

**IPS 35th Anniversary Conference: Revisiting
Panel 4: Revisiting Our Social Compact**

By Yap Jia Hui and Sandy Lee

Panel 4: Revisiting our Social Compact

The Institute of Policy Studies celebrates its 35th Anniversary this year. To commemorate this milestone, the institute held a conference to revisit public policy and societal discussions critical to Singapore's national interests. Across four panel discussions, the conference examined key issues that affect Singapore's social and economic survival as a global city-state and discussed ways in which the Singapore model could be adapted to address changing realities.

In this panel, titled "Revisiting Our Social Compact", Deputy Prime Minister (DPM) Lawrence Wong delivered a speech on what a refreshed social compact means in the areas of skills, success, social support, and solidarity as Singaporeans. This was followed by responses from Associate Professor Ho Kong Weng from the School of Economics, Singapore Management University and Dr Gog Soon Joo, Chief Skills Officer, Skill Development Group at SkillsFuture Singapore. The panel was moderated by Mr Christopher Gee, Senior Research Fellow and Head of Governance and Economy Department at the Institute of Policy Studies.



Panel discussion with DPM Lawrence Wong, Associate Professor Ho Kong Weng, and Dr Gog Soon Joo

DPM Lawrence Wong: A Refreshed Social Compact

DPM Lawrence Wong emphasised the importance of a social compact that is deemed fair by all segments of society. He cited examples from advanced western countries to show how social compacts can fray when the middle-income group feels excluded from their nation's progress. Singapore has had a different experience where this group has enjoyed significant increases in real incomes. Income inequality as measured by the Gini coefficient has also declined steadily.

However, this current state cannot be taken for granted given the external and domestic challenges ahead. Externally, the world is becoming more dangerous and troubled. Domestically, an ageing population, slowing social mobility, and greater anxieties felt by various groups are social trends that have long-term consequences. All these will exert a disruptive impact on Singapore's workers.

Mr Wong focused on three areas of Singapore's social compact and shared how the Forward SG discussions over the last year have shaped each area.

A new approach to success and skills

The first aspect has to do with the definition and pursuit of success and skills. While material definitions of success are important, he urged that success is ultimately for each individual to

define and should appeal more to our sense of purpose and fulfilment. This requires mindset changes regarding education and skills. Formal education, for example, should not be seen as the endpoint of our meritocracy. Instead, opportunities should be given to learn, advance, re-skill, and up-skill years after leaving school.

A refreshed meritocracy is therefore a continuous one, with learning opportunities, milestones, and ladders at multiple junctures.

A revamped system of social support

The second aspect is Singapore's system of social support. Mr Wong said that more should be done to assure both the broad middle-income group and the vulnerable that they can meet their needs in life.

For the unemployed, support should be given to them while undergoing skills training and job search. The unemployed should not be pressured into accepting the first job that comes their way. For lower-income families, they should be enabled and empowered to progress in life. There must also be a focus to ensure that the disadvantages do not carry on to the next generation. For vulnerable groups, their family members and caregivers must be supported as well. For seniors, care for them must go beyond their health but also ensuring they have long-term care and are enabled to meet their retirement needs.

A renewed sense of solidarity

Lastly, the DPM spoke about a renewed sense of solidarity. This is also a mindset shift towards a recognition that successes or failures are not attributable to any individual. Instead, there must be a sense of kinship and trust in one another — to understand that success in our meritocracy is collective.

The government will make the effort to forge these relationships through encouraging regular interactions, such as through more local neighbourhood activities. He added that every member in society must contribute. For example, employers must better value and reward their workers; consumers need to be willing to pay more to uplift workers' wages; and parents need to instil in children the values of learning and trying new things. All of these are to sustain a virtuous circle of uplift, progress and confidence.

Professor Ho Kong Weng: The Role of Youths in the Social Compact

Associate Professor Ho Kong Weng chose to focus on how the values of youths can be used to investigate the idea of the social compact in Singapore.

Other key factors to a social compact

He began by suggesting other factors that are important to the idea of a social compact. For example, he mentioned that common goals are needed, and they must be transparent, attainable, and accessible. He also talked about important measurements that should be monitored and considered. Beyond the usual indicators such as GDP and income, “relationship stocks” such as family, community, inter- and intra-generational social mobility are also important.

Lastly, he said that a social compact should strive towards balancing the ideals of meritocracy, fairness, and efficiency. All of these are dependent on evolving social preferences and require individual sacrifices for the common good.

Key research findings on the well-being of Singapore’s youths

Associate Professor Ho provided an overview of research findings from the 2019 National Youth Survey. He focused on three “relationship stocks” — related to family, community and the nation — and their correlations to the well-being of the youths.

