

## Do more to address starting salary gap between graduates of different institutions: DPM Wong

**Goh Yan Han**

**The Straits Times**, 16 January 2023

SINGAPORE - Singapore can do better to address the gap between the starting salaries of university graduates and those of Institute of Technical Education (ITE) and polytechnic graduates, said Deputy Prime Minister Lawrence Wong on Monday.

Today, the median starting salary for university graduates is about twice that of ITE graduates and about 1½ times that of polytechnic graduates, he said.

He was addressing the need for Singapore to reward work more fairly and equitably, even as income inequality, measured by the Gini coefficient, has steadily come down over the last decade.

“While some difference is understandable, too wide a gap can lead to problematic outcomes,” he said, citing examples such as graduates who choose not to enter vocations they have been trained for, or some who feel pressured to pursue a degree not aligned with their strengths or interests.

“It also becomes harder to match the right persons with the right skills to the right jobs. And all this compounds the sense of a continuous rat race and paper chase, adding to the worries and anxieties of Singaporeans.”

Left unaddressed, these can result in people feeling resentment or that the system is unfair, leading to frayed social cohesion as seen in other countries, he added.

Speaking at an Institute of Policy Studies conference focused on the topic of work, Mr Wong said Singapore has to invest in quality jobs and make every profession viable and every pathway rewarding, including a focus on jobs for ITE and polytechnic graduates. This involves working with business partners to provide them with more industry exposure and work-study opportunities in their industry of choice, and addressing the issue of their starting salaries and career progression.

He noted that some years back, it was found that many ITE students who were trained as lift technicians were not entering the industry, and were doing other jobs after graduating. Their starting salaries were too low – \$1,300 in 2016 – but were 40 per cent higher at \$1,850 in 2022, thanks to the Progressive Wage Model, and are set to increase further over the next few years, he said.

To improve job prospects across all fields, the Government will continue to expand the Progressive Wage Model to cover more areas with lower-wage jobs and will also look into helping other sectors, said Mr Wong.

“This is not just about reshaping the labour market; it’s also about shifting our perceptions towards work, and embracing a broader definition of what counts as ‘good jobs’; for us to recognise skills and competencies rather than be overly focused on paper qualifications,” he said.

To do so, employers have to do more to hire, train and recognise all workers without pigeonholing or holding them back unfairly based on starting qualifications.

Consumers must also be willing to pay more for certain goods and services to uplift the wages of those who provide them, said Mr Wong, acknowledging that this is not an easy conversation to have at a time when people are concerned about rising prices and cost-of-living issues. "The Government will do whatever we can to provide support during this transition."

He noted that there is always a temptation for people to compare themselves with others, and some of this can help drive healthy competition and a desire to improve, but sometimes they are motivated by the wrong reasons, such as to acquire status and social prestige.

For example, there was a recent online social media debate about luxury bags and what is deemed "branded", while some continue to prefer "branded" jobs that supposedly confer higher status in life.

He said: "I wish things were different. But I am a realist, I know it's not going to be easy to change these mindsets. But we should all try to appreciate and recognise one another for who we are."