

# IPS Singapore Perspectives 2023: Work

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# Quotes from Alfred Marshall

“For the business by which a person earns his livelihood generally fills his thoughts during by far the greater part of those hours in which his mind is at its best; during them his character is being formed by the way in which he uses his faculties in his work, by the thoughts and the feelings which it suggests, and by his relations to his associates in work ...”

“... the steadiest motive to business work is the desire for the pay which is the material reward of work.”

# Outline

- Productivity growth is almost everything
- General and firm-specific training: Who pays?
- Diversity: Aligning job preferences to comparative advantage
- The green economy in the midst of demographic transition: Creative destruction and new job opportunities
- Meaning in work: Job satisfaction and a dynamic and innovative economy

# Productivity growth is almost everything

Over the long run, what drives the growth of wage earnings is the growth of total factor productivity.

A productivity growth slowdown in the Western economies has an impact on the economies in the rest of the world, including the Singapore economy.

# General and firm-specific training: Who pays?

There are two types of skills that can be acquired when one has already entered the workforce: General skills are useful both to a worker's current firm as well as at other firms and firm-specific skills that are useful only if a worker stays at the current firm.

# Diversity: Aligning job preferences to comparative advantage

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An important idea from the assignment model of matching workers' skills and abilities to job tasks is that a competitive labour market results in workers with different skill levels to be matched to job tasks of different complexities based upon comparative advantage.

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However, if workers' job preferences shift for reasons unrelated to comparative advantage, then the allocation of workers in the economy will not be socially optimal.

# The green economy in the midst of demographic transition: Creative destruction and new job opportunities

The transition to a green economy in Singapore, however, takes place in the face of a demographic transition given the persistent below replacement total fertility rate.

If technological progress is the result of innovative ideas being created by people, then there is a concern that a decline in the size of the workforce leads to a decline in the growth of innovative ideas.

# Meaning in work: Job satisfaction and a dynamic and innovative economy

When workers across the whole economy find their work meaningful and are ready to think constantly about how to do their work better in novel ways, the result can be higher job satisfaction and a boost to aggregate productivity growth.



The background features a series of overlapping, semi-transparent geometric shapes in various shades of blue, ranging from light sky blue to a deep navy blue. These shapes are primarily triangles and quadrilaterals, creating a dynamic, layered effect. The shapes are positioned on the right side of the frame, extending towards the center. The text 'Thank you' is centered in the white space on the left.

Thank you