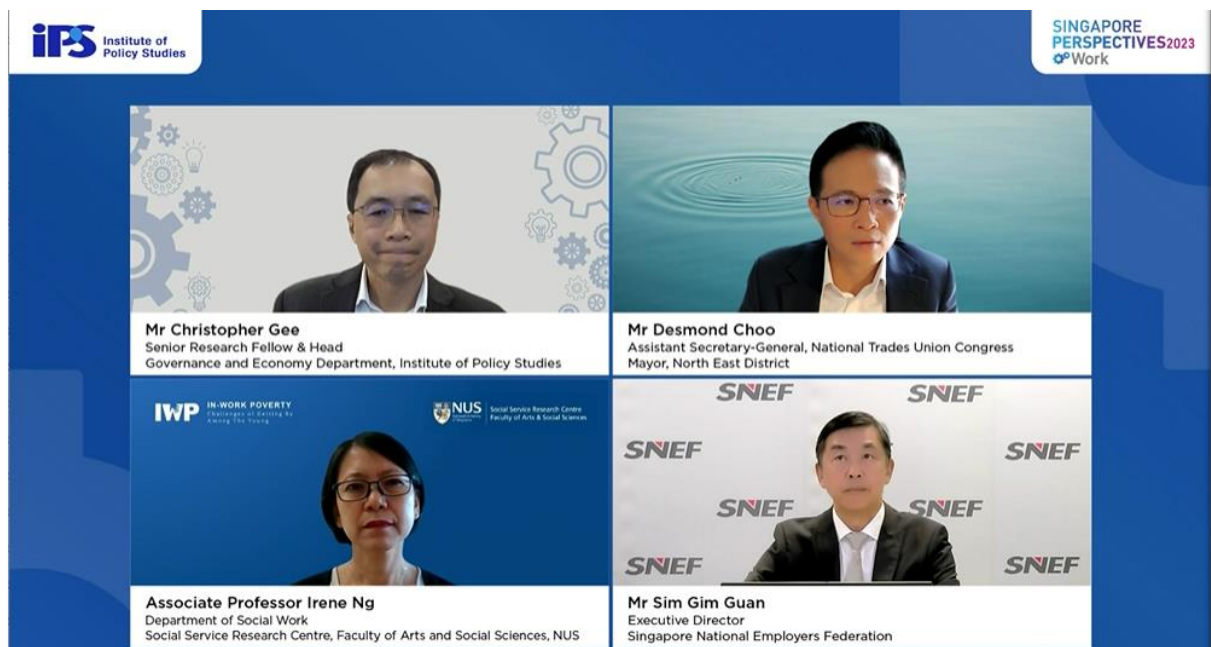


Singapore Perspectives 2023: Work Panel 5: The Changing Role of Unions

By Shane Pereira and Pamela Lee

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.

Panel 5 examined on how unions can remain relevant among major structural changes and the rise of new forms such as the platform economies. This panel was held virtually and was moderated by Mr Christopher Gee, Senior Research Fellow and Head of the Governance and Economy Department at the Institute of Policy Studies, and featured Mr Desmond Choo, Assistant Secretary-General and Director of Policy Division at National Trades Union Congress (NTUC); Dr Irene Ng, Associate Professor at the Department of Social Work and Social Service Research Centre at the National University of Singapore; and Mr Sim Gim Guan, Executive Director at Singapore National Employers Federation.



Caption for photo: Mr Desmond Choo, Associate Professor Irene Ng and Mr Sim Gim Guan discussing the changing roles of labour unions at Panel 5 of Singapore Perspectives 2023: Work.

Mr Christopher Gee opened the session with an overview of how the nature of work and workplace characteristics have changed significantly. These are underpinned by globalisation, digitalisation and new technology that have disrupted and propelled wide-ranging economic and business transformation.

Mr Gee highlighted that, following global trends, Singapore's labour force has likewise changed to suit this new environment with new modes of working that confound traditional labour organisation modes. With the pool of typical union members shrinking, there is a need to consider that the resident labour force here is rapidly growing.

Critical questions were raised regarding the role of the union movement in Singapore that features a unique tripartite model, such as:

- 1) How might tripartism be affected by these changes?
- 2) How might the role of union be redefined given the emergence of the new workforce and new modes of employment?

