

# PROMOTING SUSTAINABLE INDUSTRIAL POLICY

---

*Issues and challenges in promoting sustainable employment & the sharing of union activities on sustainable industrial policy in Singapore.*

# Singapore's Economic Profile

- Singapore economy grew **2.9% in 2014**. The output from **manufacturing** accounts for up to **20 % of Singapore GDP**.
- The Singapore Government has maintained that the GDP growth forecast for 2015 will hover between **2.0% to 4.0%**.
- Unemployment is likely to remain low as the **labour demand remains strong** with the tightening of foreign workforce.

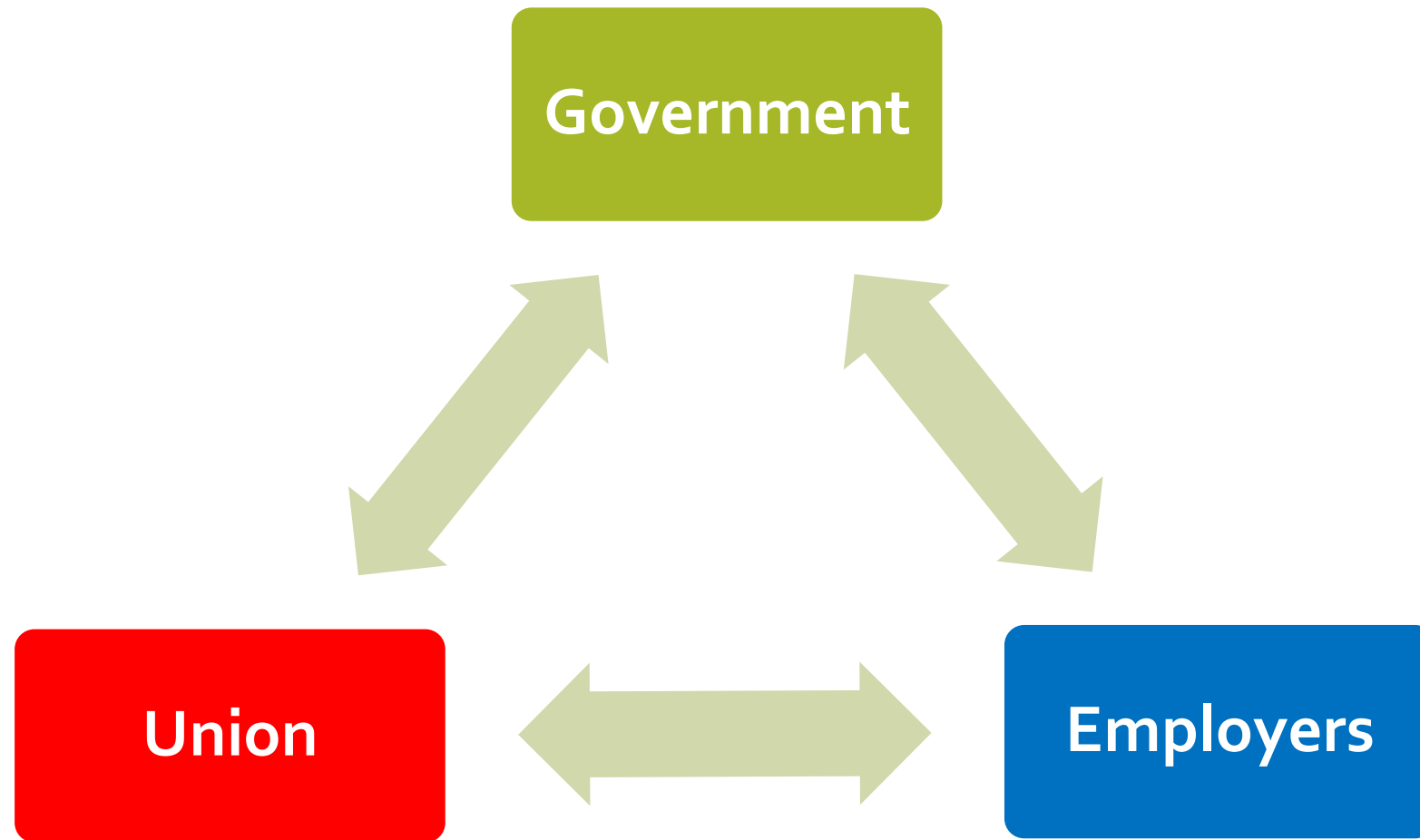
# Issues and Challenges

- Gap between aspirations of PMEs (professional, managerial and executives) and the jobs available
- Managing rising wage cost
- Supporting low wage workers
- Aging workforce

**Necessity to create high value added jobs**

# **Sustainable Industrial Policies Employed in Singapore**

# Tripartism: A 3 partner relationship



# Tripartism

- **1950s:** an urgent need to attract businesses as well as to create jobs for Singaporeans.
- Unions affiliated to the National Trades Union Congress (NTUC) moved away from traditional adversarial LMR → work towards compromise and **win-win situations**.
- A tripartite relationship thus emerged between **the government, employers and the NTUC**.
- **Frequent dialogue sessions** involving all three parties, created platforms in which concerns are raised and solutions proposed.

