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ADDRESS BY MR LIM CHEE ONN, MINISTER WITHOUT PORTFOLIO, AT THE  
NUS FORUM 1982 AT NUS LECTURE THEATRE 11 ON FRIDAY,  
10 DECEMBER 1982 AT 7.00 PM

## MOBILISING A NATION TO FACE THE '90s

### The Backdrop

If I were giving an address to a group of students some 25 years ago, they would expect me to start with a chant of "SBS" good, Mercedes Benz bad," or "No student shall sleep on a bed," or some equally stirring cliché to start the adrenalin flowing. Incidentally, I hope students in the English Department will excuse me for misquoting two of George Orwell's seven commandments in Animal Farm. I am also aware that SBS did not exist in the 1950s, but its forebears did, or perhaps it was not four, there were 14 bus companies then.

In fact our students did not need much stirring in the 1950s. There were enough unemployment, poverty, hunger, squalor and misery spread all around to raise emotions to fever pitch and keep bitterness, hatred, and violence flowing continuously. It was a tinder box situation. All that was needed was just a spark to bring the British colonial establishment down. The communists knew it and so also did quite a few loyal and far-sighted Singaporeans. They also saw the wave of nationalistic feeling that was sweeping through Asia and Africa after the Second

World War/.....

World War. It was unstoppable and could be exploited. Both groups joined forces and provided the spark to start the fire. Suffering increased and misery mounted but our people shouldered the burden valiantly. It was for a common cause: nationhood for Singaporeans. Unknown to most who fought and gave their lives, the communists had other intentions.

The communists and their fellow travellers shared the same bed with loyal Singaporeans but they had different dreams. Theirs was to keep the fire going until the time was ripe for a total revolution when the communists would emerge in triumph. Fortunately for us, the conflagration was contained and the communist dream was shattered but only just by the skin of our teeth. Let me hasten to add that they have not given up. 1964/65 was only a temporary setback for the communists. They are waiting in the wings for the ripe opportunity to start another fire. Having been outwitted and outflanked once before, they will be more subtle and skillful in future. Indeed, our fire brigade will have to be more supple and fleet-footed to put out the next fire. We must remain vigilant. It will not be just a campfire the next time.

Hence it saddens me to read about a few Singaporeans and soft-headed politicians prattling about human rights and democracy in Singapore, moaning about the type of press we have,

or demanding legislative/.....

or demanding legislative changes to enhance Singaporeans' freedom and rights. They cannot see the wood for the trees: Freedom from what? Right to what? Will the measures they advocate help to create a more prosperous and more secure nation for Singaporeans? These are basic questions to which we ought to bring our minds to bear and get some very clear answers.

In the '50s, the goal we fought for was not just freedom from the colonial shackles. We sought freedom from hunger, poverty, and squalor. We fought to build a cohesive and just society wherein every individual would have the opportunity to earn a decent living through hard work. Our aim was to secure a bright future for ourselves and our families. These were the motivations that drove one whole generation of Singaporeans to toil, sweat, and build up from scratch a nation which we now call our home. Since 1965, Singaporeans, unions and the Government worked together to create the confidence that brought in the basic ingredients for nation building - investments and jobs.

The environment in which we presently live has changed dramatically over the past 17 years - extensive public housing, purposeful education for our children, ample amenities, job opportunities for those willing to work, and a clean and green city. We enjoy a standard of living higher than ever before. But there are a few constants in life that will remain unaffected

by progress/.....

by progress: There can be no prosperity without economic growth; no growth without jobs; no jobs without investments; and no investments without confidence in Singapore.

The recent goings-on in Hong Kong should be a good object lesson on the linkage between confidence in a government and inflow of investments. Words, debates, motions, and resolutions do not bring in investments and improve our standard of living. Neither will empty platitudes about a caring society create jobs nor build more and better housing. In reality, there is one simple challenge. How does Singapore, comprising disparate groups of people, create an environment in which everyone will have the opportunity to maximise his potential, give of his best to earn a decent living, and find a secure place in our society?

