

Release No: 30/OCT

02-0/89/10/12

SPEECH BY PRIME MINISTER MR LEE KUAN YEW
AT THE NTUC WORKSHOP: “THE FUTURE DIRECTION
OF THE LABOUR MOVEMENT”, ON 12 OCTOBER 1989
AT THE SINGAPORE CONFERENCE HALL AUDITORIUM

Twenty-eight years after the NTUC was founded in 1961, it is useful to assess the role it has played and to decide the future direction of the labour movement.

When the non-Communist unions broke away from SATU (Singapore Association of Trade Unions) to form NTUC, there was a clear-cut difference in the two roles of the Communist and non-Communist unions. The Communists in SATU wanted to bring the system to a grinding halt and to topple the government. They were not interested in improving the lot of the workers or making the system produce rewards for the workers. The non-Communist in the NTUC were determined to bring benefits to the workers by building up the economy.

The history of the last 30 years has shown that the communists were wrong. They have failed miserably, and not just in Singapore. On the other hand, the NTUC has helped workers in Singapore achieve advances in their standards of living, of education and training, of home-ownership and in their high quality of life.

If NTUC policies of tripartism and high productivity had not produced results in a better life for the workers, by now, new groups of unions, opposed to the NTUC, would be rallying thousands of disgruntled workers against tripartism. This has not happened. Workers know that the policies of the NTUC have succeeded in getting them a better living and a better life in a better Singapore. The policy encapsulated in the phrase “tripartism” means that unions together with management and government can create more prosperity for workers.

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Continuing test of validity of NTUC's role

However, whether the future role of the NTUC in tripartism is valid has to be tested against actual performance. It is the benefits for workers from tripartite policies that decide its meaning to workers. It is useful to recall that the two

trade union models for Singapore when the NTUC was formed in 1961 were either (1) the Communist unions, used by the CPM as their united front vehicle, a violently anti-employer, anti-profit, anti-imperialism line, or (2) the British TUC (Trade Union Congress), an institution emphasising class divisions and antagonism and animosity of British workers towards British bosses, in a social system where workers were always one down in the social ladder, and employers always one up amongst the upper classes.

In the late 1940s, a British Labour Party Government in Britain, had sent British trade union leaders to Singapore to help move Singapore's trade unions away from the then communist model. The NTUC and the PAP decided to reject both these models. We groped our way forward to search for a formula to meet our needs. Had we adopted the British TUC model, both the NTUC and PAP would have failed. At that time, we did not know that the Japanese had already worked out a union-management-government relationship that was to see Japan blossom into the world's greatest and most competitive industrial power.

Economists are convinced that without the cooperative attitudes of Japanese unions and their enthusiastic support of higher productivity, Japan would not have achieved such phenomenal growth. Had the Japanese unions been class-conscious, filled with animosity against their bosses like the British

unionists, Japan may well have gone the other way. The lesson is that fighting the boss successfully does not necessarily bring good to the workers. Indeed by defeating the boss, the workers will succeed in defeating the company and destroying their jobs. Instead, Japanese unions have shown that co-operating with intelligent management to achieve high productivity brings pay increases and job security.

Karel van Wolferen is a Dutchman who is very critical of the Japanese. He has lived there for over 20 years in Japan. In his book “The Enigma of Japanese Power”, he concluded that the harmonious relationship between management and labour did not spring into being spontaneously. It was established only after the Japanese government, with the concurrence of the American occupation forces, neutralised a genuine threat from labour led by an ideologically motivated left in the 1950s.

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Van Wolferen described how once the Japanese bureaucrats had neutralised the communists and radical left, they rebuilt the Japanese unions on the concept of the 1920s idea of the company-as-family. The post-war labour unions in Japan were formed as enterprise rather than industry-wide unions. Workers developed intense loyalty to their firms. They did their utmost to

increase production and did not change jobs in mid-career. In return, employers cared for their workers and did not retrench them even during a recession.

However, despite the tremendous improvements Japanese unions brought to their members, their unionisation rate has steadily declined from 55.8 per cent to 28.2 per cent in 1986. In other words, over 70 per cent of Japanese workers did not find it necessary to be members of any unions. The same thing has happened in Singapore. In 1960, the unionisation rate was 29 per cent, in 1988, 19 per cent. (This is also true of USA and many countries in Europe.)

Van Wolferen also describes how genuine union protests in Japan, started in 1965, called Shunto or the 'spring offensive' has now become an annual ritual, with lunch-hour strikes organised by company unions, wearing headbands and armbands, with minimum disruption to production and minimum inconvenience to travellers and customers.

