

2017 BUDGET DEBATE

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MOE: Industry-IHL Partnership to Drive Skills Training

Madam Speaker, Members of Parliament, good afternoon! A good vocational education is an important foundation of Singapore's economic development. Over the past 50 years or so, our educational system has undergone perpetual adjustments in line with changes. Now, the Singapore economy is again undergoing a major transformation. This leads us to ponder over how the educational organisations could support industry transformation.

Last year, when the Chamber organised the Trade Association Congress, we invited the President of the Chamber of Commerce and Industry of the Greater Reutlingen Region and the German Electrical & Electronic Manufacturers' Association as one of our guest speakers. The German guest briefed us on their trade association operational model and experience. It was really an eye-opener.

In the area of vocational education, the German industry associations have an excellent edge. Firstly, all companies are required by law to join industry associations, giving industry associations sufficient critical mass and influence. Industry associations are also invested with much authority. They provide practical vocational training, with a key focus on grooming specialised technical personnel. Certificates issued by industry associations are endorsed by society, and become important references in the recruitment of workers. Like Singapore, SMEs make up 99% of all business entities in Germany. The government is responsible for foundation education and tertiary education, while the industry associations cater to vocational education and worker training. At the same time, the government provides requisite funding to industry associations.

People always rave about the quality of German workers' training, and in this regard the industry associations have contributed a great deal. With compulsory membership in industry associations, both large enterprises and SMEs are thrust together in the same boat. This is beneficial to the industry as a whole, with everyone coming together to move forward. With sound financial foundations and deep insights into the industry, trade associations would be able to tackle the pains of economic

restructuring in a timely manner and with greater accuracy. This is also one of the reasons why the German manufacturing industry will always remain strong.

Taking a leaf from the German experience, I suggest that Institutes of technical education and polytechnics work together on a win-win basis to strengthen collaboration with trade associations. I hope the government could authorise trade associations to conduct even more vocational skills training courses. This would constitute another milestone, bringing the national education system more in step with a transforming era.