The Role of Labour Unions and the NTUC

Mr Choo spoke about the evolution of NTUC over the years to tackle workforce changes, changes in today's concerns, the implications of not being able to represent workers effectively, and what NTUC has done to support the needs of the new workforce better and build a more robust social compact.

He first explained that the union movement was formed in response to social injustices, workforce tensions and inequities. Unions are encouraged by our government to stop taking to the streets at every possible opportunity, but to move towards a more harmonious and constructive relationship. This is where tripartism has its roots, he added, and it led to win-win outcomes.

Singapore enjoyed almost uninterrupted growth throughout the years, said Mr Choo. People understood the roles of the unions, the government and the employers. As part of this compact, he added that Singaporeans understood that they had to give up certain things in exchange for something so that we are all better off together.

Over the past six decades, it was NTUC's compact with the workers of Singapore and with businesses that had helped to facilitate Singapore's economic growth. Mr Choo said NTUC has also evolved in building new tools to help workers. The Progressive Work Model (PWM) was conceptualised as a means to uplift the wages, skill levels and work prospects of workers. It has since been expanded to sectors such as lift and escalator services, waste management, retail and food services.

The social mission of moderating the cost of living continues to be relevant today, perhaps even more so in an inflationary environment, he added. Through FairPrice, Foodfare and First Campus, NTUC helps Singaporeans, including workers, manage grocery, food and education costs.

Changing Needs of Younger Workforce

Mr Choo spoke about the structural changes that Singapore and the tripartite partners will have to deal with, such as gig workers who are afforded little protection in long-term financial and retirement adequacy. He shared that we have about 200,000 such workers now and this is something we have to look at more seriously.

The younger workforce of today, which is increasingly more educated, also have changing needs and aspirations. For example, younger workers have a greater tendency to prioritise work-life balance and their mental well-being at the workplace.

There is a need for greater support for workers as they go through life transitions by protecting workers' employability — such as providing unemployment support so that workers have a buffer to upskill or search for better jobs should they find themselves out of work.

Giving Platform Workers the Right to Representation

Mr Choo noted that as more workers become self-employed, there is also a desire for them to organise themselves in order to better protect their rights and interests.

Without a change in legislation that will allow unions or associations to legitimately represent this group, they will continue to be vulnerable to the demands of platform companies, due to the limited bargaining power they have, and may find their own channels to express their discontent. Demonstrations are not a stable nor constructive means to ensure the protection of vulnerable groups, he said.

As the economy continues to go through structural changes, there is a likelihood of a two-track economy forming, where one group continues to enjoy growth in their wages and career, where another group sees a stagnation over time. This will give rise to growing anxieties and unhappiness, which could have a negative impact on our social fabric.

NTUC has sought to address some of these issues, such as championing for the representation rights of platform workers, encouraging training and upskilling, and actively engaging youths.

Additionally, as Singapore's population ages and there is a smaller base of workers to support them, some workers may also choose to work longer. NTUC wants to be able to support older workers who want to continue working to work for as long as they are able to, and to give those who have been working consistently the assurance of achieving a basic level of retirement adequacy when they choose to stop working.

Need for Stronger Safety Net and Changing Services

In his conclusion, Mr Choo said that the COVID-19 pandemic has shown that all workers are vulnerable to economic disruptions. A stronger social safety net (e.g., employment support) will go a long way in providing assurances to workers during periods of unemployment, so they can have a peace of mind to upskill for a better job.

The rapidly-changing, modern-day workforce dynamics require tripartite partners to evolve their thinking and services to stay relevant. Structural changes can deeply fracture Singapore's social compact. Thus, it requires deeper understanding of workforce issues, and changing the support to workers rapidly. NTUC's role within the national construct of tripartism is perhaps even more critical than ever to preserve and build Singapore's social compact.

Structural and Cyclical Challenges

Associate Professor (A/P) Ng spoke about Singapore's tripartite system in a global context, with insights from her study on "in-work poverty among the young" and the role of the union.

A/P Ng first discussed high income and wealth inequality in Singapore. In the era of high income and wealth inequality, inequality in Singapore is relatively high. The low-wage incidence in Singapore is higher than OECD economies. But while the inequality situation has

improved in Singapore in the past decade, low-income workers are economically more adversely affected by COVID-19, as the inequality situation has become more challenging to tackle. There is also a rise in non-standard forms of work; employment today includes more self-employed and platform work.

