

# Singapore has a vision for tomorrow – to improve work and employment

Concrete suggestions to improve the future of work, the security of work and the reward in work can strengthen both the workforce and society

## Terence Ho

In his speech at the Institute of Policy Studies (IPS) Singapore Perspectives conference on Monday, Deputy Prime Minister Lawrence Wong highlighted three challenges relating to work. These are the changing nature of work, retirement security and income distribution – what Mr Wong dubbed the “future of work”, the “security of work” and the “reward of work”.

Mr Wong also articulated three corresponding responses: redoubling investments in skills and human capital, bolstering retirement security, and investing in quality jobs to make every profession and pathway viable and rewarding.

These aims are not new, but what struck me, both from the speech and the dialogue that followed, was the opportunity we have to transform society by making work better.

Given the centrality of work to Singapore's social compact, improvements to the world of work hold the promise of building a happier, healthier and more cohesive society.

Realising this vision, however, will not be straightforward. It will take significant investments in time and finances, mindset shifts as well as partnerships across the whole of society to get us there.

### **BUILDING A WORLD-CLASS SKILLS, TRAINING AND JOB PLACEMENT ECOSYSTEM**

The first response – stepping up

human capital investment – entails strengthening the skills and training ecosystem, improving adult learning and creating pathways to better jobs. It is easy to train workers, but much harder to translate training into higher productivity, better jobs and improved pay.

Few countries have managed to build a well-oiled, comprehensive system of adult learning and placement. So if Singapore succeeds in this endeavour, it would be a notable accomplishment with significant benefits to our economy and society.

Achieving this will not be an easy task. Beyond the careful curation of training programmes to meet current and future skills demand, there is also the need to match workers to programmes and jobs that best align with their aptitude and inclination.

For those in employment, it may be a challenge to find the time to invest in training amid the demands of work and family. Without the assurance of better pay and prospects, few would commit time and effort to acquire new skills.

Company-led training is therefore critical, but cannot be the sole route of skills upgrading. After all, firms may under-invest in transferable skills that make employees more marketable elsewhere. Worker-initiated training meanwhile can open the door to new jobs and opportunities. For instance, some have taken up graduate diploma or professional certificate courses to equip themselves for a change of career.



Beyond the already generous training subsidies and SkillsFuture Credit, could even more be done to support worker-led training? One possibility is to provide workers an annual or less frequent but longer government-paid training leave entitlement. The fiscal cost and impact on employers would of course have to be weighed up, but this could be a game changer in getting workers to make substantive investments in their skills and employability.

Further efforts will also be needed to improve the success rates of training programmes in helping trainees to secure better jobs and pay. These could include enhancing the delivery of adult education, providing information to help workers make more

informed career choices, and even making career coaching available to more workers, including those in employment.

### **‘RE-EMPLOYMENT SUPPORT’ IN LIEU OF ‘UNEMPLOYMENT SUPPORT’**

Regarding unemployment support, Mr Wong stressed the importance of not eroding the incentive to work. In this vein, he mentioned the possibility of “re-employment support” – providing some form of financial cushion for workers while they train for new jobs. This emphasis on effort and employment is reminiscent of how the Government has branded wage support for lower-income workers “Workfare” instead of “welfare”.

Here there is the possibility of turning adversity into opportunity.

Retrenchment or job displacement could in fact give workers an opening to make a significant investment in their skills unencumbered by the demands of full-time work.

The aim should not be just to get back into any job as quickly as possible, but to take up a quality job with a good fit and strong prospects, such as in the technology or care sectors.

This is not a call for workers to be choosy about jobs, but to be purposeful in training for better opportunities ahead. Re-employment support can help displaced workers prepare better to “bounce back” stronger on re-entry into employment.

### **RETIREMENT ADEQUACY: CLEAR VISION, DIFFERENTIATED APPROACH**

Mr Wong, in his speech, expressed the Government's assurance to Singaporeans that as long as they work and contribute consistently to CPF, they will be able to meet their basic retirement needs.

Having such a clear policy aim provides direction to downstream policymaking. Through CPF top-ups and additional interest payments, along with other interventions such as Progressive Wages and the Workfare Income Supplement, the Government can tailor programmes to achieve this outcome for younger Singaporeans who have many working years ahead of them.

A different approach is needed for older Singaporeans who have not benefited, or have had less time to benefit, from the various efforts over the years to raise incomes, take-home pay and savings. Those born in the 1950s or earlier receive additional healthcare benefits through the Pioneer and Merdeka Generation packages. There is also the Silver Support Scheme that provides a regular cash supplement to less-well-off retirees.

Those currently in their 50s and early 60s may still be in the workforce but have limited runway to benefit from initiatives to raise pay and savings. Further enhancements to the CPF system can enable them to meet their basic retirement needs, as Mr Wong alluded to.

Special attention should also be given to those who have difficulty working or taking up full-time employment, such as people with moderate to severe disabilities and those with caregiving responsibilities.

There is scope, as Mr Wong mentioned, to strengthen the system of collective risk-sharing. The question is the shape and form of this support. This requires consensus about the kind of society Singaporeans would like to live in, and the extent to which citizens are prepared to share in each other's burdens and blessings.

### **MORE EQUITABLE REWARDS AND MINDSET CHANGES NEEDED**

Much has been said recently about wage disparities across occupations, along with the pay gap between university graduates and those from the Institute of Technical Education and polytechnics. Mr Wong highlighted the need to “make every profession viable” by improving job prospects and career progression across different sectors and occupations.

This will naturally come at a cost. Consumers will have to pay more for services, although the increase in cost can be mitigated by the expansion of self-service options, freeing up workers to perform higher value-adding roles.

Responding to a questioning from the floor, Mr Wong stressed that everyone – not just the

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Government – has a part to play in addressing the challenges of work. Besides consumers, employers must also step up – in hiring, training and recognising all workers regardless of their starting qualifications.

“It’s also about shifting our perceptions towards work, and embracing a broader definition of what counts as good jobs,” Mr Wong said.

While acknowledging the human tendency to compare

ourselves with others, he urged Singaporeans to avoid invidious comparisons that contribute to stress and discontentment. Deeply ingrained mindsets in a competitive society are hard to shake off, but narrowing wage differences across occupations can go a long way in reshaping perceptions while better reflecting the value to society of different types of work.

Distributing the “reward of work” more equitably can help

unlock human potential across the economy rather than have it concentrated in pockets such as finance, technology and professional services. This is critical for Singapore to develop a vibrant and well-balanced knowledge economy where people take pride in their jobs and there are high standards across every domain.

Just as important is the impact on individual and collective well-being. If people can be freed

from the pressure of chasing “branded” jobs that confer higher social status, they can pursue vocations better aligned with their talents and interests. This in turn could lower anxiety, improve mental health and strengthen social cohesion.

Addressing the future, security and rewards of work can transform lives and society for the better, and is surely something we must collectively work on. As Mr Wong and other speakers at the

IPS conference highlighted, work is more than just a means of making a living. It imbues lives with meaning and purpose, while providing a community and relationships beyond the family.

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