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Speech file

NTUC IN TANDEM WITH PAP

BACKGROUND

The economic success Singapore enjoys up to now and expects to enjoy in the future is largely, if not wholly, made possible by the close understanding, confidence and mutual support that prevail between the PAP and our workers; the latter in the main being represented by NTUC.

When the Prime Minister, at a May Day gathering this year, referred to the symbiotic relationship and when Devan Nair, the President of NTUC, subsequently talked of the umbilical link between the NTUC and the PAP, they were making factual, not rhetorical statements. The intimate association between the NTUC and the PAP cannot be doubted if for no other reason than that the PAP sponsored the formation of the NTUC in 1961 after the split of Barisan Socialis from the PAP.

Even before the formation of NTUC, close links existed between the PAP and some of the trade unions which are now affiliates of NTUC. Sdr Lee Kuan Yew and other leaders of PAP served as advisors to these future affiliates of NTUC in one capacity or another. The founding members of PAP numbered trade unionists among them.

The symbiotic relationship between PAP and NTUC and its affiliated unions parallels the intertwining growth of political and trade union movements in many other developing countries with a colonial past. Even under the most benevolent paternalism of a colonial regime, it is easier to organise workers to demand for fairer pay and working conditions than to organise people to fight for the right to vote. Nonetheless,

a political movement needs a broad base to be effective. The trade unions provide a convenient broad base for nationalist politicians who, in return, provide leadership and expertise for the trade unions in their organising and collective bargaining activities.

A close relationship existed between the PAP and the future affiliates of NTUC during 1954-1961 and exists since 1961 with the NTUC up to the present in every sense of the word. This is shown by the election of trade unionists to Parliament under the banner of PAP in every general election in Singapore since 1959. Some of the trade unionists have served in a ministerial or lesser capacity with the PAP Government. As against that, other PAP Members of Parliament of non-trade-union origin have served and continue to serve as officials and advisors in the NTUC and its affiliated trade unions and co-operatives.

MUTUAL DESIRE FOR ORDERLY INDUSTRIAL RELATIONS

The contribution of NTUC and its affiliated unions to the electoral success of the PAP since its formation has been readily reciprocated by the PAP. Soon after the PAP assumed power in 1959, May Day or Labour Day was gazetted a public holiday.

Then in 1960 the Industrial Relations Act was passed to regulate relations between employers and workers and to minimise the disruption of such relations by trade disputes. This Act is a boon to trade unionists who seek to advance the socio-economic interest and welfare of workers. Prior to the IRA 1960, trade unions frequently might have to strike just to make employers to sit down and negotiate on their claims. Settling industrial disputes by strikes or work stoppages is wasteful and irrational and appeals only to those who are more concerned with ulterior political objectives than trade union objectives. With the

acceptance by workers within the fold of NTUC of the concept of orderly industrial relations underlying the IRA 1960, the number of strikes and work stoppages has steadily decreased since 1961 (116 stoppages involving 43,584 workers) to zero in 1978 and 1979. The acceptance of orderly industrial relations is underlined by the increase in number of awards made by and collective agreements registered with the Industrial Arbitration Court from 7 and 116 in 1961, first full year of operation, to 73 and 417, respectively, in 1979, most of which involving NTUC's affiliated unions. (Appendix I).

Such acceptance was crucial to the PAP Government in the critical period of the late '60's. After Singapore was forced out of Malaysia in 1965 and the British Government announced the phased withdrawal of its armed forces from Singapore within a few years from 1968 onwards, the PAP Government had to make plans to create more job opportunities for Singaporeans to off-set the anticipated loss of jobs. NTUC and its affiliated unions fully understood and realistically accepted the need to create an attractive investment climate to induce the necessary inflow of foreign capital and know-how to create more job opportunities for Singaporeans.

Nevertheless, NTUC and its affiliated unions were unfairly abused by armchair unionists in and outside Singapore for accepting legislation which abolished rights hard-won through the collective bargaining efforts of trade unions. The criticism was unfair and cynical because the alternative was a chaotic and disorderly industrial relations scene which would have been more likely to drive away existing enterprises rather than to induce new enterprises to come into Singapore. Moreover,

the industrial legislation of 1968 also did away with the arbitrary distinction between blue-collar and white-collar workers carried over from the colonial era, and make contributions under the CPF Act more meaningful by rating contributions on gross pay rather than basic pay. (See Appendix II).

