

## Singapore Perspectives 2023: Work Panel 4: Keynote Speech on the Role of Unions in the New Social Compact

By Melvin Tay and Shamil Zainuddin

The Institute of Policy Studies' annual flagship conference, Singapore Perspectives, seeks each year to engage thinking Singaporeans in a lively debate on the country's policy challenges. The theme for this year was "Work", with discussions focusing on how disruptions and trends in technology, socio-economic developments and Singapore's demographics would shape the future of work.

In this forum, National Trades Union Congress (NTUC) Secretary-General Mr Ng Chee Meng delivered a keynote address on how NTUC intends to champion workers' interests across life transitions and against the backdrop of the future economy. The ensuing Q&A session was moderated by Dr Mathew Mathews, Principal Research Fellow and Head of the Institute of Policy Studies' Social Lab.



*Caption for photo: NTUC Secretary-General Mr Ng Chee Meng delivering his keynote address at the IPS Singapore Perspectives 2023 Conference.*

## **Work, Strikes and Their Economic Impact**

Mr Ng opened his keynote talking about how work is an important part of daily life. It earns a living and can bring dignity and self-respect. Work is also an integral part of a societal compact, but there is currently a lot of social and political tension due to the unequal distribution of income and wealth. In Singapore, as in many other societies, there is a need to address this tension and find ways to ensure that work benefits all members of society.

As a result of such tension, many regions including Europe, America and Asia have experienced much industrial action, including strikes. These strikes have been caused by workers demanding better pay, welfare and work prospects, while employers complain about business conditions and costs.

Governments are often required to choose sides in these industrial actions, but this does not repair the damaged trust between the parties. Each time there is a strike, trust is further eroded.

In Singapore's context, it is important not to be complacent in nurturing tripartism, even though the country has enjoyed good labour management relations for many decades. In the past, industrial action was common in Singapore, particularly in the 1950s and 1960s, with 275 strikes taking place in 1955 alone, and where teachers, transport workers and nurses went on strike for better wages and welfare.

Today, in an increasingly unequal world with technological advancements that may replace workers, it is important to ensure that work benefits all members of society and continues to be an integral part of a refreshed social compact moving forward.

## **NTUC's Role in the Future of Work and Championing Workers' Interests**

The Secretary-General of NTUC spoke about the role that NTUC plays in the future of work in Singapore, where it must champion the interests of workers, including Professionals, Managers and Executives (PMEs) and freelancers, through a collaborative strategy with tripartite partners. This includes innovating with employers, transforming businesses and the workforce, and fostering a "just" transition to a green future economy in order to sustain productivity growth and improve wages, welfare and work prospects for workers.

NTUC is focused on championing workers' interests across the entire spectrum of the workforce in Singapore. To support lower-wage workers, NTUC has implemented the Progressive Wage Model (PWM) in various sectors, which provides better pay and an in-built skills ladder to increase productivity. PWM also helps reduce the income gap and foster a sense of social justice.

Additionally, NTUC has also worked towards raising the retirement and re-employment ages, as well as restoring CPF contributions for mature workers. In addition, NTUC is advocating for a level playing field for PMEs in the face of foreign competition and providing support for PMEs through unemployment benefits and skills training. NTUC is also working to improve the welfare and financial planning of vulnerable platform workers, and granting them the right to seek formal representation.

## **CTCs for Workforce Transformation**

Mr Ng then shared about how NTUC was setting up Company Training Committees (CTCs) with employer partners to foster business transformation and workforce transformation. The CTCs involve management and union leaders working together to match business plans to relevant skills mapping, redesign jobs and co-develop training plans to upskill and reskill workers, including PMEs.

The CTCs have been successful in building labour-management trust and partnership, and have been implemented in around 1,200 companies so far, including MNCs and SMEs. The CTCs provide a win-win solution by institutionalising training and leading to higher productivity, better business for employers, and better wages and work prospects for workers.

The initiative has received support from the government, with a \$100 million grant being set aside to support the CTC initiative and a goal of 2,500 CTCs by 2025.

### **A Just Transition**

In his conclusion, Mr Ng noted that the move towards a green economy brings both opportunities and challenges, particularly with regard to the future of work. One concern is the potential for large-scale and unfair replacement of workers.

NTUC hopes to proactively address this issue by working with companies undergoing transformation. One example is Shell Singapore, whereby the management, labour union and NTUC worked together to redesign and upskill current jobs, create new jobs and provide a fair package for workers whose jobs are to be made obsolete.

