

Singapore Government **PRESS RELEASE**

Information Division, Ministry of Culture, City Hall, Singapore 0617 • tel: 3378191 ext. 352, 353, 354 / 3362207 / 3362271

Archives & Oral History Department
Singapore
18-0781707/31.11 AUG 1981

ACC	o.	NARC
8	0131	15

ADDRESS BY MR LIM CHEE ONN, MINISTER WITHOUT PORTFOLIO AND
SECRETARY-GENERAL NTUC, AT THE SINGAPORE INSURANCE EMPLOYEES' UNION
SEMINAR ON "NEW INDUSTRIAL RELATIONS ORDER IN THE INSURANCE INDUSTRY"
AT HYATT HOTEL ON FRIDAY, 31 JULY '81 AT 9.00 AM

It has often been stressed that unless the economic cake is increased in size it would be futile for anyone to worry about how the cake should be divided. The high unemployment rate in the EEC, with some 8.5 million persons unemployed, and the shambles of the Polish economy are stark reminders of this fact and that asking for a larger share of nothing still amounts to getting nothing. We must not get entangled in the pursuit of the illusion that the cake to be shared is always there and that all it takes to get more is to demand a larger slice.

Energy and efforts have to be used to find ways and means to produce a larger cake, after which would come the pleasant task of establishing the basis for sharing it. This is the underlining principle that governs our national effort to maintain our economy growth rate at as high a level as possible, which for the past few years has been hovering in the range of eight per cent to 10 per cent. It is not wishful thinking nor a declared objective of economic planners that determines whether we can achieve this target. It is the collective effort of our people and our will to excel that will determine whether or not we will enjoy continued prosperity.

The results of a better economic performance are readily seen, felt and enjoyed by workers at all levels through better job opportunities, wider employment prospects, and higher wage potential. This means higher incomes for workers to achieve a higher standard of living. There is thus a nexus between the performance of the economy and the well-being of the worker. By the same token, when the economy falters badly, workers can but

only look /2.

only look forward to a lower standard of living as incomes drop and jobs become scarce.

The performance of an economy is really the sum of the performances of individual enterprises in that economy. In short, how well a nation performs is determined by the aggregate of every worker's effort in every enterprise, be they clerks, production workers, supervisors or professionals working in factories, offices, banks, insurance companies and whatever place of work they are in.

Another way of looking at this is that a government that has been elected to power does not produce goods, services or wealth to be distributed to the people it governs. It never has nor will it ever have such a capacity. It cannot produce education, health, housing and social services out of nowhere. It is the workers, enterprises and corporations with high productivity and successful operations that produce the goods.

In a parliamentary democracy, a government is elected to power not on the basis of what it can produce per se but on the leadership it can provide to a nation and its ability to spur its people to excel. The national leadership provides the vision, framework, and opportunities for the people to perform through sound political, social and economic policies. The government by creating an environment in which individual and collective effort is encouraged has enabled the people to work hard and enjoy real and lasting benefits. The crux is that the greater the effort by the people the more significant the results will be - better stability, higher growth, more prosperity and brighter prospects. And the effort that counts is made by workers at the enterprise level.

This is because it is only when a company is doing well, will it be able to afford to pay high wages, provide good working conditions, and give good welfare benefits to workers. A company which is struggling for survival cannot afford to think about the well-being of its workers. The key to better benefits and a higher standard of living for our workers therefore lies in the outstanding performance of the enterprises which they are engaged in. Hence the emphasis given recently by the Committee on

Productivity that workers should look to the company for enhanced benefits by ensuring that the enterprise does well is not only logical but sensible.

For an enterprise to do well in an export oriented economy means that it must be able to sell its products or services in international markets. To retain its edge in a very competitive market, it will need to build into every product three basic elements - high quality, competitive price and certainty of delivery. For us to perform well collectively, every enterprise must have this ability to compete effectively.

This capacity to compete can be achieved if every worker's main pre-occupation is to get the enterprise to do better. This is not the responsibility of management staff alone. Workers have a stake in the company's well-being and should therefore be equally concerned and be wanting to contribute to its better performance. This then is the crux of your seminar's theme - a transition to a wider scope of industrial relations. Workers and unions should not be concerned only with handling grievances or negotiating for better terms and conditions of employment but also putting in the effort to ensure that the enterprise flourishes.

In this respect the Japanese corporation provides a useful model. For example, the Japanese concept of a corporation is very different from that of a Westerner's. In the West, stockholders own the corporation and the workers are merely employed labour. To the Japanese a corporation is an assembly of people each known as a member - not employee. Stockholders are merely an interested group of moneylenders, like banks. They are just another source of capital.

There are of course many factors, historical, cultural and social, which have contributed towards such attitudes amongst Japanese enterprises. These conditions may not be all present here. But one principle the Japanese has successfully applied is equally applicable to us, namely that the enterprise's performance and the workers' well-being are inextricably linked. Once this linkage is destroyed or is absent then it becomes that much harder to see the need to put in one's best efforts for the enterprise.

What is worse would be to propagate the traditional antagonism between unions and management, both of which usually think that they are engaged in a zero-sum game - more for one means less for the other. This attitude is disastrous and usually ends up with nothing for either.

This objective of getting our people to see the linkage between the workers and the company can be met by the proposal to reduce the employers' CPF contributions and improve the company's welfare scheme to enhance the benefits given to employees. In this way a worker's well-being is directly determined by his company's performance and his contributions to this performance. He will consequently identify more with the company and be more concerned about its performance.

This and other recommendations put up by the Committee on Productivity to improve the individual and collective performance of Singaporeans are worth serious consideration by the Productivity Council to be set up shortly. Being tripartite in composition, this Council should be well placed to draw up a practical, realistic and balanced implementation plan to enable us to become a more productive nation.

#####