Translated into hard facts, the task before us is how best to mobilise a nation, comprising 2.5 million Singaporeans from all walks of life and living on an island of 620 sq km devoid of any natural resource, so that each and everyone of us can have a bright future to look forward to and achieve a sense of fulfilment! It is against this backdrop that I will discuss the role of our workers and unions.

#### What Are Unions For?

First, let me ask: Why should university students

be interested in trade unions? After all, university graduates are unlikely to be the hewers of wood and drawers of water, labourers or workers having to join unions to safeguard their interest.

You all are at various stages of your academic studies. In a few years' time, you will begin your working life as a member of one of the professions or join the Government public service as a Division I officer, or enter business as an executive.

If you do well in your career, you will be near the top of the ladder by the turn of the century, some sooner than others. However one fact has to be remembered. You form only a small proportion of the population. As you know, only 10% of each cohort of primary one students reach University or Polytechnic levels. Despite your smallness in numbers, what you think and what you do will be important not only to yourselves and your families but also to the well-being of the nation. Your actions and the views that you hold will set the prevailing mood at the end of this century and set the tone for our progress into the next.

But how about the other 90% of the students who did not make it to tertiary institutions? Where do they fit in? More importantly, they are in the majority. In our one-man-

one-vote system, the majority will prevail. Looked at in another way, your plans and aspirations will count for nothing unless the other 90% of our fellow citizens are convinced that they too have a stake and a share in your plans and actions.

Most of them will eventually form part of the organisable workforce which means they may join unions. Consequently, the actions, policies and decisions of unions and their members will have a far-reaching effect on the total workforce including you. Hence it is to be expected that you should be interested in trade unions.

Why do unions everywhere appear to have such influence over the lives of men and nations? Indeed a government that deliberately ignores the reasonable and legitimate demands of unions does so at its own peril. How did such a situation develop? It may be worth my while to describe briefly how unions come to occupy the position they do at present.

In the developed countries, trade unions sprang from the Industrial Revolution in the 19th century. Poverty was then rampant among the working classes. Exploitation of workers, child labour, and other equally appalling work and social conditions were the order of the day. There were compelling reasons for workers to seek out all possible ways and means to look after their own interest. It was a question of survival. As more

workers became employed when factories expanded, organised workers' movements were established to safeguard workers' interests. It was in this way that trade unions had their beginnings in industrial Europe.

In the under-developed and developing countries in the early part of this century there were generally neither industries nor industrial workers in any appreciable number. Nonetheless unions were formed. They represented a wide cross-section of the active population, particularly workers in the trades and services, ie lower-grade civil servants, clerks and other employees in domestic and foreign commercial firms. These unions were moulded in the form and image of those that were established in industrial Europe decades earlier. Indeed many unions in the colonies were carbon-copies of those in England, France, Belgium and so on. Singapore was no exception. Our labour laws were drafted with the help of a British trade unionist in the '50s.

In the developing countries, especially in former colonies, unions had another role in addition to that of protecting workers. Many unions and their leaders played a deciding role in their countries' drive towards nationhood. This was not surprising because unions commanded the allegiance of great masses of the population, cutting across the traditional barriers of trade, religion, language and culture. They became

seful vehicles for heightening political consciousness among the workers and provided a ready-made platform to sound the rallying call in the pursuit of independence.

Quite naturally, when self-rule was finally won, many union leaders became national leaders. This laid the ground work for the intimate relationship that developed between the union and political leadership. There is another reason for the close ties between the two leaderships to continue.

#### Unions' Contributions to Nation-Building

The destruction of the old colonial regime had to be followed by the construction of the new nation if the people were to enjoy a better standard of living following independence. Now that they were masters of their own destiny, workers had to be told that prosperity was determined by their own efforts.

