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Speech by Dr. Augustine H.H. Tan, Political Secretary To The Prime Minister and Chairman, National Productivity Board, at the NPB Workshop Seminar on "New Horizons In Industrial Relations" at the Regional English Language Centre on Wednesday, 10th January, 1973, at 9.00 a.m.

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The National Productivity Board is pleased to organise this Workshop Seminar on New Horizons In Industrial Relations. This is a vital dimension in our society which we can ignore or overlook only at our peril.

As a young nation trying to make the grade, we need to have the correct perspective in the political, social as well as economic spheres. As a small nation little blessed by Nature with resources, the need is doubly imperative for there is so little leeway for mistakes in policy.

Many a developing nation has ended in economic stagnation, if not chaos because of blind emulation of ideas, values and attitudes prevalent in more developed countries. In the social and political arena, misapplication of socialistic concepts <sup>has</sup> have stifled individual and group initiative by diluting the work-ethic and discipline.

In the economic field, entrepreneurship - the vital spark-plug of development - is discouraged or even penalized. In industrial relations, as Mr. Devan Nair has often pointed out, the illusory notion is prevalent that power confrontation alone

can bring about better wages and terms and conditions of employment. Antagonism then displaces the much needed cooperation and good-will at the work place.

The net result has been to extinguish the growth points of the economy, resulting in severe unemployment and income stagnation, if not inflation as well.

In many developing countries, the availability of employment is a critical issue, as was our experience in the sixties. Fortunately for us, Government policy has virtually eliminated unemployment. Now, the goals are to make available better jobs, better wages, and better terms and conditions of service.

To achieve these goals, it is necessary for both employers and employees to take the longer and wider view of industrial relations. A short-sighted approach to industrial relations would be for employers to exploit workers and to ignore their welfare, and for employees and their unions to use confrontation tactics for better terms of employment. The proper longer-term horizon would be to work together for maximum productivity increases.

Similarly, the narrow, sectarian approach would be to further the interests of the particular group or organisation without regard for repercussions on other sectors. The spirit of

cooperation, of working together for a common good, is necessary to any society; to us, for lack of sheer size, it may prove to be critical, not only towards greater or less prosperity but also to our very survival as a nation.

If, therefore, our employers, unions and workers can avoid narrow and short-sighted horizons in their industrial relations, then, our nation can look forward to increasing economic strength, and, consequently, political and social durability.

In addition to considerations of youthfulness and lack of size as a nation, we need to bear in mind the international context. Our Republic thrives by virtue of the skills and ingenuity of our people in competition with those of others. We depend on inflows of capital, entrepreneurship, technology, skills as well as on markets abroad. We must, therefore, maintain and refine our competitive edge. To achieve this would require 2 conditions. Firstly, productivity increases must be in excess of wage increases. Secondly, the process of dividing the gains from productivity increases must be an amicable one. On the one hand, then, we shall be able to compete effectively for markets abroad, and, on the other, the tranquillity in industrial relations would facilitate the inflow of needed entrepreneurship, technology and skills.

May I wish you all a fruitful discussion?