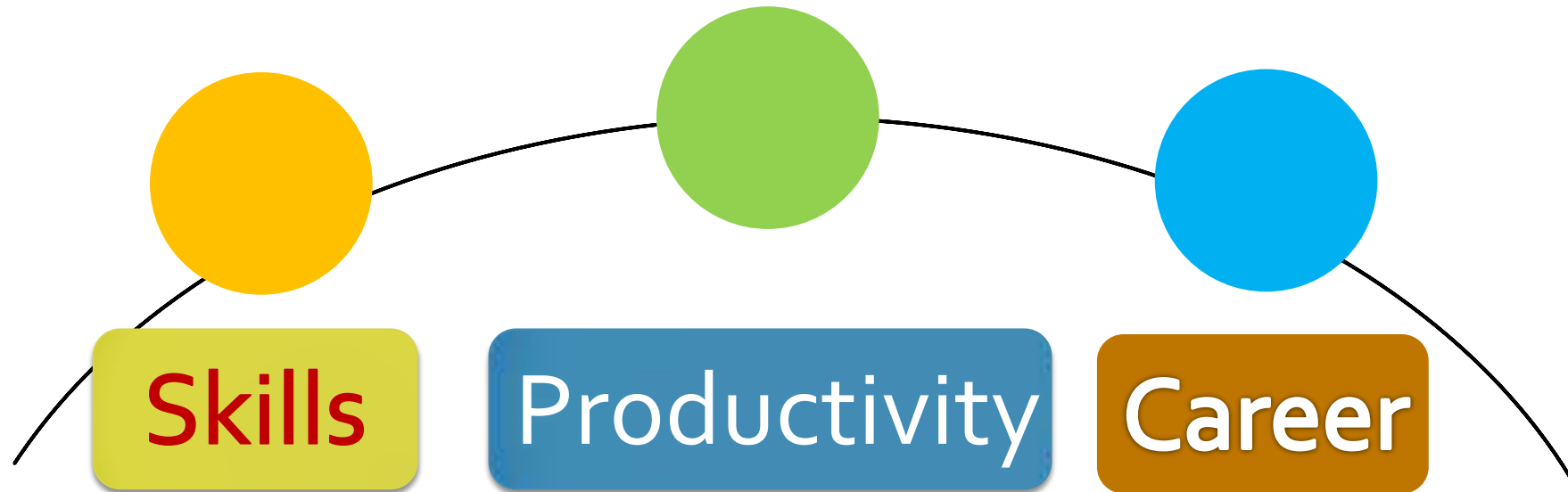
# Tripartism

- Partners work together to add value to the relationship by bringing on board various initiatives.
- Eg: **Inclusive Growth Programme (IGP)** which is also supported by the **government) spearheaded by ezi** (the employment and employability institute, an affiliated organization to the NTUC).
- The IGP is a **\$100-million scheme in which grants** for companies to tap on to **improve productivity (automation)**.
- → increased productivity, the effects of these improvements can reach workers---and it has! To date, it has **benefitted over 50,000 low-wage workers**.

