the National Trades Union Congress (NTUC), and various government and community agencies.

Each week, about 400 to 500 job seekers go to the NTUC’s Employment and Employability Institute (e2i), a one-stop training and job-matching centre.

They scour the “jobs gallery”, which provides a list of vacancies and the starting salaries. There are 18,000 jobs now.

They also receive counselling on accepting jobs with lower pay or in a different position, and learn of training which can help them acquire skills to get the new jobs.

Two in 10 are “feisty” job seekers, says NTUC assistant secretary-general Ong Ye Kung, who is in charge of e2i. They are willing to attend courses and take a stab at any job.

Almost 4,000 have been placed in jobs in the first three months this year.

The success stories include a retrenched IT engineer whose salary was \$3,000 a month, and who is now a landscape supervisor earning \$1,800.

There is also Ms Juwina Amir, 44, a former carpark enforcement officer who is now keen to be a bus captain.

The rest, however, still need some “adjustments” in mindsets or skills, Mr Ong says.

Their names will remain in the e2i database, which currently has 9,600 job seekers.

The five community development councils (CDCs), which also offer job matching and counselling services, have more names on their lists.

There were 17,700 in February, almost 4,000 more than in the previous month.

At the Central Singapore CDC, new job seeker numbers have shot up, from a monthly average of 380 to 671 since last November.

Among them is Mr Lim Kok Seng, 44, who was laid off in January. He was a sales manager in a trading firm.

“The feeling is not good, very demoralising. My savings will not last that long and that adds to my pressure,” says the sole breadwinner.

His wife is a homemaker, and he has two children, aged 15 and 17.

His retrenchment is a repeat of what he went through in 1998 - but only worse.

When he was laid off the first time, he found a job within a month but with a 15 per cent pay cut.

His current job search is more heartrending.

He has sent out more than 50 resumes in the past two months, and gone for just one interview, with no success.

However, recently the CDC found him a job as a sales executive in a consumer product company.

He accepted it and started work this week. But he is still coming to grips with the salary, which is half his previous monthly pay of more than \$5,000.

“I just have to ‘retune’ my mindset,” he says with a wry smile.

Aid and attack

AS MR Lim wrestles with his new reality, the Government is also battling a new frontier - surging job losses that are set to surpass the peaks of past recessions.

But Central Singapore District Mayor Zainudin Nordin says Singapore is more prepared to tackle the recession this time round.

He points to the infrastructure in place, like the national training framework, set up last year to give Singaporeans various training pathways to climb up the career ladder.

The Government has also responded swiftly, with at least three new measures to minimise job losses.

There are the \$650 million Skills Programme for Upgrading and Resilience (Spur) which gives employers more money to retrain rather than retrench workers; the \$4.5 billion Jobs Credit which subsidises their wage bills; and the \$5.8 billion Special Risk-Sharing Initiative which gives businesses easier access to credit.

But are the schemes sufficient to stem the job losses? Economists believe they are enough for now.

Referring to the Jobs Credit scheme, economist Choy Keen Meng says: "People can always ask for more but I think that if wage subsidies increase further, we might be paying for economic inefficiency by keeping workers that should be shed anyway in a severe recession like this."

He predicts the scheme will save 40,000 jobs this year. But there will still be job losses - around 70,000.

"Scarce public funds should be devoted to alleviating the lot of the retrenched and unemployed through direct or indirect aid to them," says Dr Choy, who is with the Nanyang Technological University.

"As for Spur, I think the scheme is very generous and has attracted good response. But so far, the take-up rate has not exhausted the places offered. So they are sufficient for the time being."

Spur provides for 220,000 training places but, so far, only 43,000 workers have signed up.

Economist Shandre Thangavelu from the National University of Singapore notes that the current assistance will cushion the impact on retrenchments.

But he adds: "The Government could provide more assistance to workers such as recession shares or bonus to help the vulnerable population."

