

Govt will find ways to take care of S'poreans who can't work & contribute to CPF: Lawrence Wong

Wong was addressing challenges in the future of work, such as in providing retirement security for older workers.

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The government wants to assure all Singaporeans that they will be able to meet their basic retirement needs as long as they work and contribute consistently to their Central Provident Fund (CPF) accounts, said Deputy Prime Minister and Finance Minister Lawrence Wong.

Meanwhile, Wong reassured Singaporeans that the government will find ways to take care of those without the ability to work, or the runway to work and save through the CPF system.

It will also study how to help older workers who do not have enough time to save for their retirement through their CPF.

Three challenges

Wong was speaking at the Institute of Policy Studies' flagship Singapore Perspectives Conference on Jan. 16.

He summarised three main challenges related to work, the labour market and its workers, namely:

1. Future of work: Technological advancement and the consequent disruption of jobs and careers.
2. Security of work: Retirement security for workers, especially the older and lower-wage workers.
3. Reward of work: Providing fairer and equitable rewards for lower-income groups.

Government will take care of Singaporeans

In the face of expected disruptions and economic volatility, Singaporeans will find it increasingly difficult to consistently build up their CPF savings.

As such, the government will consider ways to bolster retirement security, and assure Singaporeans that they can meet their basic needs in retirement.

For instance, despite more recent enhancements in the CPF system, workers in their 50s and 60s may have "limited runway to work, save, and benefit" from the CPF system.

To help this group, Wong said the government "will study how best to help them meet their basic retirement needs".

Meanwhile, the government will continue to look after more vulnerable segments, such as platform workers and those with disabilities.

Wong noted that as long as Singaporeans continue to work, their CPF savings will act as a safety net during retirement. Those unable to work will be cared for by the government, he affirmed.

"Ultimately, we want to be able to assure all Singaporeans: as long as you work and contribute consistently to your CPF, you will be able to meet your basic retirement needs.

And for those who do not have the ability to work, or the runway to work and save through the CPF system, we will find ways to take care of you."

Better-paying jobs, but consumers must accept higher costs

In addition to giving existing workers peace of mind regarding their retirement needs, the government will also focus on providing fairer rewards for those still within the workforce.

Wong gave the example of median starting salaries, which for university graduates is almost twice that of their peers from Institute of Technical Education (ITE), and 1.5 times that of polytechnic graduates.

"And while some difference is understandable, too wide a gap can lead to problematic outcomes," Wong said.

As such, the government will pay more attention to jobs for ITE and polytechnic graduates, with the aim of making every profession "viable" and "rewarding".

To do so, there needs to be a mindset shift of what counts as 'good jobs', and a recognition of skills and competencies over "paper qualifications".

However, uplifting wages also means that consumers must be prepared to pay more for certain goods and services.

"Basically, we cannot demand for services delivered by our fellow citizens to be priced cheaply, and in the same breath lament their wages are too low. It's completely inconsistent," Wong said.

"I know this is not an easy conversation to have at a time when people are also concerned about rising prices and cost of living issues.

And that's why we will have to manage this economic restructuring carefully, and the government will do whatever we can to provide support during the transition."

Redouble investments in skills & human capital

Finally, amid transforming jobs and a continually evolving labour market, more attention needs to be paid to adult skills training, Wong said.

This is especially for older, mid-career workers. "The fear of being made obsolete is very real for them," he said.

In such a climate, adult skills training can pave the way to continued relevance.

As such, it should form a core pillar of the refreshed social compact.

Wong clarified:

"And this is not just about undergoing a half-day orientation course, but really going through substantive training that could last a few days or even weeks."

This training should also prepare workers to transition between jobs, without eroding the incentive to work.

Wong gave the example of unemployment benefits, where "displaced workers receive generous benefits".

"But they then find it more attractive to stay unemployed than to get back into the workforce," he explained.

On that thread, emphasis needs to be placed on re-employment support, which includes the provision of some "financial cushion" to workers while enabling them to upgrade their skills, and help to match them into new, suitable roles.

To that end, more innovative training programmes will be needed, specifically those which are curated and vetted to ensure their positive effect on employment and earnings outcomes.

Employers also need to step up to invest in and encourage the training of their workers.

"These are all major changes which we are thinking about to take our SkillsFuture eco-system to the next level, and to strengthen our system of lifelong learning and training," Wong said.

"So that's one big area that we are applying our minds on, and we will be reviewing and seeing what more changes and improvements we can do," he added.

Singaporeans must do their part to value all jobs

Ultimately, such changes cannot be administered solely at the policy level, but will also require buy-in from society.

"But importantly, each of us — parents, teachers, colleagues, and friends — all of us must do our part to recognise and value one another, and accord dignity and respect to everyone for the work that they do," he said.

Wong concluded:

"Work has evolved, and will continue to evolve. But good jobs and work will always remain a key pillar of our social compact in Singapore.

We will spare no effort to ensure that the labour market of the future offers benefits, opportunity, and security for all.

We will ensure that Singapore remains a place where everyone can progress throughout life; contribute meaningfully to society; and forge fulfilling and dignified lives, with greater assurance for today and tomorrow."