At the same time, there are also cyclical issues such as an impending recession, high inflation, and low but rising unemployment affecting Singaporean workers. If Singapore were to tackle the cyclical issues to save businesses, we might have to slow down the policies to tackle the structural issues. Tripartism is about balancing employment maximisation and wage maximisation, business interests and worker interests, and the needs of PMETs and non-PMETs.

In-Work Poverty Among the Young

In A/P Ng's "In-Work Poverty Among the Young" research study, conducted from 2020 to 2021, she surveyed Singaporeans aged 21 to 38, from low-income and low-educated to high-income and high-educated. The study found that there was a high wage premium for degree holders and above, and no wage premium for ITE graduates.

ITE graduates do not have a wage premium because many of them would, after graduation, work in the same jobs they did before they graduated; or they would work in jobs that required secondary education or lower. Considering the future of labour movement and the young labour force that will enter work, there is a need to pay attention to these lower-educated young people in low skills job. They are the minority but, nonetheless, potentially vulnerable.

The study also showed that lower-educated respondents were less likely to attend training and employer-sponsored training courses. It was also observed that training rates increased as education level increased.

Employers' priorities for training is also a key factor. Employers sent higher-educated employees for training, as reported in the publication, In the inaugural Singapore Labour Journal by NTUC whereby employers prioritised high-potential workers for training instead of those in need. While there is a national emphasis on training, unequal training participation could worsen inequalities in human capital and social mobility. Instead of giving opportunities to those who can already run fast, they should give opportunities to those who cannot run as fast.

However, A/P Ng noted that training is only one of the solutions. As DPM Lawrence Wong has stated, there is a need to value "heart" and "hands-on" work, and especially a need to value qualifications beyond the degree certificates. There is also a need to address wage correction. In correcting wages, a wage increase has to commensurate with productivity. Companies should look at organisational and industry-level productivity, rather than individual productivity.

Urgent Need to Narrow Wages and Job Conditions

A/P Ng concluded with the urgent need to narrow wages and improve work conditions. For the future workforce, an estimated 20 per cent will stop at ITE certification and less than 10 per cent will have secondary education and below. They will be in the PWM jobs. Increasing their wages will compel companies to innovate, increase workers' and loyalty, and improve their functioning at work.

If there is no narrowing of wages, no improvement of work conditions, and the structural inequalities today are not dealt with, future generation will suffer the consequences, she added. As such, tripartite partners should push ahead and address the structural challenge. Steps that should be taken include speeding up and expanding PWM.

As future jobs become less employment based, A/P Ng noted that we should think ahead and include the self-employed into labour laws and protection, find other ways to reduce cost and not wages, and strengthen collective bargaining towards wages for workers and non-PMETs.

The Employer's Perspective

Mr Sim spoke from the employer's perspective and shared about how SNEF was looking at the trends that were affecting the future of work and how agile employers could help develop a resilient workforce.

He explained that SNEF has built strong tripartism relations that allow tripartite partners to strive for win-win-win outcomes. SNEF seeks to forge consensus among employers even if they represent employers to seek and achieve tripartite consensus. While negotiations are not always easy, they have been able to consider the challenges the various stakeholder groups faced and find the way forward together. This has been amply demonstrated over the course of the last three years dealing with the COVID-19 pandemic, he noted.

Mr Sim also discussed the trends affecting the future of work: digitalisation, demographics, divides, deglobalisation and decarbonisation, or the 5Ds. Digitalisation and technology transformation accelerate the need for job design and skill development. Employers' response will also need to take into account demographic changes while trying to close the divide, navigate increased risks of geo-political tensions, and adapt to decarbonisation.

In the face of such changes, responses need to be dynamic and everchanging. The pace of change is relentless. This reinforces the importance for employers to be agile and for the workforce to be resilient, so as to navigate the environment successfully. Tripartite partners will need to evolve their thinking and services to stay relevant.

Working Together to Benefit Business and Workers

Mr Sim spoke about how NTUC and SNEF have worked hand in hand to achieve win-win scenarios. For instance, the PME taskforce is one where SNEF has worked with NTUC to look into recommendations that not only address the needs of the PMEs but also to meet the needs of the employers.