# Progressive Wage Model: Up the 4 ladders

To raise wages in line with productivity

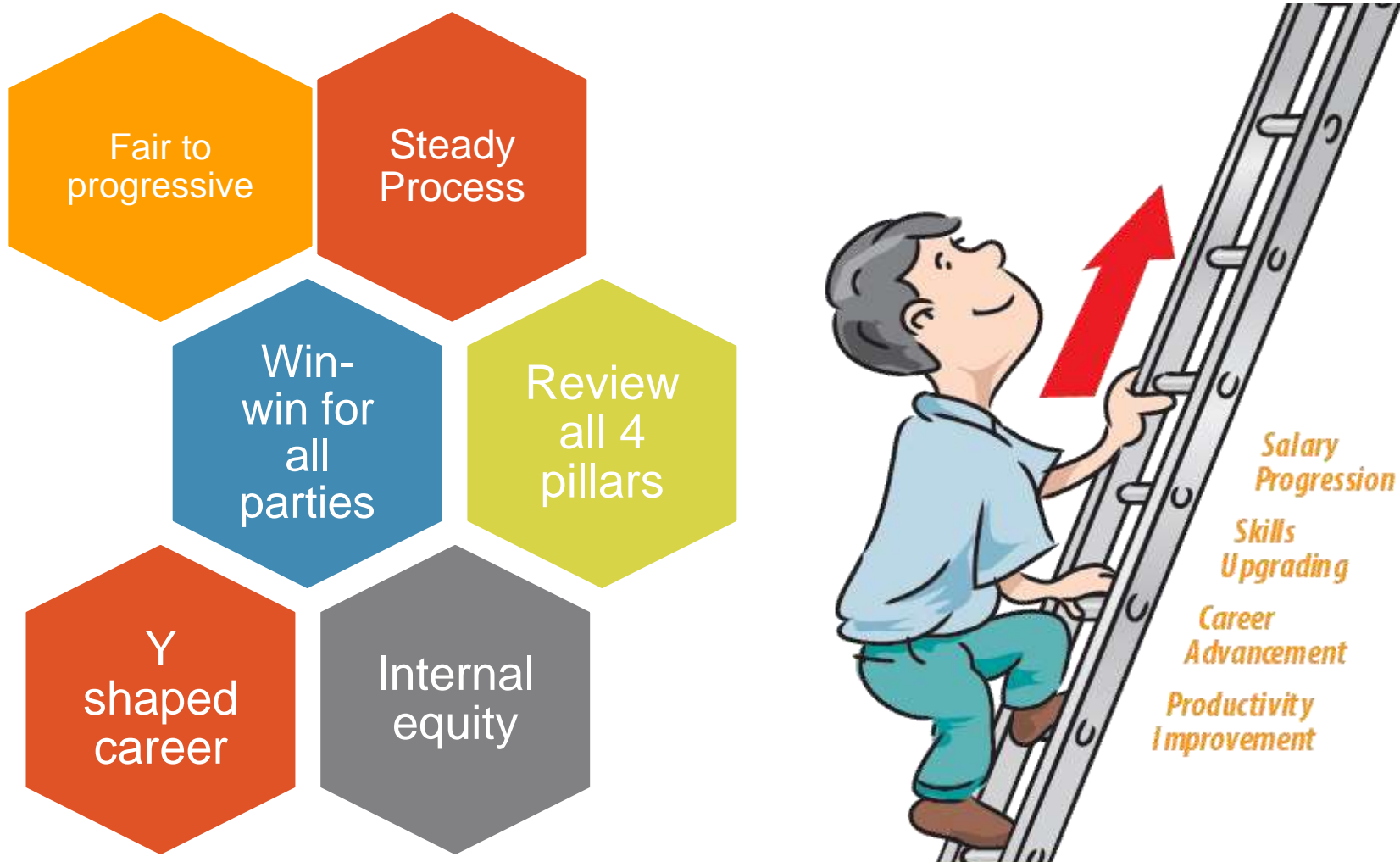
# WAGES





# Progressive Wage Model: Up the 4 ladders

- Principles of PWM.
- 4 distinct ladders namely Wages, Skills, Productivity and Career Progression.



# Progressive Wage Model (PWM)

- The PWM was introduced by the Labour Movement in 2012.
- **Objective** : increase the salaries through enhancement of skills and improving productivity.
- Facilitates the enhancement and creation of higher value added jobs → higher wages for the worker.

**Improved overall productivity which helps sustain economic growth.**

**NWC:  
National Wage Council**

# National Wage Council

- Formed in the **1970s**
- **Tripartite** body made up of employer, union and government representatives.
- The group is tasked to **formulate wage guidelines and recommendations** to be in line with long-term economic growth.
- Annual recommendations
- Taking into account **low wage and vulnerable workers.**

# Skills Future

# Skills Future: A call for lifelong learning

- The Skills Future initiative was announced by the government
- **Opportunities to develop their fullest potential throughout life**, starting from as early as when the individual is still at school.
- Each eligible Singaporean given a certain amount of money (the grant is currently capped at \$500) to **tap on to pay for relevant courses to upgrade and equip themselves with skills relevant to their current work, or even to pick up a new skill.**

# Conclusion

- Tripartism
- Skills Future
- Progressive Wage Model
- National Wage Council