

2 - OCT 1982

Singapore Government

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12-2/82/09/23

SPEECH BY DR WONG KWEI CHEONG, MINISTER OF STATE (LABOUR), AT THE SEMINAR ON 'BUSINESS POLICY AND STRATEGY FOR SMALL AND MEDIUM-SIZED COMPANIES' AT THE FRENCH ROOM, HOTEL EQUATORIAL ON 23 SEPTEMBER 1982 AT 9.00 AM

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INTRODUCTION

The small and medium-sized companies provide supporting services to the large companies. They therefore play a very important role in our industrial development. Small and medium-sized companies usually employ less than 100 workers. According to recent statistics, Singapore has some 76,000 small and medium-sized companies that is 98 per cent of the total number of enterprises. Together, they employ some 457,000 workers which represent about 50 per cent of our workforce.

As you know, our industrial products depend on exports. For example, the electronics industry exports more than \$5 billion worth of products annually. More than 30 per cent of the components are provided by the small and medium-sized enterprises. That means that their output exceeds \$1 billion, which to the small and medium-sized industries, means very big business.

The world is going through a recession. There is therefore difficulty in selling products. There are fears of factories closing down and these will create unemployment.

In such times, some countries apply trade protectionism and impose quotas to restrict import of goods in order to protect their own industries and markets and to reduce unemployment. Singapore products depend on export. If we cannot export our goods, what should we do? Other than protesting against trade protectionism, we must increase our productivity and maintain the quality of our products. In this way, our

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products can compete in the international markets and our economic growth can hopefully be maintained at five to seven per cent.

#### HOW TO INCREASE PRODUCTIVITY?

Besides mechanisation, automation and computerisation, we believe that one of the most important means to increase productivity is through better human relations. In other words, we have to build up a good personnel relationship and cultivate a kind of "family spirit" among the workers. We can do this in two ways. Firstly, through participation in seminars and courses to learn more about management styles. Secondly, to motivate workers to be loyal to the organisation by winning over the workers' hearts. This is a more difficult process as it involves attitudes and emotions and skilful management before workers can treat management with respect and sincerity.

#### CONFUCIANISM

Last month, the Government invited seven American Professors to talk about Confucian ethics. They pointed out that Confucianism originated as an oriental way of life. We have been practising it in our daily lives from generation to generation without consciously knowing so.

Among the Professors in Confucianism, Prof Yu Ying-Shih pointed out, however, that Confucian ethics and work attitudes are applicable internationally, and are not only for the Chinese. Now, Confucianism is **studied** and practised in Japan as well as in Korea. Even in the West, scholars are paying attention to Confucian traditional work ethics because they are useful in developing good personnel relationships.

Another Professor, Prof Tu Wei-ming said that oriental workers emphasised more on peace and prosperity of their country and not on individualism. For example, Japanese workers are very hardworking, loyal to their companies and they regard job hopping as disloyal, and laziness as detestable. The employer treats the workers as one big family. They work together and share the profits earned as well as the hardships faced. This has resulted in workers being very hardworking. They try their best to increase productivity.

Prof Tu expressed that before he came to Singapore, he know that Asia has the "Gang of Four", namely Japan, Korea, Hong Kong and Taiwan. They practise Confucianism in their economic development and the results have been good. Now he knows that Singapore is also studying Confucianism and local workers have the Confucian spirit. So now Asia has "Five Dragons". These Five Dragons base their economic development on Confucian ethics. They learn from Confucius and his philosophy. They accept, promote and practise it.

For example, Japan and Korea are all practising Wang Yang Min's philosophy, that is "知行合一". This is a practical philosophy. "知" means learning more knowledge or skills. "行" means really practising it. We must have these two together. Then our economic development and productivity movement can succeed. There is also "大中至正" which has influenced Japanese workers a lot. Whatever they do, they must be honest and gentlemanly. Thus Japan is able to achieve its present economic development status.

#### CONCLUSION

The Government invited the seven American Professors to study how Confucianism can be promoted. They suggested that Singapore should promote Confucianism in schools, family and society. Our Government has decided to teach our students Confucian ethics. In the family, Confucian ethics have already been transmitted from one generation to another.

In society, the workplace plays a major role. In the workplace, workers' loyalty to a great extent, depends very much on how the boss treats the workers. Being the employers, they must practise Confucian ethics themselves and be considerate to the workers. Then they can gain the respect of the workers. In fact, Confucian ethics have existed in our daily life long ago. We must continue to promote it. We must not only know it, but we must also practise it. Then we can succeed.

If our small and medium-sized industries want to succeed, they must promote Confucian ethics in order to build up good human relations, cultivate a sense of belonging and develop a family spirit. Everybody shares the fruits of labour and in this way our economy shall grow.

On this note, I now have pleasure in declaring this Seminar open.