NTUC is also working with Temasek portfolio companies to apply the concept of “just transition” as they pursue a greener business footprint. This initiative will support both the companies and workers in a just transition, ensuring that workers are not left behind as businesses move forward to seize new opportunities. This is important for positive social, economic and political outcomes.

In sum, NTUC aims to work in a collaborative manner to achieve win-win-win outcomes for the country, businesses and working people. Additionally, NTUC has initiated the #EveryWorkerMatters Conversations to gather input from youth, workers, employers and partners.

### **Question-and-Answer Session**

**Q:** What are some of the things and big concerns that have surfaced in the ongoing #EveryWorkerMatters Conversations initiative? Could you provide us with an early read of some of those?

**A:** Mr Ng said that the main concern among workers is whether they would still have a job in the future, despite the current low unemployment rate and tight labour market. He mentioned that various worker segments have specific concerns, including career aspirations, financial planning, mental well-being for younger workers, and flexible work arrangements for caregivers. He also highlighted the importance of addressing the needs of different worker

segments and dealing with the ageing demographics that will persist for the next several decades.

**Q:** Do we and should we have some defined goals, not just inputs, in terms of outcomes for workers — such as a decent quality of life, financial adequacy and retirement adequacy?

**A:** Mr Ng said that NTUC is committed to improving the lives and livelihoods of workers. He mentioned that NTUC is involved in various initiatives, such as helping young people secure internships and proper coaching when entering the workforce and ensuring retirement adequacy for senior workers by restoring CPF rates. To cater to different sectors, NTUC collaborates with employers and the government to co-design policies. He emphasised that NTUC values the importance of work for the dignity and self-respect of individuals and encourages workers to stay engaged in work even after retirement. NTUC employs various strategies, including both high-level policies and grassroots efforts, to support and encourage individual workers.

**Q:** While there are benefits to tripartism, have there been examples of conflicts of interest where the union has failed to meet suitable resolutions in intervention with the government?

**A:** Mr Ng said that he had worked with Dr Robert Yap, President of the Singapore National Employers Federation (SNEF), on issues related to worker benefits and retirement age. He highlighted the need to find compromises and adjust plans based on how well the measures are working. Mr Ng emphasised the importance of trust and willingness to work together to achieve mutually beneficial agreements. He suggested that sharing more about the disagreements and negotiations that take place behind closed doors may foster trust with the public in this day and age.

**Q:** Few people would want to ride a bus driven by a 70-year-old bus driver or be operated on by a 70-year-old neurosurgeon. Can we consider other kinds of broader systems, like a universal state pension for everyone over 65?

**A:** Mr Ng said that NTUC is not a government organisation but has a symbiotic relationship with the party in government. He said that he cannot speak on behalf of national policies such as pensions and medical care. However, NTUC aims to ensure that every worker has sufficient retirement funds through initiatives such as the Central Provident Fund (CPF) and financial planning assistance through their social enterprise company. He also mentioned the promotion of active aging in the workforce, rather than simply providing passive income at retirement age. Mr Ng acknowledged that it is a challenging time for Singapore economically and socio-politically, and NTUC's role in tripartism involves not only protecting workers but also proactively partnering with companies and the healthcare sector to find the best solutions for all parties involved.

**Q:** What is NTUC doing for youth workers? The needs of this segment are very different, and NTUC's work seems to be more relevant for middle-aged and older workers. What is the role of unions for younger workers joining the labour force today?

**A:** Mr Ng said that the youth sector seems to be underserved and that a youth task force has been created with a younger director to engage 20,000 to 25,000 students and young workers to understand their needs. The top concerns for this group are career planning, financial

planning, and mental well-being. To address these concerns, NTUC is planning to form partnerships with IHLs and companies such as MBS, HP, and Energizer. The aim is to create value in this new space by matching students with desired companies. Mr Ng encouraged interested individuals to participate in this effort and become a youth leader in this new union space.

**Q:** How can unions do better in helping or protecting workers in the gig economy where stability is highly uncertain and volatile? Is there some strategy?

**A:** Mr Ng acknowledged that there is room for improvement in the space of protecting vulnerable platform workers. Although NTUC tries to protect these workers, it encourages them to consider more traditional employment with longer-term prospects. NTUC has partnered with the government and larger companies to implement systems to protect these workers and is proposing to work alongside them to institutionalise fair treatment and improve labour management relations in the long term. The goal is to find a win-win solution for both workers and companies involved.

**Q:** Another group of workers that people are increasingly concerned about is persons with disabilities. What would the union's role be in (or is the Union looking at) helping disabled workers?

