

Consumers must be willing to pay more in order to raise wages, but difficult issue to tackle amid rising living costs: DPM Wong

Justin Ong

TODAY, 16 January 2023

- People cannot demand for services delivered by fellow citizens to be priced cheaply and lament that their wages are too low, Deputy Prime Minister Lawrence Wong said
- The issue is not an easy one to tackle, especially at a time when people are also concerned about rising costs, he said at a forum
- Employers can do more to hire, train and recognise all workers, not hold them back unfairly based on their starting qualifications, he added
- Mr Wong urged everyone else to "value one another, and accord dignity and respect to everyone for the work they do"
- As more disruptions and volatility are expected, the Government will "consider what we can do together to help Singaporeans better meet their retirement needs", he said

SINGAPORE — Consumers here must be willing to pay more for certain goods and services in order to raise the wages of those who provide them, Deputy Prime Minister Lawrence Wong said on Monday (Jan 16).

"Basically, we cannot demand for services delivered by our fellow citizens to be priced cheaply and in the same breath, lament their wages are too low," Mr Wong said at a conference on the perspectives of work organised by the Institute of Policy Studies (IPS).

Mr Wong, who is also Minister for Finance, was speaking again about the concerns he raised last year on the growing divergence in salaries between workers of different educational backgrounds.

This, he said then, could lead to Singapore placing too much of a premium on intellectual work, while undervaluing technical, service and community care roles.

Mr Wong acknowledged on Monday that the issue is not an easy one to tackle, especially at a time when people are also concerned about rising costs.

"That's why we will have to manage this economic restructuring carefully, and the Government will do whatever we can to provide support during the transition," he said.

Mr Wong said that the economic restructuring process is not just about reshaping the labour market.

"It is 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."

A study by IPS released on Monday showed that professionals, managers, executives and technicians are more likely to find meaning and purpose in their work than those in vocational roles.

Mr Wong said that everyone in society has to play his part.

Employers can do more to hire, train and recognise all workers, not pigeonhole or hold them back unfairly based on their starting qualifications.

Consumers should be willing to pay more for goods and services to raise the wages of those who provide them.

Everyone else — including parents, teachers, colleagues and friends — can also "do our part to recognise and value one another, and accord dignity and respect to everyone for the work they do", he added.

Mr Wong said that there is always a temptation to compare with others and to see who is "better", but sometimes, these comparisons are motivated by the desire to acquire status and social prestige, and these are "wrong reasons".

He alluded to the recent case of a 17-year-old TikTok user who was lambasted online for labelling an S\$80 bag a "luxury bag".

"We saw this recently when there was a social media debate about luxury bags and what is deemed 'branded'... it extends to other areas, too."

For instance, there continues to be parental preferences for certain "branded" or top schools, even though the Ministry of Education has said that "every school is a good school".

There also continues to be a preference for "branded" jobs that confer higher status in life, he said. Even within an industry, there is sometimes a perception of a hierarchy of jobs, with some areas deemed more prestigious than others.

"I wish things were different," Mr Wong continued. "But I am a realist and I know it's not going to be easy to change these mindsets."

He added that everyone should try to appreciate and recognise one another for who they are and that "at the end of day, everyone is different; we are each blessed with unique gifts and talents".

"There's no need to compare with others... The only comparison we need to make is an internal one — to focus on our own lives; to keep learning, improving and, ultimately, to be better versions of ourselves."

In his speech, Mr Wong touched on challenges facing the workforce in the future, such as how technological advancements in the workplace may lead to some people being left behind.

He said that the fear of being left behind is "very real" and especially daunting for mid-career workers who have to switch to a new field.

He added that the Government will need to "review our policies and strengthen our institutions to ensure that work remains a central way for Singaporeans to thrive".

Mr Wong also spoke about retirement adequacy in a future where some Singaporeans may find it harder to consistently build up their Central Provident Fund (CPF) savings.

He said that the Government has "evolved" the CPF system over the years to help Singaporeans earn and save more for retirement.

As more disruptions and volatility are expected, the Government will "consider what we can do together to help Singaporeans better meet their retirement needs", he added.

HARD WORK AND WORKPLACE CULTURE

In a dialogue at the conference after his speech, Mr Wong elaborated on his point that Singaporeans should avoid making "unhealthy" comparisons with each other, saying this does not mean that they should be working any less hard in their respective fields.

"It doesn't mean that we work less hard... that we sit back and smell the roses," he said. "As a small, open economy, we will have a very competitive economy, and we will have to work hard to make a living and stay relevant — that is the reality.

"But, we don't have to make things worse, on top of all that, by having these invidious comparisons with each other," he added.

Responding to a question from an audience member on how cultural shifts may take place in the workplace to make it more future-ready, Mr Wong said that even if policies change, mindsets also need to change, and that it takes more time for mindsets to change.

"But we shouldn't be too pessimistic... the change can happen, but we must be patient and recognise that there are many stakeholders in this eco-system."

He said that, for example, there is a lot of talk of employers having to change their mindsets with regard to how they treat employees in terms of benefits, training opportunities and salary, but not all companies will approach the issue the same way.

The multi-national corporations (MNCs), for instance, are generally progressive, and have the "resources and bandwidth" to update their human resource policies.

However, MNCs represent just a small part of the corporate landscape here, he said.

For small- and medium-sized enterprises, their primary concern is survival and business costs.

"They will say that if I raise salaries more, I can't survive, I can't make a profit and I have to close," Mr Wong said.

"That's why I think navigating change in any society is always a complex endeavour, it's never so straightforward... you don't always just move linearly.

"You need engagement, you need negotiation... In the end, we have to learn to compromise."

During the question-and-answer session, Mr Wong also touched on inclusive workplace policies and how discrimination at work would be codified into law, as well as how fathers can play a bigger role in taking care of their young children so that caregiving duties are equalised.

He also said that with Singaporeans living longer lives, more people have expressed their desire to work longer as long as they are healthy.

"Work is more than just a source of income. Work provides dignity and purpose," he said. "There is something fundamental and important about work."