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**MALAY PARTICIPATION IN THE
LABOUR MARKET:
CHALLENGES & OPPORTUNITIES**
OTHTMAN HARON EUSOFF

FOREWORD

I am pleased to write this short foreword to introduce the Department's Seminar and Occasional Papers Series. The series provides the opportunity for staff members of the Department as well as scholars of Malay Studies in general to have their research findings on Malay subjects made known to a wider audience. It is also hoped that this initiative will provide the avenue for a beneficial exchange of ideas and viewpoints on Malay issues between town and gown.

The Department would like to thank Hotel Properties Pte Ltd for sponsoring the publication of the series.

Finally, it should be mentioned that the views expressed in the seminar and occasional papers series are those of the respective authors.

18 April 1995

Professor Tham Seong Chee
Head
Department of Malay Studies

**MALAY PARTICIPATION IN THE LABOUR MARKET:
CHALLENGES AND OPPORTUNITIES**

OTHMAN HARON EUSOFF

Introduction

1. We have full employment in Singapore. The labour market is tight. We have to employ foreign workers on work permits or employment passes to meet labour demand. The employment of foreign workers is regulated by the Government in a manner consistent with Singapore's long term economic and social objectives.

2. In the current labour market, persons who want to work and are fit and healthy should not have a problem to secure employment. The type of quality of employment, skills and experience. However, will employment opportunities continue to be readily available in the future? For the Malay community there is also the issue whether the Malays will have a fair opportunity to fulfil their aspirations for a better quality of employment and with it better incomes and terms of employment.

An Overview of Singapore's Economic Development

3. In order for any country to be able to create jobs for its citizens, there must be sustained economic development. And the economy must upgrade to provide its citizens with better employment opportunities and better incomes.

- In 1993 Singapore's economy grew strongly with a growth rate of 9.9% and in line with this good growth, employment creation in 1993 was stronger compared to 1992. The Economic Survey of Singapore for the second quarter of 1994, reported good performance with economic growth at 9.3%. Job creation continued and all key sectors of the economy recorded net gains in employment. The expectations are that the economic growth in this decade will be good. Our economic policy is sound. We have excellent infrastructure namely an efficient airport, seaport and telecommunication system. There is harmonious industrial relations firmly founded on positive tripartite (Government, labour and management) consensus. Externally our relations with our neighbours and the rest of the world is good. However, this does not mean that we are not vulnerable. We have to constantly guard ourselves against complacency. We must continue to be competitive to attract investments to create new and better jobs.
4. The world is changing fast. For example, with the fall of communism, former communist countries like China and Vietnam are transforming to embrace the market economy. Others in the race for investments include India, our neighbours in ASEAN and Mexico to name a few more. They want to attract investments to develop their economy. They are formidable competitors.
5. It is important that we understand the nature of the competition. In the sixties and early seventies Singapore was an attractive place to invest because of the

7. This is the scenario that we now face and the challenge for our workforce including the Malay workers is to ensure that we have the work ethics, the education and the skills that investments seek. Our workforce must have a positive attitude to skill training and upgrading on a continuous basis. Unless we are able to produce high quality and high value added products and

6. Further, the capital and technology that we seek, can now move freely. Corporations who have them are always on the look out for better places to invest, where they can get the best returns. Previously they may shun some countries which they do not consider part of the free world. This approach is now changing. There are now more places for them to invest.

to work hard.

low cost of doing business including low labour cost. Our competitors have abundant supply of low cost labour, raw materials, cheap land and also big domestic market. We are small a country with a small domestic market. We have now therefore to compete on the basis of more and better skills and higher value added. While we still continue to have some advantage in terms of good and efficient infrastructure and productive capacity, our competitors and especially our neighbours are catching up fast and have a potential of overtaking us. Companies which have investments here have raised the following issues of concern; rising cost of doing business which includes rising labour cost, shortage of skilled workers and the attitude of our workers who are described as no longer "lean and hungry" and therefore not prepared

11. Next, on employment, the unemployment rate for Malays fell from 3.6% in

engineering and the sciences (see Table 2).

engineering 9.1%. We would need to encourage more Malay students to take (55%), the natural and physical sciences have 7.6% of the students and

10. Currently, the majority of Malay students is in Arts and Social Sciences

form 2.4% in 1980 to 6.7% in 1990.

upper secondary (including polytechnics) and university levels, i.e. an increase

qualification rose from 14.3% to 30.8%. There are also more students at the

to 1980. The non-student population with secondary education or higher

improvement in the general educational level of the Malays in 1990 compared

Let me briefly highlight the improvements in education. There is marked

summarizes the progress made by the Malays in education and employment.

