



Social Service Research Centre
Faculty of Arts & Social Sciences



IN-WORK POVERTY
Challenges of Getting By
Among The Young

Singapore Perspectives: WORK

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Presentation Outline

1. Singapore's tripartite system in global context
2. Some insights from research study "In-Work Poverty Among the Young"
3. Discussion on the role of unions

THE STRAITS TIMES

French Christmas train strike provokes fury, travel woes



Two out of three trains will run in France this Christmas weekend because of the strike. PHOTO: AFP

THE STRAITS TIMES

London's restaurants are emptiest since Omicron due to crippling strikes



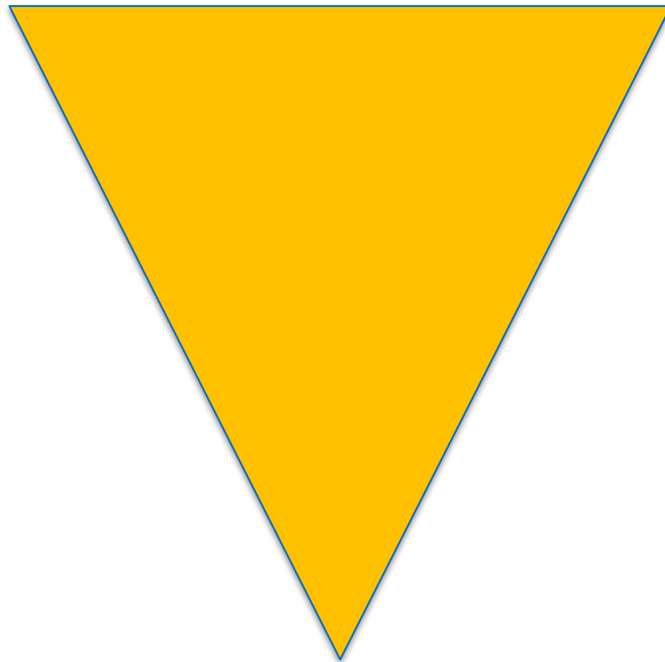
A nearly empty London Bridge station. Restaurant bookings have collapsed, as strikes force Londoners to stay put. PHOTO: REUTERS

UPDATED 16 DEC 2022, 3:11 PM SGT

Singapore's Tripartite System

Government

Employers



Employees (union)

Singapore's tripartite wage setting model maximizes employment rather than wages (Chew & Chew, 1995)



Advantages

- Low unemployment
- Minimal industrial disruption
- Favourable business environment

