

**The Straits Times, pg A4
16 September 2009**

Rise in the chronic jobless

**Grads in their 30s and 40s and lowly-educated find it hard to get hired
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SINGAPORE'S job market is stabilising after a wave of layoffs, but two groups continue to struggle to find jobs.

They are university graduates in their 30s and 40s, and the lowly-educated in their 40s.

Together, they formed the majority - eight in 10 - in a swelling rank of local residents who were chronically unemployed as of June this year.

These are people who, after 25 weeks of job-hunting, failed to find a job or preferred to wait for a better option.

These figures, when coupled with a record low rate of re-employment, send a sobering note of caution when interpreting the stable unemployment rate and fewer layoffs given in a Ministry of Manpower (MOM) report released yesterday.

The report provides finalised job market figures for the April to June period, including the first half.

In all, Singapore lost 13,900 jobs in the first half. This is 26 per cent fewer than MOM's estimate of 18,800 in July.

Looking ahead, Nanyang Technological University economist Choy Keen Meng sees the job market improving as the economy has been showing initial signs of a recovery in the past three to four months. Unemployment has stabilised, he added.

The latest MOM report shows unemployment stayed at 3.3 per cent as in the previous three months. At the same time, the resident unemployment rate fell from 4.8 per cent to 4.6 per cent.

But the reason for the decline, said MOM, is that many stopped seeking jobs to pursue courses, which means they are no longer counted as unemployed.

Other positive signs of an economic pick-up: Layoffs and premature release from contracts fell by more than half in the second quarter compared to the first three months.

Layoffs fell from 10,900 to 5,170, and early contract release, from 1,860 to 810.

Job vacancies, on the other hand, soared 17 per cent to 24,500.

Also, for the first time in six quarters, the ratio of job vacancies to unemployed people improved, from 31 to 33 openings for every 100 job-seekers.

Manpower Minister Gan Kim Yong told reporters during a factory visit yesterday that he expects fewer layoffs in the third quarter.

But it is not time to celebrate yet, he said.

“The outlook remains uncertain. The labour market is likely to remain weak for the rest of the year,” he said, pointing out that bosses are still cautious about hiring.

NTUC assistant secretary-general Ong Ye Kung expects the long-term unemployment rate - which rose to 1.3 per cent in June from 0.5 per cent a year ago - to worsen as job creation stagnates.

Job experts say jobless degree holders are finding it difficult to switch to a new industry or take a pay cut because of their hefty financial commitments.

Also, job openings tend to be more for junior and mid-level positions than senior posts normally held by degree holders, said assistant director Josh Goh of human resource firm The GMP Group.

Mr Ang Hin Kee, chief executive of the NTUC’s Employment and Employability Institute, said some degree holders are still holding out for a better job, hoping the economic gloom will lift soon.

But the majority are willing to try something new, with many moving from IT, finance and electronics manufacturing to childcare and tourism.

He said: “It’s helpful to have a flexible mindset to take up new skills. Employers should also be more ready to consider those who make a mid-career switch.”

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