9. Table 1, taken from the Census of 1990 (Economic Characteristics)

form 4% in 1980 to 6% in 1990.

in 1980. The proportion of working persons with university qualification rose

secondary education and above increased sharply to 47% in 1990 from 28%

more qualified and better trained. The proportion of the workforce with

8. Overall, the Census 1990 showed that Singapore's workforce in 1990 was

Malay Progress in Education and Employment

services, our ability to attract investments will be severely affected.

- 1980 to 1.9% in 1990. The quality of employment has improved as follows. The number Malays employed at the Professional and Technical levels rose from 6.0% in 1980 to 9.7% in 1990. Similarly for Administrative and Managerial positions, the percentage rose from 0.7% to 1.1%. Malays in sales and services increased from 14% to 15.9%. There were more Malays employed in the Commerce, Transport and Communications, Financial and Business Services and Community, Social and Personal Services.
12. The 1990 Census showed that the income levels of the Malays improved considerably (Table 3).
13. Their average monthly income rose from \$388 in 1980 to \$1049 in 1990. This represents an increase of 10.5% per annum in average monthly income. The proportion in Malays who earn more than \$1500 per month in 1980 was only 0.8%. In 1990 it increased to 15.8%.
14. The average monthly income of Malay households also increased from \$896 per month in 1980 to \$2,246 per month in 1990.
15. To recapitulate the Malay community has therefore made significant improvements in education, employment and income during the decade of the eighties. To build on this improvement the Malay community must maintain its determination and drive and must be ready to strive with more vigour to improve their education and skills on a continuous basis. In this way they will

17. In manufacturing, EDB promotes Singapore as a leading location for product management. This comprises high value added production, process engineering, product design and development and strategic marketing. Despite the intense competition for investments and also protectionist tendencies of some countries, including developed ones, Singapore continues to be an attractive investment location for leading MNCs and local companies. In 1992, the manufacturing sector attracted a record for \$3.5 billion in fixed

16. What are the employment in the years ahead? One of the Economic Development Board's (EDB) key function is investment marketing that is to promote companies both multi-national (MNC) and local, to invest in more and better activities in Singapore. These investments create new and better jobs. It is useful to examine the investments which the Board is securing for Singapore. The EDB's Annual Report 1992/3 provides information on EDB's investment marketing efforts which are targeted at Singapore's twin engines of growth - manufacturing and services.

Employment Opportunities

be able to meet the challenge of change and keep pace with development in technology. As they improve their education and skill levels they improve their opportunities to secure good quality of employment at all levels and particularly at supervisory, technical and management grades. As they do so, they will have more opportunities to make career advancements and to enjoy higher incomes.

Our local companies are also being actively encouraged to venture overseas and to form international linkages and networks. Our resources are limited and we cannot succeed by relying on them alone. We have to therefore work with companies from other countries to invest in the South East region, in

18. In the services sector, Singapore is promoted as a global city and an international hub. Singapore is the region's logistics and distribution hub. Major MNCs are also managing their communication work in Singapore for the Asia Pacific. We are aiming to be a communication and information hub.

19. In the services sector, Singapore is promoted as a global city and an international hub. Singapore is the region's logistics and distribution hub. Major MNCs are also managing their communication work in Singapore for the Asia Pacific. We are aiming to be a communication and information hub.

a) *Electronics* - This includes Consumer Electronics, Computer Systems, Computer Peripherals, Telecommunication Equipment and Semi-conductors.

b) *Chemicals* - Singapore is one of the three largest petroleum refining centres in the world as well as a world-class total oil business centre. The Pharmaceutical Industry will also experience rapid expansion.

c) *Aerospace Industry* - Singapore's strategic location enables it to support the growing needs of passenger air travel and air cargo in the region. Singapore is also developing as a major aircraft component manufacturing, repair and overhaul base.