First, “relationship stocks” that were positively associated with youth’s well-being included family capital, social participation index and national capital. The factor of “community leadership” was seen to have a negative influence on youth’s well-being, likely due to the sacrifices that are required of individuals.

Based on the Survey, Associate Professor Ho also highlighted the impact of family-oriented and altruistic life aspiration goals in contributing to better well-being among youths. On the other hand, career-oriented values had negative correlation.

Lastly, he also mentioned how inter-generational transmission of economic and non-economic advantages form the undercurrents of income inequality, which has a negative correlation with the well-being of youths. The research found that the broad middle-income group of youths has high levels of social and economic mobility while those of the higher and lower ends are much more dependent on parental background.

Dr Gog Soon Joo: Skillsfuture and lifelong learning

Expanding on DPM Wong’s point about the aspect of a new approach to success and skills, Dr Gog described how the efforts of SkillsFuture are geared towards this new approach and the continual support that is needed from the wider community.

SkillsFuture: Overcoming barriers to enhance accessibility to lifelong learning

Dr Gog gave an overview of the different barriers that hinder Singaporeans from lifelong learning, as well as the ways SkillsFuture is attempting to overcome them.

The first barrier is financial, referring to the costs of courses that are now covered with the SkillsFuture subsidies for all Singaporeans above 25 years old. The second is information barrier where workers might struggle to know what skills they should pick up. To work on this, SkillsFuture has been bringing in different parties to identify new skills and job roles. One-to-one services are also provided to complement the existing online platforms.

Another barrier is about the quality of re- and up-skilling capabilities in workplaces. The National Centre of Excellence (NACE) was created to help workplaces develop their staff for growth and learning. Investments have also been made to professionalise adult educators to enable them to design better learning for different industries' needs. The fourth barrier is about difficulties in applying new skills to the workplace. For this, SkillsFuture is working with Institutes of Higher Learning (IHLs) on skills-based designs for learning, a curriculum that facilitates direct application of learning to the workplace. The last is situational barrier, referring to practical challenges of attending extra courses. Efforts to make learning flexible such as through online platforms, and scheduling of learning sessions which enable people with different responsibilities to engage in the sessions are being explored by SkillsFuture.

Opportunities to make SkillsFuture a collective effort and success

Other than the efforts mentioned above, Dr Gog emphasised that improving the accessibility of SkillsFuture requires contributions from all sectors. For one, supportive workplaces and families are needed to help people undergo transition, which will be increasingly common in the fast-changing work environment. Supervisors and managers need to give employees the opportunities and time to learn, apply and practise.

The community, such as business groups, should come together to provide access, she added. For example, the culinary community in Singapore has had a strong tradition to support the younger generation of aspiring chefs. Another example are ground-up initiatives such as Repair Kopitiam that conduct community workshop on repairing appliances.

Lastly, large enterprises should also provide support for smaller SMEs that do not have the access and resources that they do. For example, ST Logistics has stepped up to provide training for other logistics companies on issues such as cybersecurity.

Question-and-Answer Segment

Q: How do we shift the normative understanding of success towards seeing it as a process rather than failure?

A: Mr Wong replied that Singapore needs to embrace a more inclusive definition of success beyond one's profession. Instead, success should be viewed as journey with ups and downs, setbacks, and obstacles, but one where we keep learning and improving. As a society, we need to realise that we will have multiple roles throughout our lifetime and will not stick to one career, he said. Singapore needs to embrace these evolving roles and support one another in the process.

Dr Gog added that she believes success is not about chasing the prize but knowing that someone else can benefit from our contribution. It is not mentioned enough but there are many people who are doing different things to help their community. She raised the example of an individual who started a Repair Kopitiam to teach others how to repair everyday household items.

Associate Professor Ho noted that there is a difference between individual success and social success. To individuals, they may have different ideas of what is successful, but for the broader society, success is helping those who are left behind or are struggling to move up. Helping others adds to the altruism-oriented life goals and contributes towards happiness. He said that Singapore should also look at alternative indicators beyond GDP, such as life satisfaction when it comes to measuring success. This is especially important for the next generation and we need to ensure that there is upward mobility and not just relative mobility.

Q: How do we move away from defining success only in terms of material success, particularly when we are heavily influenced by these dominant narratives on social media?