**A:** Mr Ng said that the labour movement is trying to move special needs children into productive employment. Although it's challenging, some companies are designing jobs specifically for people with special needs that allow them to be productive. He shared an example of a young boy who was matched with a productive job at Hilton Singapore, where the management and union leaders took good care of him and boosted his confidence. Mr Ng believes that society needs to find a balance between productivity and the needs and dignity of those with special needs, and if business leaders embrace this and the government offers employment credits, we can promote productivity, dignity and social justice. He also believes that promoting productivity is a better philosophy than putting more money into social welfare without a trampoline effect back into society.

**Q:** What is the union's role in terms of cultivating a kind of workforce where you have people with very diverse backgrounds, with generational diversity? Is there anything the unions are looking to do to help build that kind of cohesion within our workforce?

**A:** Mr Ng emphasised the importance of inclusivity and diversity in union work, and his ultimate concern as a member of the labour movement is to ensure good wages, sufficient benefits, and a safe work environment. To communicate these goals to his colleagues and employers, he simplified them into the phrase "better wages, better welfare, better work prospects." Although union work involves much more than this, Mr Ng said this phrase captures the fundamental interests that they strive for.

**Q:** There are certain types of work that Singaporeans naturally do not seem to gravitate towards, or perhaps they're not really in that sector, such as F&B. NTUC has unions dealing with some of these sectors. Would you like to comment on that?

**A:** Mr Ng said that essential services play a crucial role in maintaining national capabilities but are often overlooked. NTUC is actively working with the government and businesses to bring

attention to these important roles and is implementing the progressive wage model to improve wages and create a clear career path for young workers. Mr Ng has also visited aviation companies such as Rolls-Royce and Singapore Technologies, that have made efforts to create a more comfortable and safe working environment for their technicians. He acknowledges that there is pressure to steer children towards traditional and successful career paths but hopes to change this mindset and encourage more Singaporeans to consider essential services roles.

**Q:** We see many news reports of entitled attitudes many locals hold, with regard to career opportunities and job spaces. Do you think the Singapore workforce is or feels very entitled? Will this impact what NTUC is trying to do in reskilling and retraining people?

**A:** Mr Ng said that Singapore cannot afford to be complacent as the world is constantly changing, and what worked in the past may not continue to be effective in the future. He believes that it is important to keep an open mind and be aware of the changing circumstances in the world. For instance, he mentioned that Singapore's airport has been successful in the past, but it is crucial to ensure that it remains relevant and competitive in the future by considering the needs of various stakeholders, cost structure, and expertise of workers in Singapore. Mr Ng emphasised the need to embrace changes and come up with innovative ideas to stay ahead of the competition and create the value that the world market desires. He said that NTUC is committed to working with businesses, unions, and the government to implement strategies and plans that will move the entire system forward.

**Q:** Given the competitive space we are in, more roles will be redundant, and people will lose jobs because of competition? Do you think it is time to introduce a form of unemployment insurance? Do you think Singaporean society is ready for it?

**A:** Mr Ng said that a good job is the best form of unemployment insurance. He emphasised the importance of maintaining Singapore's competitiveness at the micro level to benefit all Singaporeans. He suggested that this principle should guide all initiatives. He also expressed confidence in Singapore's brand, institutions, and capabilities, and suggested that maintaining good labour management relations and trust in unity will help Singapore navigate any challenges that arise.

**Q:** Will NTUC sanction a strike or industrial action at some point if it is needed?

**A:** Mr. Ng said that he had recently authorised preparations for industrial action at a company in the aviation sector that was treating workers unfairly. The issue was resolved through further negotiations, and he emphasised the importance of championing workers' interests through collaborative strategies. NTUC is proactive in supporting good initiatives and finding win-win solutions to avoid a vicious cycle of action and reaction. They are refreshing their social compact and engaging in the #EveryWorkerMatters Conversations to incorporate a wide range of views and build trust. NTUC recognises the challenges of operating in a changing world and is committed to working with employers to navigate these challenges and succeed in the short, medium, and long term. The ultimate goal is to create a society where the individual is at the centre of work and where trust and commitment are united in overcoming challenges and building a better future for all.

[Melvin Tay](#) and [Shamil Zainuddin](#) are Research Associates at the Institute of Policy Studies' Social Lab

Summaries of the transcribed Q & A Session were generated with ChatGPT.

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IPS is grateful to the following organisations for their support of IPS and Singapore Perspectives 2023:



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