asset investment commitments. The following are some of the key sectors where investment commitments have been secured:

21. The above developments will provide excellent employment opportunities for Singapore's Workforce including the Malays. How can the Malay community take full advantage of these opportunities? The message is a clear one. Let me stress the point again. To be able to find employment in the above areas, good education and skills are important. Further, the education and skills have to be upgraded on a continuous basis. We must motivate Malay students to master English, Science and Mathematics which will help them to take up courses or studies which provide them with skills and knowledge which are of high demand in industries. We must help them to be more successful in their efforts to enter Universities to qualify to do engineering and the sciences. Those who cannot make to the universities should go to the Polytechnics and the technical institutes, to take subjects to enable them to be technical officers and technicians.

20. The private sector will take the lead in the economic development of Singapore. Hence private sector opportunities for employment will expand. On the other hand public sector employment will contract, as more public sector functions are privatized. Singapore Telecoms is now a listed company on the Singapore Stock Exchange. Singapore Broadcasting Corporation was recently corporatised and this will soon be followed by the Public Utilities Board.

India, Burma, Vietnam and China. Regionalization can provide Singaporeans with more opportunities for investments and employment.

22. Regionalisation will also provide opportunities for those in the community who want to work in the region especially Malaysia and Indonesia where they are familiar with the language and culture. It is important that they be prepared to work a stint overseas especially when they are young. I believe that this international exposure will be good experience for them. It can also enable them to establish useful contacts with key persons of influence in these countries.
23. Networking is an effective way to establish contacts and to enhance management effectiveness. How can we help our Malay professional and managers to develop networks which would help them to be valuable to the companies or organisations they work? The Malay Chamber of Commerce, Mendaki and AMP can play a role here. I believe a start has been made for our Malay professionals and managers to meet their counter parts in the region as well as to encourage them to participate in business and management seminars locally or internationally.
24. To sum up the key challenge for the Malay workers is to seize every opportunity to develop their skills and knowledge so that they will remain relevant to the needs of the economy. As Singapore embarks on regionalization and establish overseas venture, Malay professionals and managers must also be ready to venture out. They have to quickly develop contacts and develop their own networks.

Mr Ohman Haron Eusofe is a Member of Parliament and is currently the Deputy Secretary-General of the National Trades Union Congress (NTUC).

ABOUT THE SPEAKER/WRITER**

25. Will the Malays have a fair opportunity or will they face any discrimination in their attempt to secure better quality employment? The challenge for good jobs will indeed be very competitive. The Malay workforce must have the determination and confidence to compete with the best. They must never despair under the challenge and difficulties but must be ready to strive on. The best safeguard is one's skills, education and knowledge coupled with the strong determination to want to maximise one's potential. In a highly competitive environment every company and organisation will want to recruit and retain the best people that is those with positive attitudes and good education, knowledge and experience. Such persons will always be a valuable asset to the organisation especially in an environment of rapid change and development and a tight labour market. I am confident that the future will be a bright one for Malay workers who are determined to upgrade their skills and knowledge and to excel in their work and contribution.

TABLE 1

Key Indicators of the Population, 1980 and 1990

	TOTAL		CHINESE		MALAYS		INDIANS		OTHERS	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Economic Characteristics (Aged 15 Years and Over)										
Labour Force Participation Rate (%)	63.2	66.0	62.6	65.1	64.7	62.9	67.6	70.4	61.2	81.7
Male	81.5	79.0	80.8	78.3	83.2	78.3	84.0	81.3	85.8	91.1
Female	44.3	53.0	44.5	52.0	44.6	47.3	44.1	56.7	34.7	74.9
Unemployment Rates (%)	3.5	1.7	3.5	1.7	3.6	1.9	3.3	1.6	1.8	0.3
Activity/Occupational Status of Persons Aged 15 Years & Over ('000)	1,760.8	2,369.0	1,361.0	1,782.3	245.7	295.7	116.3	182.6	37.8	108.4
Economically Active	1,112.1	1,562.8	851.5	1,159.7	158.9	185.9	78.6	128.6	23.1	88.6
Working	1,073.4	1,537.0	821.5	1,139.7	153.2	182.4	76.0	126.6	22.7	88.3
Employers	41.7	46.0	37.2	41.6	0.5	1.2	2.8	2.7	1.1	0.5
Own Account Workers	116.6	103.9	105.1	92.7	5.2	4.4	5.8	6.0	0.4	0.7
Employees	888.9	1,371.1	654.5	990.6	146.7	176.2	66.7	117.2	21.1	87.0
Unpaid Family workers	26.2	16.1	24.7	14.7	0.8	0.6	0.7	0.7	-	-

