

## Eat, Sleep And Live



Chin Boon Lian

NTUC Secretary-General Lim Swee Say briefing key union leaders on the ESC recommendations at the Labour Leadership Lighthouse on 2 February 2010.

**A** revolution is upon us. As expected, the much awaited key recommendations of the Economic Strategies Committee are sweeping and bold. It strikes at the very core of how businesses and workers think and act and covers every nook and cranny in Singapore, overground and underground, at home and abroad.

So as to effect a sea change permeating every strata of Singapore society, Finance Minister and Chairman of the ESC Tharman Shanmugaratnam paints a picture of a Singapore oozing productivity, skills and innovation from every pore within ten years.

Speaking at the press conference for the release of the ESC main committee report on 1 February 2010, Mr Tharman said: "This is the way in which we can still grow individual workers' incomes and, in particular, the focus on productivity, skills and innovation in each enterprise is the best way in which we can ensure that those at the lower end of the skills ladder, those at the lower end of the income ladder, can also move up. It is the best way in which we can ensure that growth is inclusive in Singapore."

The comprehensive recommendations point out that "higher productivity does not mean that Singaporeans have to work longer on the job. It will mean working smarter," and Mr Tharman underscored that the nub of the whole exercise is "we should aim to get into this virtuous cycle of better skills, better jobs, higher wages and incomes. That's very simply our objective."

He envisioned that the next decade will provide "greater opportunities for our companies to grow than any period in the past. But at the same time, we will also face greater constraints than we have in the past." So the question is "how do we overcome this and ensure that we continue to get good income growth for individuals and good business growth? It will require a change in the way we work, how we create value and it will require that our companies expand overseas to make the most of the opportunities that match their strengths."

As productivity growth is the key to Gross Domestic Product growth, Mr Tharman said the one per cent annual productivity growth accounting for just one-fifth of GDP the past decade must be consigned to the past. It is unlikely that GDP growth will be 5 per cent on

**"We will be bold. This is a major new phase in our economy and the Government will want to be bold in supporting the upgrading of skills and innovation. It will take a different approach from the Jobs Credit scheme and some of our other initiatives over the last year. Those were measures appropriate to a crisis."**

Finance Minister Tharman Shanmugaratnam on the upcoming Budget.

average or more the next decade but, with a slowing labour force growth and higher 2-3 per cent annual productivity growth across all sectors, 3-5 per cent annual GDP growth would still be good.

He added: "In ten years time, we want productivity for the economy as a whole to be one-third higher than where it is today. And this can be achieved because we are capable of a major national effort; we are capable of doing this consistently in a concerted fashion with everyone playing their part - government, unions, businesses and individuals. We believe Singapore can achieve this."

NTUC Secretary-General Lim Swee Say, an ESC member, welcomed the recommendations wholeheartedly saying that the old strategy of growing the economy with an expanding workforce won't work for long: "We asked ourselves the question 30 years ago, 20 years ago, 10 years ago: How do we improve productivity? This time round we ask the same question: How can we improve productivity at 2-3 per cent per year for the next 10 years. Yes, it is the same question but the answer is different this time round."

"This time round it is about total productivity. The various sub-committee chairpersons have mentioned we are not just talking about labour productivity, but also productivity for land, for energy, for everything. It is total productivity."

As for whether productivity at the expense of high growth is worth it, he stressed that growth may slow down but there is no turning back: "But it is worth taking the risk because not to take this risk of moving towards a productivity-driven strategy is going to be the biggest risk of all."

**Unionists' Response To ESC Recommendations**

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