Disadvantages

- Poorer wages and job conditions

Global and Local Challenges

High income and wealth inequality

STRUCTURAL

High low wage incidence

More non-standard forms of employment

High inflation

CYCLICAL

Impending recession

Low but rising unemployment

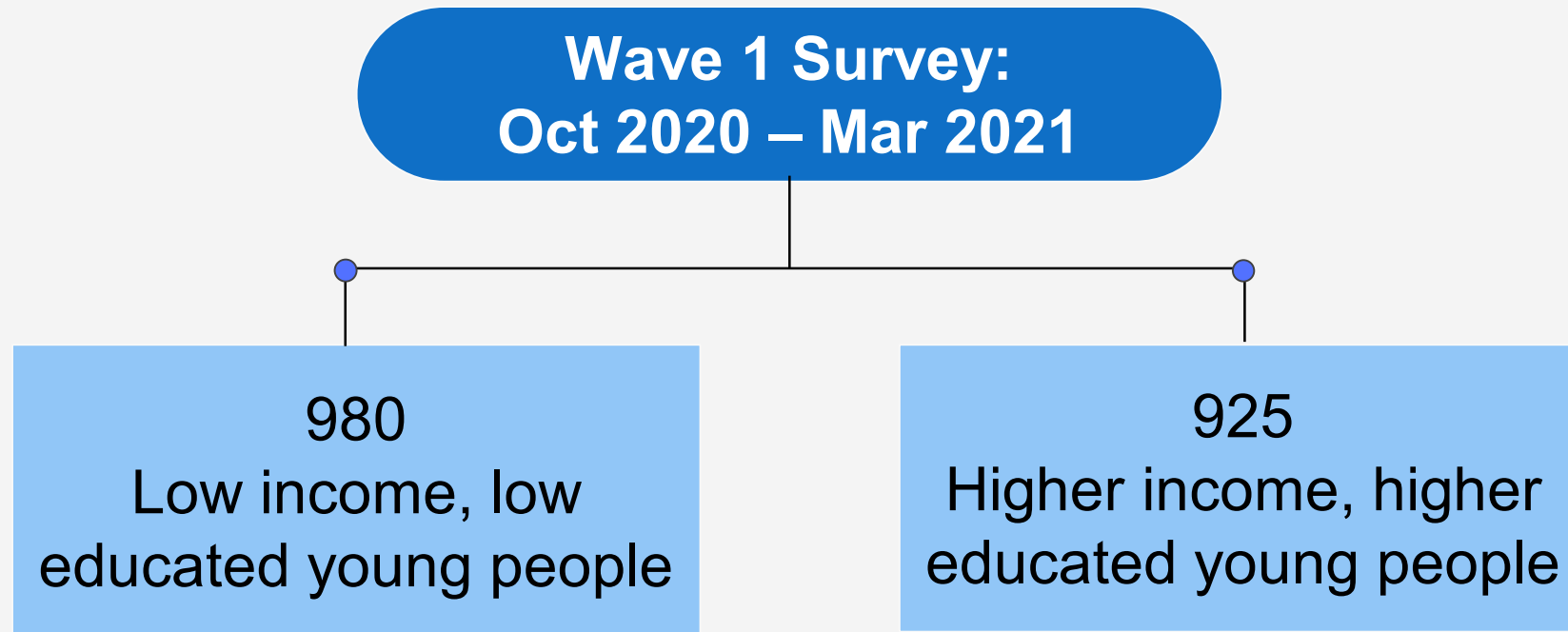
Tensions

Employment maximization **versus** wage maximization

Business interest **versus** worker interest

PMETs **versus** non-PMETs

In-Work Poverty Among the Young (Singaporeans aged 21-38)



Total monthly earnings (gross) by education level

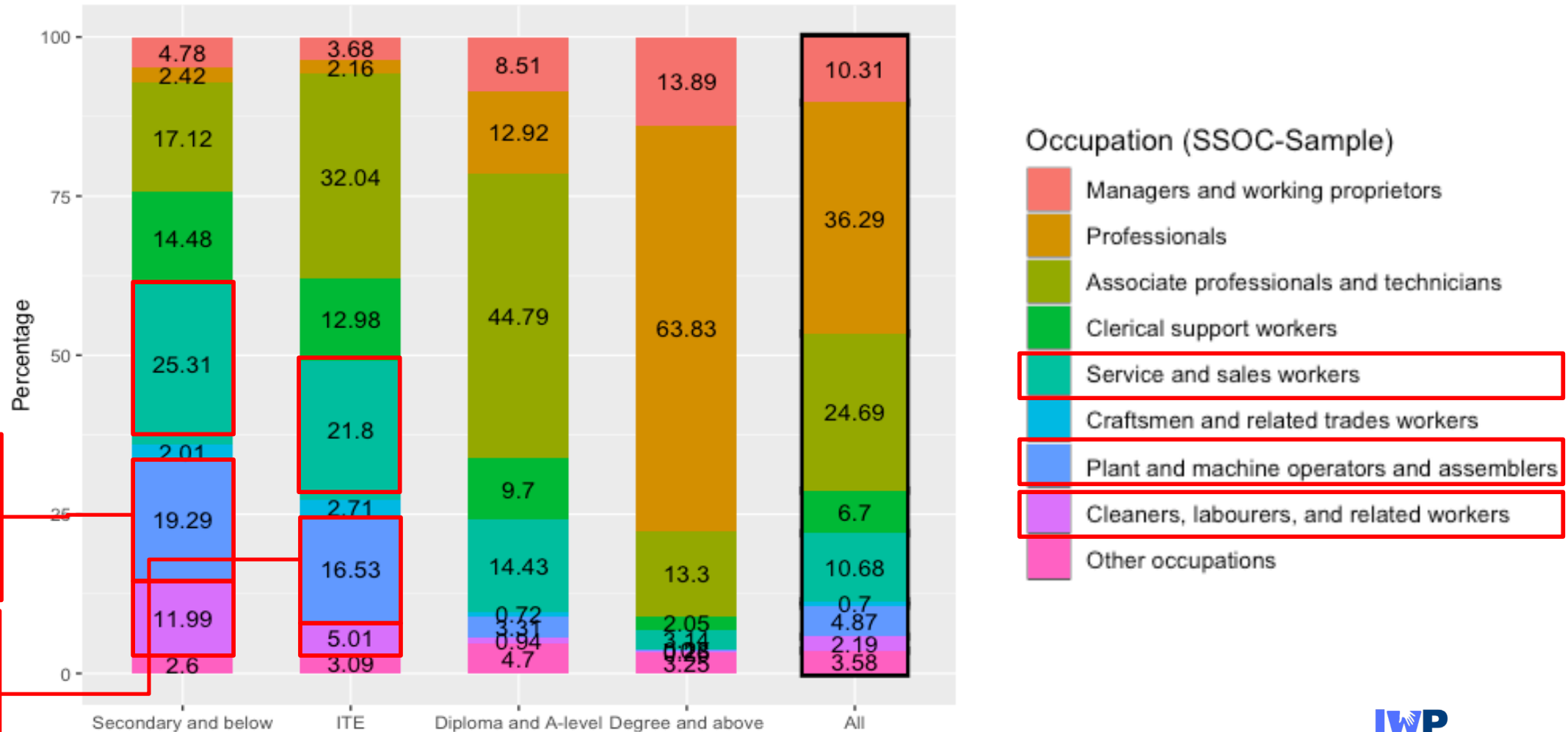
	Secondary and below	ITE	Diploma and A-level	Degree and above	All
Mean	2,221	2,104	2,829	4,753	3,664
Median	2,000	2,000	2,600	4,200	3,225
Difference in Medians	-	0	600	1,600	-