TABLE 1 (Continued)

Key Indicators of the Population, 1980 and 1990

	TOTAL		CHINESE		MALAYS		INDIANS		OTHERS	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Occupational Distribution of Workforce										
Professional & Technical	11.7	15.7	12.2	17.3	6.0	9.7	11.3	12.5	31.8	10.6
Administrative & Managerial	6.3	8.6	6.8	10.0	0.7	1.1	6.4	5.8	22.4	10.4
Clerical	13.8	13.1	14.9	13.8	9.9	15.4	11.2	11.7	9.4	2.6
Sales & Services	14.6	13.8	15.2	14.5	12.0	14.0	15.9	14.8	8.6	3.3
Agriculture & Fishery Workers	1.6	0.3	1.8	0.3	1.0	0.3	0.5	0.1	0.2	-
Production & Related Workers	46.2	44.5	42.8	39.7	67.8	57.0	47.2	50.4	22.9	72.3
Not Classifiable	5.8	4.0	6.3	4.4	2.6	2.5	7.5	4.7	4.7	0.8
Distribution of Workforce by Industry (%)										
Manufacturing	30.1	29.1	29.1	30.5	36.4	31.3	26.7	26.9	33.6	9.4
Construction	6.6	7.9	6.8	7.5	7.7	4.5	3.3	7.2	2.9	21.5
Commerce	21.3	22.0	23.7	24.9	10.1	13.9	19.8	17.4	14.0	6.6
Transport & Communications	11.1	9.5	10.8	9.3	13.0	14.1	11.4	9.2	10.2	3.2

TABLE 1 (Continued)

Key Indicators of the Population, 1980 and 1990

	TOTAL		CHINESE		MALAYS		INDIANS		OTHERS	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Financial & Business Services	7.8	10.9	7.3	11.0	9.1	12.3	8.0	10.7	15.9	7.1
Community, Social & Personal Services	20.6	19.8	19.7	16.0	21.5	22.5	27.7	27.3	22.3	52.0
Agriculture & Fishing	1.6	0.3	1.9	0.4	0.4	0.2	0.4	0.1	0.3	0.1
Quarrying	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	-
Utilities	0.8	0.4	0.5	0.3	1.7	1.1	2.6	1.1	0.5	0.1
Activities Not Adequately Defined	-	-	0.1	-	-	-	-	-	-	-
Average Monthly Household Income from Work**(S)	1,228	3,076	1,213	3,213	896	2,246	1,133	2,859	3,225	3,885
Demographic Characteristics										
Total Population ('000)	2,413.9	3,016.4	1,856.2	2,252.7	351.5	408.0	154.6	229.5	51.6	126.2
Singapore Residents	2,281.1	2,705.1	1,787.8	2,102.8	328.7	382.7	143.4	190.9	22.2	28.7
Non-Residents	131.8	311.3	68.4	149.9	22.8	25.3	11.2	38.6	29.4	97.5
Ethnic Composition* (%)	100.0	100.0	78.3	77.7	14.4	14.1	6.3	7.1	1.0	1.1
Median Age* (Years)	24.4	29.8	24.9	30.6	21.6	26.2	24.8	29.5	29.0	30.1
Persons* Aged 60 Years & Over	7.5	9.1	8.0	9.4	4.8	7.2	6.2	9.7	9.5	11.6

TABLE 1 (Continued)

