

Singapore's Tripartite Approach in Addressing the Future Economy and Future of Work (draft)

Background

Industrial relations in Singapore were confrontational in the 1950s and early 1960s, with high unemployment, poor working conditions, and social unrest. Independence, thrust upon Singapore in 1965, created an historic turning point.

Faced with a dire economic situation and limited resources, industrialisation was imperative for our survival as a new nation. The crucial challenge was to attract and retain foreign investment to create jobs for Singaporeans, and to achieve sustainable growth and development

Towards this end, trade unions affiliated to the National Trades Union Congress (NTUC) supported the government's call to move away from the traditional adversarial unionism and confrontational labour-management relations, with a shared conviction to strive for industrial peace with justice.

A new spirit of tripartism was thus born, with the government, a responsible labour movement, and enlightened employers adopting a consultative problem-solving approach to address the challenges of industrialisation for the mutual benefit of employers, workers, and society.

Over the years, numerous tripartite committees, comprising representatives from the NTUC, the government, and the Singapore National Employers' Federation (SNEF), were set up to address multi-faceted social and economic issues faced by country (See Annex 1 for list of tripartite committees).

Future Economy and Future of Work – Singapore's Response

In January 2016, the government formed the Committee on the Future Economy (CFE) to develop economic strategies to position Singapore for the future – to be a vibrant and resilient economy with sustainable growth that creates value and opportunities for all. The 30-member CFE was helmed by Minister for Finance Mr Heng Swee Keat and his deputy chairman, Minister for Trade and Industry (Industry) Mr S Iswaran.¹

The CFE set up five sub-committees to review key issues in depth. These sub-committees studied the changes in the regional and global economic landscape and our domestic environment, and how companies and workers in Singapore can adjust and innovate:

- i. The sub-committee on **Future Corporate Capabilities and Innovation** would recommend strategies to enable companies and industry clusters to develop innovative capacities, and use technology as well as new business models and partnerships to create value. It would examine these in relation to MNCs, LLEs, SMEs and Start-ups, and the interaction among them within and across industries;
- ii. The sub-committee on **Future Growth Industries and Markets** would consider macroeconomic and technological trends, and Singapore's comparative advantages in industries and markets that would drive the global economy of the future. It would identify priority clusters and markets, and recommend strategies to grow them;
- iii. The sub-committee on the **Future of Connectivity** would study how Singapore could remain well-connected as a competitive key hub in the future global economy, taking into account trends that would affect how the global economy is configured;

¹ NTUC was represented by Mr Chan Chun Sing (Secretary-General) and Ms Cham Hui Fong (Assistant Secretary-General)

- iv. The sub-committee on the **Future City** would study how Singapore could continue to sustain new growth opportunities as a leading global city and endearing home, by enhancing its infrastructure, overcoming resource constraints, and ensuring a highly liveable environment;
- v. The sub-committee on **Future Jobs and Skills** would examine the trends, including demographic and technological ones that would affect the landscape for jobs and the requirements for workers, and recommend ways to prepare Singaporean workers for the future.

The CFE issued its report in February 2017 after consultations with more than 9,000 workers, unions, companies, trade bodies and others. The report outlined seven strategies for Singapore to stay ahead in a challenging global climate. These recommendations aim to help the country stay open and connected, ensure its people acquire skills for future jobs, and help companies scale up through innovation and transformation:

- i. Deepen and diversify our international connections
- ii. Acquire and utilise deep skills
- iii. Strengthen enterprise capabilities to innovate and scale up
- iv. Build strong digital capabilities
- v. Develop a vibrant and connected city of opportunity
- vi. Develop and implement Industry Transformation Maps (ITM)
- vii. Partner one another to enable growth and innovation

Singapore Labour Movement and ITM

As early as April 2016, the government launched a 5-year S\$4.5b Industry Transformation Programme to develop integrated ITMs for 23 industries under 6 clusters (Refer Annex 2) covering 80% of Singapore's GDP. A Council for Skills, Innovation and Productivity (CSIP)² would take overall responsibility for the implementation of the ITMs. Each ITM would consist of a growth and competitiveness plan, supported by four pillars:

- i. Productivity
- ii. Jobs & Skills
- iii. Innovation
- iv. Trade & Internationalisation

The government has acknowledged that industry transformation required deep partnership between large and small companies, public research institutions, education and training providers, as well as unions, trade associations and chambers, and respective government agencies.