High wage premium of degree

No wage premium of ITE certificate

Occupation status

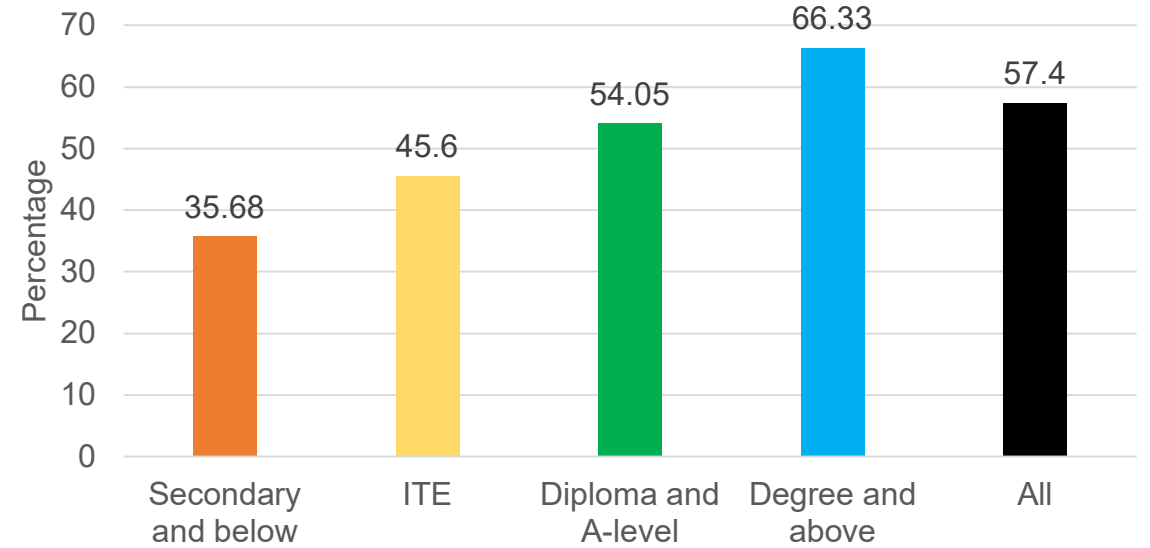
Higher educated have higher occupational status.