A: Mr Wong noted that no one has the answer to this, but we will need to acknowledge that basic needs remain important. The government will provide for some of these basic assurances, such as in the areas of housing and education and will strive to do more in terms of lifelong learning. The government will also need to consider how to compress the wage structure to reduce the wage gap, where everyone is paid fairly and decently. However, people are still very status-conscious, he said. Society should begin to adopt a sense of open-mindedness about different pathways. While it is not so easy to shift these mindsets, business leaders and community leaders can help in this process. Mr Wong further acknowledged that even in the new framework of success, there will still be some who struggle and meet setbacks in life. Society should put in place those safety nets to help them bounce back and to ensure that these setbacks are not passed down to and magnified for their children. Mr Wong also referred to Associate Professor Ho's presentation — that community leadership is negatively associated with individual well-being — and offered his hopes that people can serve in leadership positions in the community despite this. He added that though it takes some sacrifice, the fulfilment will outweigh the personal sacrifice.

Q: How do we balance between harnessing the benefits of AI and ensuring inclusivity and fairness in its implementation, especially in the workforce?

A: Mr Wong said that responsibility in AI usage is a broader conversation that needs to take place with other countries around the world. He added that there will certainly be technological disruption on jobs, but he believed that we will not end up in a dystopian future where humans become obsolete. In fact, each new wave of technology will create fear but will also create new opportunities. The government's biggest challenge is then about helping workers adapt to this new technology by reskilling and upskilling workers, especially as the impact of AI might be bigger than what we have seen before. This highlights the importance of SkillsFuture in reviewing how to lower the barriers and to build a culture of lifelong learning.

Dr Gog added that it is not about pitting technology against human, because behind all technologies are humans who are working to make things better, and that this potential is very exciting. She clarified that rather than causing job roles to disappear entirely, technology will change tasks within job roles. Hence, it is about getting workers to use these technologies to work better. Dr Gog made reference to the Industry Transformation Map and Job Transformation Map as resources that have identified how the workforce can change according to these needs and direct individuals to upskill in certain ways.

Associate Professor Ho added that technology is skill-biased and that we should pursue a directed technological progress. He expressed that the government, labour union, employers and researchers should come together to innovate so that the productivity of the workers can be enhanced. This should also benefit those in the middle, and not just the innovators.

Q: Singapore has been labelled as a nanny state but how should this change in the new revisited social compact?

A: Mr Wong explained that the government is currently focused on several areas, which will entail more spending. But they will need to also decide where to spend and how to design policies in a way that is effective and fiscally sustainable. He added that is not about being a "bigger nanny", but about providing a framework of assurances amidst greater uncertainties and volatilities, and opportunities for everyone to realise the Singapore dream. Ultimately, it is about keeping the high trust and solidarity in the Singapore society, he added, because trust is crucial in bringing Singapore forward in a challenging world.

Q: What is the role of the government in realising the new Singapore that we want to see?

A: Mr Wong said it is about having a broader conversation about what the Singapore story means. He added that it is not because we cannot deliver on the basics — good education and affordable housing remains the case. The government can continue to deliver that, but what needs to change is whether the Singaporean dream is one where we keep chasing after

the positional goods relative to one another. If Singapore keeps pushing in that direction, Mr Wong has doubts that Singaporeans will be happier; they will only be caught in a rat race and arms race, where everyone will be worse off. Mr Wong emphasised Associate Professor Ho's earlier point that participation in family and community is important. Although they are captured in GDP, these are equally if not more important. He concluded by saying that Singapore needs to be a city where the human spirit thrives.

Q: How do we approach the older generation with conversations surrounding Singapore's new social compact?

A: Mr Wong first clarified that there will be contribution from all segments of the population in the new social compact. He gave the example that employers can do things differently in terms of work culture and training, and individuals can contribute through volunteering, philanthropy and mentoring. As for seniors, Mr Wong noted that they have contributed much to Singapore and it is our turn to take care of them. This extends beyond affordable healthcare into issues such as long-term care arrangements for them after retirement.

Q: What about the role of the people in the revisited social compact?

A: Dr Gog suggested that individuals can come forward and contribute to the SkillsFuture collective as a mentor or coach in the workplace. From the business angle, there is significant incentive for large companies to help smaller companies. She added that all will stand to benefit through this increase the productivity.

Associate Professor Ho offered that one way is through taxes and subsidies, and another is through Corporate Social Responsibility (CSR) initiatives that allow different organisations to interact with one another.

Mr Wong said it is always beneficial to have more revenue, and that the government will have to think hard about how to allocate them to areas where there are greater societal needs to ensure fiscal sustainability. He noted that currently, Singapore already has a rather progressive system where the income generated from the higher income groups are allocated to those with greater needs. However, government remains committed to reviewing the system to make it fairer. Beyond government approaches, Mr Wong wished that everyone, especially those who have succeeded from the system, come to see that success is never an individual pursuit but a shared pursuit. By coming forward to help one another, Mr Wong said that we will go a long way to forging a new social compact.

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