Key Indicators of the Population, 1980 and 1990

	TOTAL		CHINESE		MALAYS		INDIANS		OTHERS	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Education										
Student Enrolment Ratio* for Age Group 6 - 16 Years (%)	90.1	96.8	91.2	97.5	85.7	93.9	88.2	94.9	93.9	97.9
Non-Student Population* with Secondary or Higher Qualification (%)	20.5	39.0	20.9	40.3	14.3	30.8	23.3	37.5	47.9	55.5
Students* by level of Education Attending ('000) (Aged 5 Years and Over)	540.5	567.1	419.8	445.0	83.0	80.1	33.1	36.5	4.7	5.5
Pre-Primary	48.7	55.8	39.3	40.4	6.5	10.5	2.4	4.1	0.4	0.8
Primary	289.6	259.7	220.7	194.7	48.9	43.9	17.9	18.4	2.3	2.7
Secondary	166.8	166.7	129.1	135.2	25.6	20.3	10.5	9.8	1.6	1.5
Upper Secondary	28.4	62.1	24.4	54.1	1.8	4.6	1.9	3.1	0.3	0.4
University	7.0	22.8	6.3	20.6	0.2	0.8	0.4	1.1	0.1	0.2

TABLE 1 (Continued)

Key Indicators of the Population, 1980 and 1990

	TOTAL		CHINESE		MALAYS		INDIANS		OTHERS	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Non-Student Population* by Highest Qualification Attained ('000)										
(Aged 10 Years and Over)	1,545.2	1,910.0	1,215.8	1498.3	213.9	255.9	100.0	136.4	15.5	19.4
No Formal Education/ Incomplete Primary	550.6	599.1	445.0	479.7	73.8	78.5	29.9	37.9	1.9	3.0
Primary/Incomplete Secondary	678.6	566.2	516.3	414.5	109.4	98.7	46.8	47.4	6.2	5.6
Secondary	196.2	471.4	152.2	365.0	25.1	66.0	14.8	34.2	4.1	6.2
Upper Secondary	86.4	188.4	73.4	163.2	5.1	11.2	6.0	11.3	1.9	2.7
University	33.4	84.9	28.9	75.9	0.5	1.5	2.5	5.6	1.4	1.9

* Refers to Singapore Residents.

** Refers to Resident Households.

SOURCE: SINGAPORE CENSUS OF POPULATION 1990

TABLE 2
 Resident University Graduates by Major Field
 of Study and Ethnic Group, 1990

Per Cent

Major Field of Study	Total	Chinese	Malays	Indians	Others
Total	100.0	100.0	100.0	100.0	100.00
Arts & Social Science	25.0	23.2	55.0	35.5	38.5
Management, Accountancy & Commerce	24.4	25.7	11.9	13.3	17.6
Law	3.7	3.1	6.0	11.0	6.1
Statistics & Computer Studies	4.7	5.0	2.0	2.3	1.9
Natural & Physical Sciences	10.7	10.7	7.6	12.8	6.6
Medical, Dental & Related Sciences	6.1	6.0	2.4	8.2	6.6
Engineering	20.2	21.1	9.1	13.6	15.2
Architecture, Building Science & Related Fields	3.6	3.8	3.5	1.1	3.4
Other Fields	1.6	1.4	2.5	2.2	4.1

SOURCE: Singapore Census of Population 1990

TABLE 3
Working Persons Aged 15 Years and Over by Monthly Income from
Work and Ethnic Group, 1980 & 1990

Per Cent

1990		1980		
Monthly Income From Work (\$)	Total	Malays	Indians	Others
Below 500	11.0	9.4	17.6	57.4
500 - 999	37.1	47.8	38.9	16.1
1,000-1,499	23.4	27.0	21.7	4.5
1,500-1,999	11.3	9.4	9.5	3.0
2,000-2,999	8.9	4.6	6.8	4.4
3,000 & Over	8.3	1.8	5.5	14.6
Average (\$)	1,414	1,497	1,049	1,195
Total	100.0	100.0	100.0	100.00
Below 500	63.4	81.7	68.7	31.9
500 - 999	24.2	26.6	20.2	12.7
1,000-1,499	5.9	6.7	4.8	7.4
1,500-1,999	2.5	2.9	0.5	5.8
2,000-2,999	2.0	2.1	0.1	32.3
3,000 & Over	2.0	1.5	0.1	32.3
Average (\$)	598	595	388	568
Total	100.0	100.0	100.0	100.00

SOURCE: SINGAPORE CENSUS OF POPULATION 1990