NTUC'S MODERNISATION PROGRAMME

In sharing the PAP Government's concern over the difficulties ahead of Singapore after 1968, NTUC and its affiliated unions also accepted the need to reorganise themselves so as to be in a better shape to weather the anticipated storm. In 1969 a modernisation programme was, therefore, drawn up to give effect to the need to re-adapt the trade union movement to meet the changes in socio-economic circumstances after 1968. First, the modernisation programme aimed to tighten up the administration of trade unions so as to achieve more with less wastage of manpower and resources.

Secondly, the aim was to broaden the financial base of the trade union movement. This involved the raising and standardisation of membership fees paid by workers to their respective trade unions and the affiliation fees paid by the unions to NTUC. As part of the changes in membership fees, a check-off system was introduced to allow an employer to deduct union dues with a member's consent from his wage-packet on behalf of a union. Check-off, by ensuring the comprehensive, effective and convenient payment of membership fees, has helped NTUC and its affiliated trade unions to reduce unnecessary expenditure and manpower just to collect fees from every member.

The investments by unions in co-operatives and other enterprises, of which Income, Comfort and Welcome are now household words have

enabled the union movement to participate in the economy. Income is an insurance co-operative which benefits workers as family persons. Comfort is a transport co-operative which benefits workers as mini-bus drivers and taxi drivers or as commuters. Welcome is a consumer co-operative which benefits workers as consumers. These co-operative ventures have increased the contributions of NTUC and its affiliated unions to the community although their membership was only 236,628 (out of a total of 249,710 unionised workers in 1979) compared to the workforce of 1,018,328 in 1979.

Lastly but not the least, the modernisation programme aimed to re-orientate the development of the trade union movement. Up to 1969, trade unions were more concerned with securing benefits for their members from their employers while paying little or no attention to their interest and welfare outside their workplace and their working hours. With the humanisation of the trade union movement more programmes and schemes are now being established to cater for the welfare, training, social and cultural needs of members and their dependents. As part of this trend, NTUC sponsored the formation of Case to promote and protect the interest of workers as consumers. Within its limitations, Case has helped to complement the efforts of the Government to curb undesirable trade practices which are harmful and detrimental to consumers.

NATIONAL WAGES COUNCIL

As the economic success of Singapore became more evident, both the Government and the NTUC were concerned as to how the workers were to be given their share of the fruits of their labour without upsetting the apple-cart. NTUC favoured the establishment of a tripartite body to provide for a co-ordinated and orderly system of

wage increases so as not to upset the delicate economic situation. In the absence of such a system, depending on the relative strength between a union and an employer, workers may receive greater or less pay increases than they merit. By themselves the disproportionate wage increases may not be harmful. But taken as a whole, they distort the wage-structure and generate unrest amongst the workers to the ultimate detriment of the economy. The establishment of the NWC was timely and helped Singapore to overcome the world-wide stagflation and oil crisis during 1973-5. The establishment of the NWC has been vindicated by the low rate of inflation in Singapore between 1965 and 1979, which, taken together with the higher annual wage increases recommended by the NWC during the same period, means real wage increases for workers (see Appendix III).

FAVOURABLE LEGISLATION

The government has never forgotten the co-operation and support given by the trade unions and the workers to the efforts of the government to make Singapore a viable economic entity. As stated earlier, the government revised the CPF Act to make CPF contributions payable on gross instead of basic salary. In addition, the Act was also amended in 1968 to allow CPF contributions to be used for the purchase of housing board flats in accordance with the government's scheme to encourage home ownership among occupants of HDB flats. In 1977, this privilege was extended to intending purchasers of HUDC flats. In 1978 the government also allowed CPF contributions to be used for the purchase of SBS shares.

NTUC has figured largely in the various decisions of the government to make life more meaningful for workers. Apart from the various amendments of CPF Provisions, NTUC has from time to time made representations to the government to amend various industrial legislation. The Workmen's Compensation Act, for instance, was amended in 1971 and again in 1975 to

increase the quantum of compensation payable to injured workers or the dependants of dead workers to meaningful and realistic proportions. Workers are also represented in various Statutory Boards thereby ensuring that the views of the labour force are taken into account when policy-decisions are made. (Appendix IV).

