



Hard Hit, But Still Standing

You can say the United Workers of Electronic and Electrical Industries General Secretary and NTUC Vice-President Cyrille Tan has been around the block a couple of times. And it is in a tough neighbourhood, as the volatile electronics industry constantly tests the mettle of union leaders. The seasoned one-time Labour Nominated Member of Parliament and recipient of National Day Awards Pingat Bakti Masyarakat (Public Service Medal) and Bintang Bakti Masyarakat (Public Service Star), both for outstanding services to labour, shares how UWEEI coped with the latest economic downturn.



By Marcus Lin

Whenever an economic downturn, slowdown or recession comes around, you can bet your last dollar that the electronics industry will get hit black and blue. Just ask UWEEI General Secretary Cyrille Tan, who stands out with his trademark shaven head and baritone voice.

By its very nature, being export-oriented and reliant on consumer demand, the sector is very vulnerable and bears the brunt of an economy gone sour. Though Mr Tan has gone through several downturns, this latest one is like no other he has seen in terms of speed and ferocity.

He says that while the downturn was very rapid, something else was also moving fast: "This is the first time the tripartite partners responded so swiftly and results were fast and obvious as seen from the quick turnaround."

He credited the \$650 million Skills Programme for Upgrading and Resilience (SPUR), the \$20.5 billion Resilience Package including the Jobs Credit scheme and other measures for taking the sting out of this downturn and keeping the overall retrenchment rate lower than feared - far less than the more than 29,000 in 1998 during the Asian Financial Crisis and the more than 25,000 in 2001.

"With the swift measures and follow-up work, most of those retrenched during this downturn were able to find jobs and look after themselves and their families," he said.

"This particular downturn was more severe than the rest because the global demand went down and the electronics sector in particular was impacted very severely. Demand went down as much as 30 per cent and this drastically reduced the capacities of most factories. That created an excess manpower situation because worldwide demand went down and everybody is affected.

"In the past, demand could go down maybe in Asia or Europe but America would be doing well, or it would be the other way round. There was a way out as stronger markets would compensate for the weaker ones. But this time everyone was affected badly at the same time and there was no way to run."

Mr Tan said the situation looked frightening and it was only when various governments started their economic stimulus packages that demand started to pick up: "Even then, not all countries are recovering at the same pace. It is really difficult times for the electronics industry.



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NTUC Vice-President and UWEEI General Secretary Cyrille Tan

"We were really in a state of panic. Look, the electronics and manufacturing sectors are practically the biggest employers. Can you imagine what will happen if thousands of workers are retrenched and there are no jobs, and they are walking around wondering what to do? In that kind of a situation, what does a union do?"

"So we quickly came up with ideas on how to reach out to the companies. The tripartite framework which we have, the partnership and trust built up over the years came into play. At the first sign of trouble, the tripartite partners met on how to manage the excess manpower in the industries, especially the electronics industry, and came up with proper guidelines to help companies to manage. As stated by NTUC Secretary-General Lim Swee Say, the objective is to cut costs to save as many jobs as possible."

SPUR was a critical factor: "When it was announced in November 2008, the unions went into action straightaway. All our Industrial Relations Officers were in full swing running around the clock like mad dogs engaging companies badly affected. We convinced them to cut costs to save jobs and they went with us."

UWEEI moved so fast that its affiliate Murata Electronics Singapore (Pte) Ltd became the first company to take up SPUR training incentives.

However, Mr Tan pointed out that SPUR can only be effective for a period of time: "SPUR and demand must work hand in hand. If demand does not come back, SPUR cannot be sustained over a long period of time. There is no point in training and re-training if there are no orders, no demand and no work. SPUR can contain the economic damage but not indefinitely. Still, it is amazing because government covers 90 per cent of training costs which is really cutting costs in action.

"Cutting costs to save jobs is one part.

We also send messages to foreign companies' headquarters to tell them that in Singapore they have the backing of the strong tripartism unlike other countries."

He added that UWEEI quickly sent retrenched workers to NTUC's e2i (Employment and Employability Institute) for job placement or training and re-skilling for cross-sector employment. Companies that laid off workers also provided some financial assistance to help affected workers get back on their feet. UWEEI also tapped on the Labour Movement's U Care Fund and other schemes and gave out more than \$3 million in assistance the past year.

All said and done, Mr Tan is under no illusion as to the challenges confronting the electronics industry post-crisis when the global competition for the same pie is set to get more heated.

"Therefore, all this talk about re-skilling, up-skilling and multi-skilling and being Cheaper Better Faster is not merely talk. Thrive is one thing, but we really have to be productivity-driven just to survive."

For the whole of 2009, 4,413 workers in the electronics sector were retrenched:

1st quarter – 3,150 workers were retrenched
2nd quarter – 620 workers were retrenched
3rd quarter – 308 workers were retrenched
4th quarter – 335 workers were retrenched

Companies in the electronics sector on shorter work-weeks and temporary shutdowns for 2009:

1st quarter – 41 companies affecting 23,459 workers
2nd quarter – 19 companies affecting 5,397 workers
3rd quarter – 10 companies affecting 1,568 workers
4th quarter – 3 companies affecting 430 workers

For the whole of 2009, 57 companies in the electronics sector tapped on SPUR and 12,388 workers completed SPUR training.



UWEEI President Francis Lim and General Secretary Cyrille Tan in dialogue.