Mr Sim added that the need to focus on productivity is not only relevant in the context of the Progressive Wage Model, but the entire workforce. Productivity puts employers and workers on the same side and allows employers to support wage increases without eroding cost competitiveness; it also ensures workers their sustainable wage growth.

Question-and-Answer Session

Q: How does the labour movement or NTUC deal with concerns that it is too distant from the specific challenges workers face especially given that the workplace has been disrupted by the 5Ds?

A: Mr Choo said being distant from the ground or being perceived as distant really drives the NTUC to work. The foundation of providing good services and support requires NTUC to be very much in touch with what workers are feeling and to know what the workers need. Being able to marry that with the larger forces, and therefore providing something that works will help workers in the longer run.

Mr Choo shared that NTUC is aiming to achieve two things. Firstly, they are working towards better understanding the data they have and have initiated a digital transformation programme to help improve their work in this respect. Secondly, they are conducting activities such as the #EveryWorkerMatters Conversation, which will allow them to reach 35,000 workers and engage in meaningful conversations with them.

Mr Choo explained that the aim of these initiatives is to engage workers in the co-creation process and involve them in policy workshops, which are scheduled to begin in February 2023. He highlighted the importance of tapping into the views of workers in the policymaking process due to the complexity of the workforce.

Mr Choo also noted two challenges that NTUC faces in achieving its goals. The first is the need to "sense make" better and co-create better, which involves engaging partners and making sense of the findings regularly. The second is the difficulty in finding people with greater insights into how workforce issues are dealt with at the tripartite level. He emphasised the importance of involving more people in the policy-making process, including students, to better understand workforce dynamics.

Q: Given the tripartite model, NTUC has a close relationship with employers as well as the government. There is this reputation of a pro-business state that is less concerned about workers' welfare. Is NTUC able to work for the interest of the workers?

A: Mr. Choo stated that the NTUC has a very transparent process. He emphasised that if members felt that the NTUC was unable to serve their interests, they would leave. He acknowledged that maintaining trust is essential, and the success of the NTUC's work for workers would be reflected in their quality of life and livelihood in the long run. Mr. Choo noted that good jobs were essential for good companies and that without good jobs, unions were unnecessary. However, he emphasised that the NTUC would not forgo workers' rights and that workplace issues were now more transparent, and workers would leave companies that did not live up to their principles. He reassured that the NTUC was an independent process, which was crucial during National Wage Council negotiations, where tensions could run high.

Q: Will NTUC represent migrant workers as well? It seems strange that NTUC does not, since the conditions and pay of migrant workers affect those of local workers as well. Migrant workers are used by employers to push down local wages.

A: A/P Ng said that this is a question that social workers often ponder as well. While social workers are supposed to represent the voice of vulnerable communities, they also have to implement policies from decision-makers. They are aware of the trade-offs at the macro level, but still want to give a voice to the vulnerable. In Singapore, there is a tension between the decisions and power held by the elites and the self-organising efforts of workers. This hesitation is not only from the workers themselves but also from professionals who worry about how to organise them collectively without getting into too much trouble.

Q: What role do employers play in this process of helping themselves but also their employees in the environment that has been described — the "never normal". What can employers do beyond participation in the tripartite initiatives that have been described?

A: Mr. Sim said that companies need to understand their operating environment and the challenges they face. The government has developed the industry transformation maps (ITMs) to guide businesses and provide support through grants to help companies adopt technology to improve effectiveness, efficiency and productivity. Additionally, companies need to consider the impact of these changes on their existing workforce and address any training gaps. For instance, in the retail sector, SNEF is working closely with the Singapore Retailers Association to redesign jobs and incorporate technology to support business growth and success while

helping existing workers adapt to the changes. The aim of these initiatives is to support both businesses and workers, and SNEF is working with NTUC to bring together different grants and support measures to help employers navigate this journey.

Q: Employers have more agency and control over the overall transformation process, and there is this fear from the employees' standpoint that they will be sacrificed in the interest of sustainability in the future, how would you respond to that?