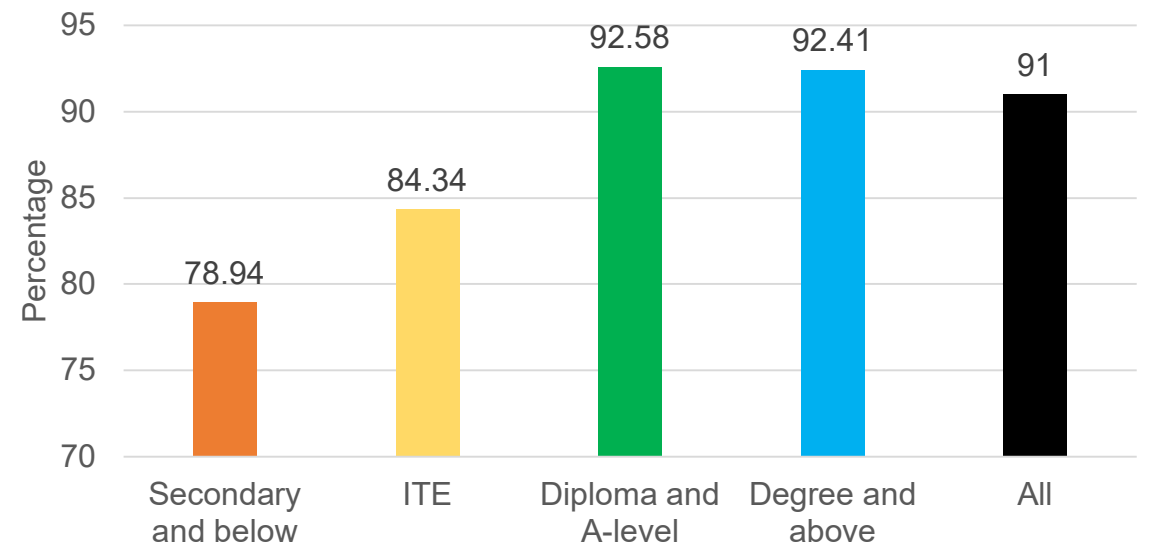
Skills and discretion: Employees' training

Lower educated respondents are less likely to attend training and attend employer-sponsored training courses.

Proportions who attended training



Proportions of employer-sponsored training



Yang, Kang, Seah & Seet (2022)

[In the inaugural Singapore Labour Journal by NTUC]

Table 5. Employers' Priority in Training

	Percentage (%)
High potential workers	44.9%
Workers with skills gaps	14.5%
Younger workers	13.5%
Mature workers	10.6%
New workers	9.9%
Experienced workers	6.9%

But training is only one of the solutions

- DPM Lawrence Wong: Need to value “heart” and “hands-on” work
- Need to value beyond the degree certificate

⇒ **wage correction**

⇒ Beyond individual productivity

⇒ Organizational/industry-level productivity

FOR SUBSCRIBERS

Daily-rated workers no more: A look back at their contributions after scheme ends

A long-running scheme that saw blue-collar workers paid daily has come to an end. Insight looks back on their contributions.

