

Minister for Manpower Mrs Josephine Teo's Note to MOM Staff on 19 October 2018

Dear MOMers,

On Monday, we will mark MOM's 20th anniversary.

In 1998 when we were renamed from the Ministry of Labour, the region was still reeling from the Asian Financial Crisis. In May that year, the National Wages Council called for wage restraint to "minimize unemployment, ensure competitiveness and maximize employability".

Older colleagues will recall that within a few months of our renaming, reduced CPF contribution rates kicked in to help businesses regain cost competitiveness. The economy recovered but there were further bumps. In the early 2000s, the dot.com bubble burst. In 2003, the SARS outbreak cast a pall over the nation.

I remembered most vividly the global financial crisis of 2009, when up to 50 million job losses were predicted. As a labour MP then, it was painful to negotiate the best possible package for retrenched workers, while at the same time helping them regain the confidence to secure new work. MOM then introduced the Skills Programme for Upgrading and Resilience (SPUR) which, together with the Jobs Credit provided by the government, threw a lifeline to many businesses and saved jobs. Unexpectedly, GDP grew 1.9% that year and powered ahead for the next few years.

In the last decade, MOM has continued to enhance policies and programmes to benefit fellow Singaporeans:

- The innovative Workfare Income Supplement scheme has become a bedrock in our system of social support.
- CPF Life has been in place since 2009 to strengthen retirement adequacy.
- Re-employment legislation took effect in 2012; the re-employment age was further raised from 65 to 67 last year.
- The Fair Consideration Framework has helped to ensure local-foreign complementarity since 2014.
- Silver Support has benefitted 150,000 elderly Singaporeans annually since 2016.
- WSH2018 achieved record-low fatality rate of 1.2 per 100,000 workers in 2017.
- Adapt & Grow has helped 25,000 job seekers find new jobs last year, and a further 17,000 job seekers in the first half of 2018.

Building on the strong tripartite partnership, we launched new initiatives like the Tripartite Guidelines on Fair and Progressive Employment Practices and Tripartite Standards. The Progressive Wage Model mooted by NTUC and jointly promoted with MOM and industry associations has demonstrated its value in uplifting jobs and wages. To help newly-arrived foreign workers adapt, we introduced the Settling-In Programme (SIP) for Foreign Domestic Workers in 2012 and extended it to non-Malaysian FWs earlier this month. We support useful initiatives by NGOs such as the Migrant Workers' Centre and Centre for Domestic Employees.

MOMers too have made adjustments to support organisational changes, such as the setting up of the Tripartite Alliance Limited (TAL) and the reconstitution of WDA as WSG with a sharpened focus to help jobseekers and employers navigate the fast-changing employment

landscape. To serve our customers better, MOM adopted a user-centric approach to service delivery. We re-designed our customer services centre and revamped e-services to serve our people better, with the WINS-FDW system in 2015 and the SGWorkPass app in 2017.

I thank all MOMers, past and present, for your commitment and contribution over the past 20 years.

Today, our labour market functions well and supports good employment outcomes. Employment rates across all segments have risen while unemployment remains generally low. Underpinned by productivity gains, wages at all levels continue to rise. Your efforts have made these results possible.

Looking ahead, our work will remain challenging. But there are also exciting opportunities to make a difference.

From 2020, the size of our working-age population is expected to plateau. At the same time, our people are living longer. How do we ensure an inclusive workforce that values older workers? How should we strengthen retirement adequacy as lifespans stretch out? Can we continue to grow the workforce by enabling seniors to work longer?

Another challenge is the pace of restructuring brought about by technological change. On the one hand, there are bright prospects for productivity breakthroughs and the creation of innovative products and services that spur business expansion and sustain wage growth. On the other, we worry about their impact on jobs and workers. How can we maximise the upside and minimise the downside? Can we help every business and every worker win with technology?

New work arrangements have also emerged that have upended conventional employer-employee relations. While these “gig” workers are still a small minority of our workforce, we should press ahead to implement recommendations of the tripartite workgroup on self-employed persons, and to seek out new ways to bolster support for such workers.

In terms of workplace practices and employee engagement, there is much room for improvement. Through TAFEP, we will recognize the leaders under the Human Capital Partnership scheme and nudge the laggards. Schemes like WorkRight and WorkPro also help but we need fresh ideas in getting employers to step up, become more progressive and invest in their people’s advancement. In workplace safety and health, our ambition to reach and sustain world-class standards must be backed by effective strategies under WSH2028.

At MOM’s Workplan Seminar in May, I talked about the need for our businesses and workers to be agile in responding to challenges and capture new opportunities. MOM too must be agile.

We do not know when our economy will be hit by another external shock which test our resilience. Industries and businesses may transform along unpredictable paths. Workers may be affected in yet unknown ways. Good employment outcomes are not guaranteed.

These uncertainties call on us to have the keen sense to notice when circumstances have evolved, willingness to question long-held assumptions and flexibility to adjust long-standing approaches. We will also need a strong sense of empathy for the workers and businesses affected when designing response measures, being practical and aspirational at the same time. It will mean bringing our heads, hearts and hands to bear. That is how we can make a meaningful difference.

It is already in the DNA of MOMers to be undaunted. Harnessing that spirit, we must aim to be a bridge for Singaporeans to a brighter future of work, whatever perils there may be.

In our vision of the future, the workforce is even more inclusive and workplaces more progressive, where people and businesses are enabled by technology to be more productive and innovative. It is a future where all workers, regardless of their nature of work, are assured of their health and safety and have adequate protection. It is a future where people feel meaningfully engaged with work and enjoy sustainable advancement. It is a future we must help to create, together with our tripartite partners, upholding the shared commitment to be pro-business and pro-worker in all that we do.

As it turns out, we will celebrate our anniversary at the Bay East Bridge, against the stunning backdrop of Marina Bay. Back when MOM was born, Marina Bay did not exist but it is today home to one of the most vibrant business and cultural districts in Asia.

In the same way, our vision of the future of work will take time to realise. All of us in MOM today must do our part to be a bridge to that future, one that is well worth creating. With commitment and steadfast persistence, we will get there!

Josephine Teo
Minister (Manpower)