A: Mr Sim responded by emphasising the importance of a mutually beneficial relationship between employers and employees, stating that they should work together to ensure that both parties do better. While employers are the ones who employ the workers, employees exercise agency in choosing which company to work for. Mr Sim also noted that responsible employer practices are crucial for companies to attract and retain talent, which is essential for their sustainability. A/P Ng highlighted Singapore's high ranking in terms of digitalisation and business transformation but questioned whether the pace of change is too relentless for vulnerable workers to catch up. Despite efforts to consider the needs of workers, she pointed out that some may not even know what they are missing out on and therefore may not speak up.

Q: I agree that unions have done a lot in terms of inputs, such as developing initiatives, but could we be more specific about what the unions' expected outcomes are?

A: Mr Choo emphasised the importance of creating a system that benefits lower to lower-middle income workers and produces good jobs to help them enjoy economic gains. He also stressed the need for a compassionate system that helps those who fall out of the workforce to get back up, and for younger workers to have a say in changing workforce policies. A/P Ng sees unions as representing workers who may not have a voice or power to negotiate better wages and job conditions, with a focus on those who lack representation and are being left out of the nation's wealth. Mr Sim highlighted the importance of tripartism in Singapore, where close working relationships are maintained to advance the welfare of both businesses and workers.

Q: Some people think that educational credentials should not be used to determine salary level. Your thoughts? How does NTUC aim to inspire and motivate low-skilled workers, especially ITE graduates, to upgrade their skills and climb the social ladder?

A: Mr. Sim said that employers should focus on job roles and performance rather than paper qualifications when determining wages. He believes that training and upskilling workers can help them perform better and progress in their careers. A/P Ng finds it challenging to improve the employability and credentials of ITE graduates because of the low wages offered for the jobs they should be taking. She suggested understanding the data better to address the issue. Mr. Choo emphasised that better wages are necessary to improve the image and respect for certain jobs. He also acknowledged the importance of credentials for younger people, especially those from lower income backgrounds. However, he suggests being careful not to use credentials as a barrier to promoting or increasing the salary of capable individuals. Mr. Sim agreed that there needs to be a tighter linkage between skills acquired in tertiary education and what industry requires. He suggests that closer partnership between industry and schools would help students see how their skills can be applied.

Q: How can the government, private sector and union movement work together to use disruptive tech to help workers find new jobs and find new areas for employment? Could we extend that more broadly to workers of all types including gig workers?

A: A/P Ng shared that in her research on promoting universal digital access, the researchers interviewed low income, lowly educated people who faced challenges with technology and did

Singapore Perspectives 2023: Work | Panel 5: The Changing Role of Unions, Shane Pereira and Pamela Lee, *IPS Update*, April 2023

not even own basic devices. This highlights the digital inequality that exists and the need to provide workers with both devices and knowledge. A/P Ng suggested that digital knowledge and education should be taught at the level of numeracy and literacy, not just in schools, but also to adults who lack the necessary knowledge. A/P Ng expressed her hope that mass education can be rolled out to help people without this basic knowledge level up in terms of digital knowledge.

Mr Sim acknowledged that even primary school children are becoming more digitally savvy, and the digital divide is real. He believes that individuals also need to consider their career health, and there are resources available to help them do so. The SkillsFuture credit is one such resource provided by the government, and individuals need to be more deliberate about using it to improve their outcomes. In addition, SNEF has developed the 'Structured Career Planning Guide' in partnership with MOM to encourage employers to have conversations with their workers about their career trajectories and what steps they can take to be more prepared and resilient.

Q: Flexible work arrangements allow workers, especially women, to contribute meaningfully. COVID-19 has proven that we do not need to be physically present, but some employers still request this. What is NTUC's view and how do we reach a win-win?

A: Mr Choo emphasised the importance of flexible work arrangements, especially in Singapore where there is a growing middle-aged population with childcare and eldercare responsibilities. He believes that if this issue is not addressed, it may cause stress and result in middle-income workers dropping out of the workforce. Additionally, Mr Choo sees flexible work arrangements as a strategic strength for companies that can provide an active workforce and position themselves to succeed in the war for talent. He also suggests looking into legislation for caregiving leave to support the aging population and to foster deeper discussions and reviews of companies' practices.

Mr Sim added that companies implementing flexible work arrangements are better able to address the needs of their employees and access a wider pool of talent. However, he notes that there are challenges in implementing these arrangements, such as workplace culture and team effectiveness. He urges companies to adapt to the changing workforce expectations and to consider guidelines in implementing flexible work arrangements rather than relying on legislation.

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