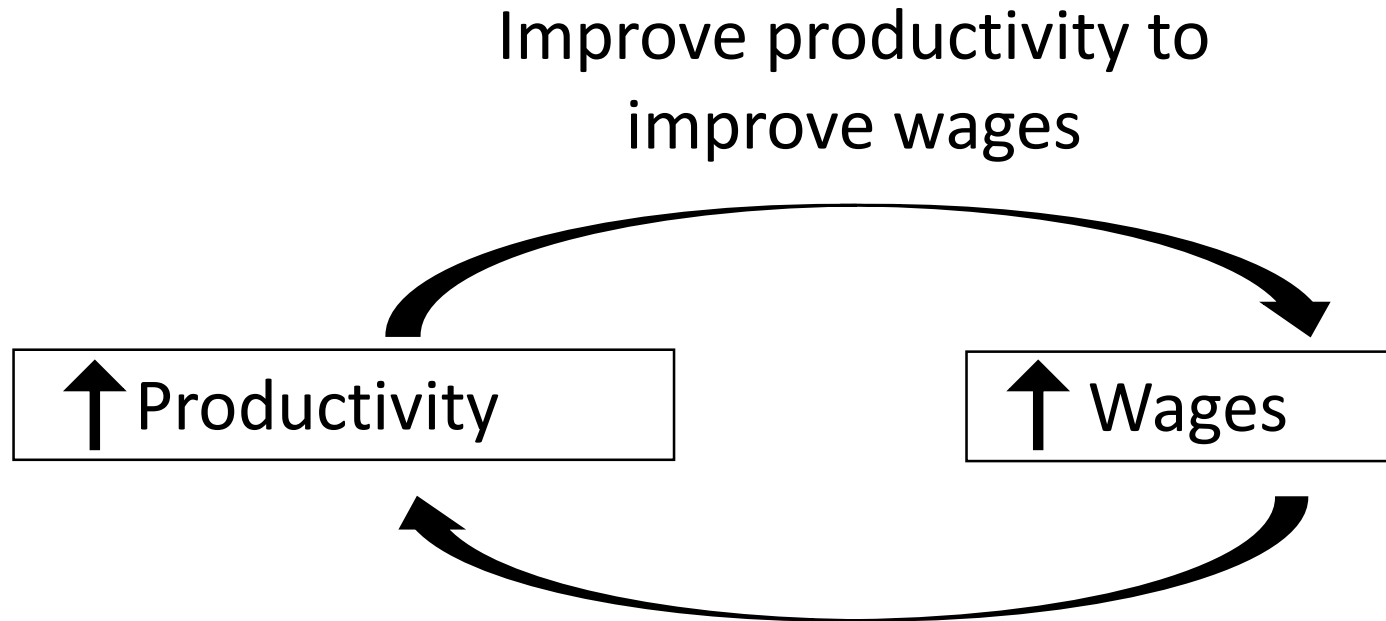


Mrs Tan Siew Tin cleans and sweeps at the West Coast Place Playground for a living. She began the job 28 years ago as a daily-rated worker. ST PHOTO: GIN TAY