Japanese experts attached to Singapore's National Productivity Board tell us that they notice a fundamental shift in attitudes of many Japanese unions in recent years. The class consciousness that characterised the early unions, that divided workers and management, has disappeared. There is widespread realisation that Japanese workers are also home owners, shareholders and

consumers just like the bosses. So, relations between unions and management have become harmonious so much so that Nippon Telephone and Telegraph's in-house union Zendentsu in 1985 scrapped such terms as 'class', 'reaction' and 'fascism' from their vocabulary. Immediately after World War II, Japan had only one major national union called SOHYO. This was communist-led. Several years later, a second national union DOMEI was formed to oppose it. Its members cooperated with management. DOMEI supported the productivity movement when it was launched by the Japan Productivity Centre in 1955. SOHYA did not. Over time, many members of SOHYO began to support the productivity movement. Because they were members of SOHYO, they did not do this openly.

Two years ago, in 1987, DOMEI and like-minded SOHYO members got together to form RENGO. RENGO's aim is not to seek continual wage increases but to promote better working conditions and the general welfare of its members and families. RENGO has also declared that it is not in favour of strikes. From red flags and red headbands worn during lunch-hour strikes, they are changing to flags of different colours, especially green, to symbolize nature. And whereas many enterprise unions used to emphasise money in their negotiations, their programs now increasingly call for self-fulfillment and family happiness.

Singapore unions have yet to reach such a mature understanding with management. However, even if NTUC achieves what the Japanese unions have achieved, it does not mean that its problems are over.

Indeed, your Secretary-General, Mr Ong Teng Cheong, has sent me a list of his problems. First, the lack of recognition of the union's role. As a result, employers and even some workers believe that the NTUC is too cooperative of government policies. Second, management attitudes are wrong in that they actively discourage the formation of new unions, or ignore or undermine the union's presence, or do not support legitimate union activities or victimise union leaders. Third, that workers, because of the wrong management attitudes, believe that the union is under management or government control, and does not push hard enough to get more for the workers. Fourth, that many workers calculate the worth of union membership by the cost versus tangible benefits.

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This means that tripartism cannot be taken for granted. It is a relationship that must be nurtured, developed and sustained. It is a relationship whose benefits must be seen and understood, by both workers and management. It may be natural for some employers not to want unions, and not to have to deal with union leaders when changing terms and conditions of service. Unions cannot expect such management to actively foster trade unions. But what the unions can prove to them over time is that trade unionism in Singapore does not mean unreasonableness, antagonism and animosity; that unions mean an organised group of workers willingly accepting productivity targets and active participation to make the enterprise more successful and profitable, in order to share in the increased profits. Unions must show that this is more likely to happen when workers are organised and willing to cooperate with management for mutual benefit.

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Because the PAP derived its early strength from the support of the unions, the Singapore Government has always been committed to a strong and a constructive trade union movement. This is a fact. And because a single leadership straddles both the PAP and NTUC, Singapore's economy has blossomed. But we cannot assume that this natural state of affairs will continue forever. So far we have made it work because everybody believes this is in Singapore's best interests. The older workers amongst you, and there are fewer

and fewer of them, know that the NTUC could easily have gone in a different way, and our unions would be in a state of perpetual hostility towards management and towards government. Workers could have become resentful of imagined grievances and unwilling to co-operate to increase productivity, and the economy would not have boomed.

This did not happen. The business of tripartism now is to find new ways to make enterprises more profitable by increasing productivity and so give workers better wages, better perks, better terms and conditions of service. This has been better understood and recognised because the NTUC itself manages enterprises and needed to apply the principles of good management in its management of its many enterprises - a taxi-cooperative, COMFORT, an insurance co-op, INCOME, a retail cooperative, Fair Price, the NTUC Child Care Services, the NTUC Club and the NTUC Pasir Ris Resort. There are plans for a golf country club in Seletar, chalets in Sentosa, and a labour college. Grassroots union leaders on the boards of these co-operatives read the financial statements each month. They know what it takes to run an enterprise and make it grow.

The achievements of the NTUC can be summed up in the dignity, a sense of their worth and fair value for their work that the NTUC has given to Singapore workers. Singapore is a society based on effort and merit, not wealth and privilege depending on birth. There is nothing in the life style of the employer which is not open to the worker. If the executives play squash, tennis or golf, so can workers. If executives go on holidays abroad, so do workers.

To conclude, each generation of union leaders must earn afresh the trust and respect of the workers they lead and of the managers they negotiate with. Similarly, managers must also earn the trust and respect of their workers and union leaders. Unions must remember that for their workers to do well, they must balance the needs of their workers with those of management, and of government, that is the context in which tripartism can succeed.

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