RESTRUCTURING OF ECONOMY

The world situation may now and then undergo changes which Singapore cannot prevent and which affect Singapore's domestic circumstances. The trade union movement in Singapore, as elsewhere, must adapt itself to changes in the milieu in which its members live and work.

NTUC and its affiliated unions modernised themselves in 1969 to meet the challenges of an anticipated set-back in Singapore's economy. Now they have to gear themselves to overcome the anticipated problems of the 80's arising out of the continued growth of Singapore's economy. The main problems are Singapore's limited supply of manpower and rising wage costs which make Singapore's labour intensive industries less competitive against similar industries elsewhere.

NTUC supports the Government's decision to replace uncompetitive industries with high-value added and high technology industries. Thus the tripartite N.W.C. recommended high wage increases in 1979 and 1980 to expedite the restructuring of Singapore's economy.

Upgrading of Skills

The restructuring exercise needs for its success an assured supply of highly skilled workers for the highly sophisticated and technological industries. To lessen Singapore's dependence on imported labour, the workers displaced from the phased-out industries have to be retrained or upgraded wherever possible.

The training and upgrading of workers on a national basis is a tripartite effort regulated and co-ordinated by the Skill Development Fund Board. NTUC and its affiliated unions support such effort and also run their own programmes of education and training courses for members and their dependents to help them become good workers as well as good unionists.

REORGANISATION OF UNIONS

With the restructuring of the economy, trade unions also realise the need to reorganise themselves so as to facilitate the organisation and representation of workers. An omnibus union may seem to be strong and impressive but does not really represent the members effectively or cater to their interest properly. NTUC decided in 1979 to reorganise omnibus unions on an industry-wide or, if that is not practical, industry-based pattern for more effective organisation and representation of workers.

The ultimate aim of the reorganisation of omnibus unions is to strengthen the trade union movement in terms of number of members, union finances and cohesiveness of the movement. The reorganisation of unions on an industry-wide or industry-based pattern has always been an objective of NTUC. SILO and PIEU are the first to be reorganised because, being unions representing industrial workers mainly, they have greatest need to be reorganised in order that the interest of industrial workers is properly taken care of.

COMMITMENT TO COMMUNITY

Since the 1969 Modernisation Seminar, NTUC and its affiliated unions have been aware of the need to give due consideration to the well-being of other Singaporeans who are not union members. In the 80's, such passive commitment to the community is to be translated into an active involvement in the affairs of the community in which union members live and work.

Plans have been drawn up for workers' centres to be built to enable union members to fraternise at their place of work or residence, regardless of whichever unions they belong to. Non-union workers will be welcomed to participate in the activities of the centres.

Child-care centres or creches are already being run by NTUC to care for the children of working parents. Such centres are intended to induce and enable housewives to become factory workers. More centres are to be built to meet the increase in demand for them.

Many affiliated unions of NTUC provide consultancy services to their members to help them resolve their domestic or private problems. A worried worker is unlikely to be a worker at his best.

The industrial relations aspect of union activities has not been forgotten by NTUC. With greater emphasis than ever on an orderly system of industrial relations, officers responsible for conducting negotiations and making representations on behalf of unions must be highly professional and competent so as to meet their counterpart on the employer side on at least equal terms.

INSTITUTIONALISATION OF RELATIONSHIP

It is clear from the events dealt above that a close link exists and will exist between the NTUC and the PAP. The fact that it was only recently that the link was described as a symbiotic relationship does not mean that such symbiotic relationship did not exist earlier. What happens now is that both NTUC and the PAP decide that it is time to give formal recognition to the existence of such symbiotic relationship by institutionalising such relationship.

Whatever form the relationship may take, the democratic principle of workers electing trade union leaders freely will be safeguarded. The application of this principle extends from the shopfloor level (Branch Committee elections) to the Union HQ level (Executive Council), as well as the national centre (NTUC Central Committee). Appendix V.