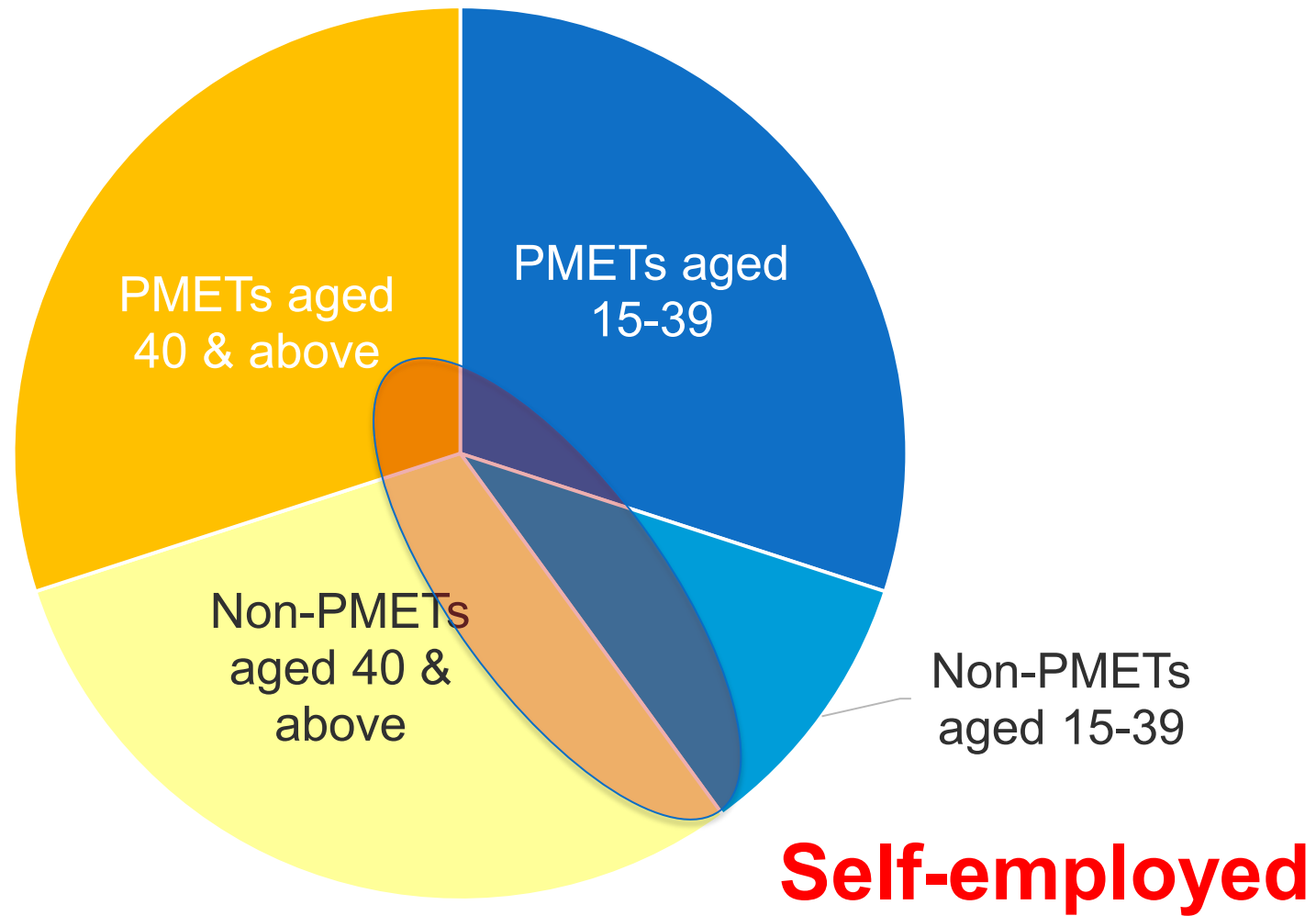
Ng Wei Kai

Circularity in improving wages and productivity



- ↑ Wages compel innovation
- Efficiency wage theory: ↑ wages ↑ effort and loyalty
- Poverty impairs function: ↑ wages ↑ function

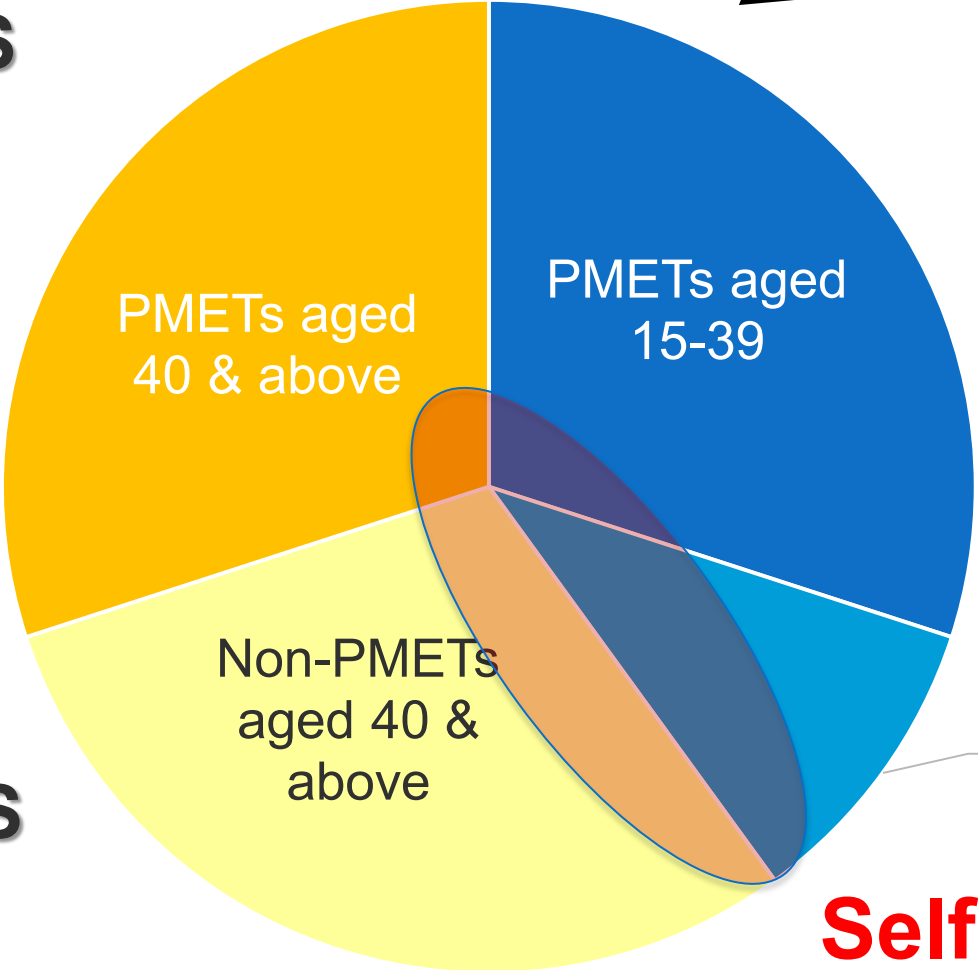
Who to represent?



**INDUSTRIAL
WORKERS**

PMETs

?



THE TRADES

Self-employed

Global and Local Challenges

High income and wealth inequality

STRUCTURAL

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CYCLICAL

Impending recession

Low but rising unemployment

Strengthen collective bargaining towards

Employment maximization versus **WAGE** maximization

Business interest versus **WORKER** interest

PMETs versus **non-PMETs**, including the **self-employed**