To date, 7 ITMs have been launched covering Precision Engineering, Air Transport, Logistics, Food Manufacturing, Food Services, Hotels, and Retail.

To facilitate tripartite consultations for ITMs, NTUC has set up the Industry Transformation and Productivity (ITP) team to coordinate strategies across the Singapore labour movement. It has been engaging union leaders and branch officials through "future-ready" workshops that discuss topics such as emerging trends and mindset shifts.

To prepare workers who may be displaced with technology, the various sub-committees, together with the tripartite partners are looking at re-defining the jobs and creation of new roles in order to bridge the skills gaps these workers have. Workers are also encouraged to embrace technology and

² NTUC is represented by Ms Mary Liew (President), Mr Chan Chun Sing (Secretary-General)

automation as a tool for better productivity. Workers who are inevitably made redundant are supported through various tripartite guidelines on managing excess manpower to ensure a “soft” impact on such probable retrenchment.

NTUC is also leveraging on its Employment and Employability Institute (e2i) to support skills training under the ITMs to enable working people to upgrade and/or deepen their skillsets. Displaced workers are also encouraged to make use of the services in e2i for for reskilling and job placements for continued relevance in the respective industries. This would help enhance their employment security and ability to enjoy better wages.

Annex 1

Year Established	Current Committee/Workgroup/Taskforce
1972	National Wages Council
2000	Tripartite Committee on Work-Life Strategy
2005	Tripartite Committee on the Employability of Older Workers
2006	Tripartite Panel on Community Engagement At Workplaces
2006	Tripartite Alliance for Fair and Progressive Employment Practices (Formerly known as Tripartite Alliance for Fair Employment Practices)
2008	Tripartite Taskforce on Managing Economic Downturn
2010	Tripartite Committee for Low-Wage Workers and Inclusive Growth

Year Established	Past Committee/Workgroup/Taskforce
1981	Committee on Productivity
1983	Steering Committee on Labour Management Cooperation
1986	Tripartite NWC Sub-Committee on Wage Reform
1988	Task Force on Job Hopping
1993	Tripartite Review Committee on Flexible Wage System
1994	Tripartite Review Committee on the Employment Act
1995	Tripartite Committee on the Extension of the Retirement Age
1997	Sub-Committee on Manpower & Productivity (in the Committee on Singapore's Competitiveness)
1998	Tripartite Panel on Retrenched Workers
1999	Tripartite Committee on Union Representation of Executives
2000	Tripartite Committee on Portable Medical Benefits
2001	Sub-Committee Dealing with the Impact of Economic Restructuring; Wages Working Group (in the Economic Review Committee)
2003	Tripartite Taskforce on Wage Restructuring
2004	Tripartite Review Team on Section 18A of Employment Act on Company Restructuring
2004	Tripartite Work Group on Flexible Work Schedules
2004	National Tripartite Initiative on Corporate Social Responsibility
2007	Tripartite Committee on CPF and Work Related Benefits for Low-Wage Workers
2007	Tripartite Workgroup on Enhancing Employment Choices for Women
2007	Tripartite Implementation Workgroup on the Employability of Older Workers
2008	Tripartite Workgroup on Employment Act Review
2009	Tripartite Workgroup for Flu Pandemic Preparedness
2009	Tripartite Upturn Strategy Teams (TRUST Teams)

Annex 2

S/N	Cluster	Sector
1	Manufacturing	Energy & Chemicals Precision Engineering Marine & Offshore Aerospace Electronics
2	Built Environment	Construction (inclu. Architecture & Engineering Services) Real Estate Cleaning Security
3	Trade & Connectivity	Logistics Air Transport Sea Transport Land Transport (including Public Transport) Wholesale Trade
4	Essential Domestic Services	Healthcare Education (Early Childhood & Private Education)
5	Professional Services	Professional Services ICT and Media Financial Services
6	Lifestyle	Food Services Retail Hotels Food Manufacturing