DBS economist Irvin Seah, who had forecast 99,000 job losses by the middle of next year, believes it is a "rough road ahead" and Singaporeans have to learn to adjust to the harsher job landscape.

Recessions and reliefs

SINGAPORE - and Singaporeans - have learnt lessons from past recessions, says labour chief Lim Swee Say, who recalls his experience in the 1997 Asian financial crisis.

It was the year he entered politics and moved to the labour movement as deputy labour chief.

Then, there was no comprehensive training framework nor an established job-matching service for those laid off.

Thus, he felt helpless when talking to laid-off production workers from manufacturing firms.

All he could tell them was that there were still vacancies in the wafer fabrication plants which required higher-skilled workers. But there was no systematic way to screen them and prepare them to acquire the skills for the job, he says.

Today, it is a different story.

The systems in place are more structured and effective - from career counselling, job screenings and placements, to a slew of nationally recognised training courses for skills ranging from the generic to the industry-specific.

These were born after the 1997 financial crisis, starting with the Skills Redevelopment Programme - a training scheme to equip workers with certifiable and portable skills.

It was a precursor to the National Skills Recognition System and the latest incarnation, the Workforce Skills Qualification under the Continuing Education and Training (CET) masterplan.

Other initiatives were added later.

In the 2001 downturn, national career centres were set up by the Manpower Ministry to counsel job seekers and match them with training and jobs.

In the midst of the 2003 downturn, the Workforce Development Agency was formed to come up with the CET framework for lifelong learning - which Spur rides on.

The job training and placement system continues to evolve, says Mr Lim, pointing out that each recession shows up new scope to further strengthen it.

This time round, a new gap being plugged is help schemes for white-collar workers, also known as professionals, managers, executives and technicians (PMETs).

They are the group that is hurting the most from the current recession: PMETs form half of those laid off.

Degree holders are the hardest hit among them. There were 14,800 jobless graduates last December - more than double the 6,200 a year earlier.

To deal with the growing pool of out-of-work PMETs, programmes were quickly rolled out.

Mr Lim refers to the enhanced Professional Conversion Programme and Professional Skills Programme to help this group of workers train for new jobs.

The systems in place today are more structured and effective than during the 1997 financial crisis – from career counselling, job screenings and placements, to a slew of nationally recognised training courses for skills ranging from the generic to the industry-specific.

There are also more job fairs targeted at them, and workshops and support groups to help them cope with the psychological changes after becoming jobless.

The Monetary Authority of Singapore also introduced a \$15 million fund to subsidise the cost of hiring fresh graduates in the financial sector.

NTUC's Mr Ong says the schemes run by NTUC and e2i help PMETs struggling to come to terms with their job losses.

By attending some of these courses, they get to see that they are not alone. It also gives them a chance to refresh their thinking.

More job seekers are also heading to recruitment agencies for a job.

Recruitment firm The GMP Group has seen an average increase of between 30 per cent and 40 per cent for every job application, and applicants are mostly PMETs and fresh graduates.

Given the depth of the recession, they have to expect a longer job search, says Mr Josh Goh, GMP's senior manager of corporate services.

"The time taken to land a job now has doubled. It can take about four to six months," he adds.

Staying open to opportunities

JOB seekers are proving to be a resilient bunch.

"The half-hearted job seeker is something of the past," says Ms Lynne Ng, regional director of global recruitment agency Adecco in South-east Asia.

"The Singapore job seeker of today is focused, well-researched and most definitely investing in his or her future."

The current job seekers are open to options like taking on temporary and contract positions as a stepping stone to a full-time position. They are also more keen on training, she adds.

Just take the thrice-retrenched Ms Chai.

She took a part-time job as a sales executive with a printing company last December, earning less than \$1,000 a month.

Now, she is also thinking of taking up a property management diploma course.



"It is a good opportunity to upgrade my skills, as I always said 'no time' in the past," she says.

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