Appendix I

INDUSTRIAL STOPPAGES, WORKERS INVOLVED AND MAN-DAYS LOST (1955-1979)

<u>PERIOD</u>	<u>INDUSTRIAL STOPPAGES</u>	<u>WORKERS INVOLVED</u>	<u>MAN-DAYS LOST</u>
1955	275	57,433	946,354
1956	29	12,373	454,455
1957	227	8,233	109,349½
1958	22	2,679	78,166
1959	40	1,939	26,587½
1960	45	5,939	152,005½
1961	116	43,584	410,889
1962	88	6,647	165,124
1963	47	33,004	388,219
1964	39	2,535	35,908
1965	30	3,374	45,800
1966	14	1,288	44,762
1967	10	4,491	41,322
1968	4	172	11,447
1969	0	0	8,512
1970	5	1,749	2,514
1971	2	1,380	5,449
1972	10	3,168	18,233
1973	5	1,312	2,295
1974	10	1,901	5,380
1975	7	1,865	4,853
1976	4	1,576	3,193
1977	1	406	1,011
1978	0	0	0
1979	0	0	0

* Man-days lost carried forward from 1968.

Appendix II

Table showing some main changes in Statutory Employment Conditions

Before August 1968	After August 1968
39-hour week for Clerks 44-hour week for non-clerical workers	44-hour week for all workers
15 public holidays for clerks 11 public holidays for non-clerical workers	11 public holiday for all workers
14 days of annual leave for clerks 7 days of annual leave for non-clerical workers	7 days if less than 10 years service) for all workers 14 days if 10 years service or more)

Appendix III

Table showing Consumer Price Index (June 1977 = 100)

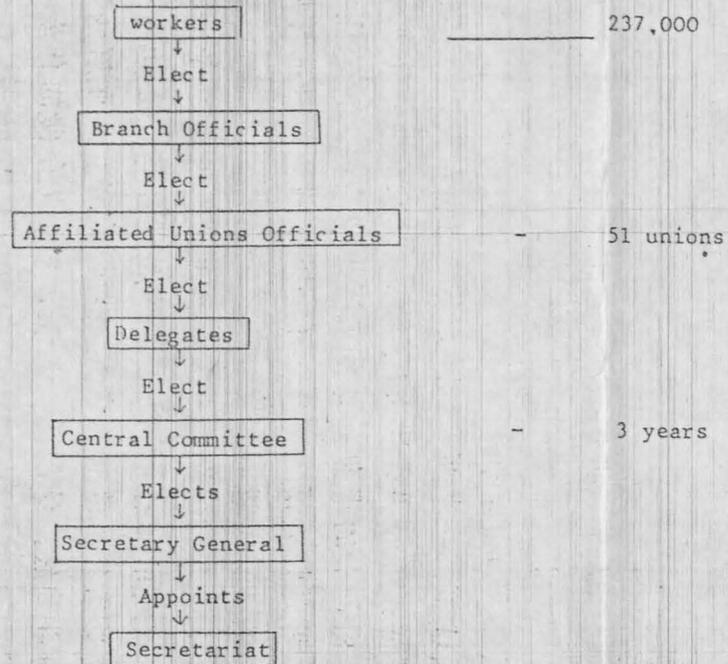
1974	1975	1976	1977	1978	1979
93.6	96.0	94.2	97.2	101.9	106.0

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Workers' Representation in Key Statutory Boards in Singapore

- a) The Port of Singapore Authority
- b) The Economic Development Board
- c) The Housing and Development Board
- d) The Public Utilities Board
- e) The Telecommunications Authority of Singapore
- f) The Vocational and Industrial Training Board
- g) The Central Provident Fund Board
- h) The Singapore Tourist Promotion Board
- i) The National Productivity Board
- j) The National Maritime Board
- k) Jurong Town Corporation
- l) National Wages Council
- m) Singapore Family Planning and Population Board
- n) Singapore Metrication Board
- o) National Safety First Council
- p) Junior Trainee Scheme Advisory Council
- q) Skills Development Council
- r) Singapore Polytechnic Board of Governors
- s) Ngee Ann Technical College Council

The Election Process and Structure of the NTUC

Appendix V



Organisation	Financial Affairs	Industrial Affairs	Labour Development	Co-operatives & Business Ventures	Occupational Health & safety	Community & Welfare Services	Informations Publicity	Youth & Sports Programmes	Women's Programmes	Admin	International Affairs
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