Unions were the natural partners of politicians for this purpose. Unions were suitable for this task as their membership cut across all barriers in the population. They were able to rally all workers regardless of race, colour or creed to work together to improve their standard of living. In short, for the newly-formed government to be effective, it needed the support of the unions.

However the process of nation building called for totally different attitudes and actions compared to those needed

during the struggle for independence. The tools for construction were not similar to those used for destruction. Priorities and perceptions had to change. And the very same forces used for mass demonstrations to bring the colonial establishment down had to be mobilised and reshaped for development.

Those unions that responded to this change and worked with their newly-formed government succeeded in creating jobs and a higher standard of living for their workers. Those that were not willing to change or work with the government soon found themselves caught in a spiral of more hardship and misery for their workers with every change of government because ineffective governments invariably fail.

This need and willingness to change will continue to be the greatest challenge faced by unions engaged in the unending task of nation building. What then are the guidelines for our unions in this constructive role?

One way is to adhere blindly to the precepts, practices and forms which we copied from Britain while we were a colony disregarding totally the different conditions that exist in Britain and Singapore. Obviously this will be a most foolhardy and disastrous way for us to adopt. Yet, there are some in Singapore who think that we are still living in colonial times when we ought to follow faithfully whatever practices exist in mother England regardless of their relevance to us - be it the Westminster style of parliamentary democracy, *modus operandi*

of trade unions or the lifestyle of the people.

What is untenable is that these few self-styled champions of British democracy should want to retain practices and forms that have proven to be disastrous even to the British workers and their economy. There are of course still some good points in the British way of life which are worthy of our admiration and emulation, but one has to be discerning and not copy blindly. Sadly, these good points are becoming fewer and fewer as evidenced by the increasing numbers of top grade Britons seeking greener pastures elsewhere.

On the other hand, there are quite a few examples of how successful peoples and nations have organised themselves. In these countries, unions and their leaders moved with the times and worked with their governments, changing, adapting and innovating with a common aim - to improve the long term well-being of workers. As a result unions and workers there not only played a significant role in improving their society but more importantly, workers also benefitted from their initiatives and enjoyed higher standards of living.

#### Models of Success

Over recent years, the contributions of their unions and workers to the remarkable performance of the Japanese economy

have attracted a fair amount of attention. It was their success in mobilising all their human resources that provided the impetus to the high economic growth during the 1960s. This collective effort strengthened the resilience and vitality of Japanese enterprises. Despite the serious setbacks caused by the 1973 oil crisis and the subsequent recession, they were able to show a strong recuperative power that was displayed by only a few American and European industries. While the contributory factors were many, the point to note was that Japanese unions were willing and had the capacity to cooperate with the Government and employers in building up this resilience. As a result Japanese industries and workers were well placed to weather the unfavourable economic situation following the oil crises in the 1970s. In the final analysis Japanese workers benefitted the most from the capacity of their industries to recover.

Let me cite another example where a people united in a search for a common purpose has given themselves the best chance of success in weathering the economic recession. This time I look to the West, to Austria, a small country by European standards tucked away in central Europe.

Austria is 81,000 sq km in area with a population of 7.6 million and a labour force of 2.8 million. It has 1.7 million union members belonging to the Austrian Federation of Labour (OGB), the counterpart of NTUC.

Shortly after the 2nd World War, Austria developed a system of cooperation between government, labour and industry in virtually all fields of economic policy. This system of cooperation came to be known as the "Economic and Social Partnership". While operationally it is different from the Japanese form of cooperation or our own form of tripartism, the essence is basically the same: united in purpose and in pursuit of a higher standard of living for workers. Tables I to IV annexed show how Austria has fared in comparison with some of the OECD countries.

The underlying factor for Austria's good performance was the hard-headed appraisal by the Austrian unions of what the conditions for growth were and their willingness to discard outmoded and irrelevant practices which had their beginnings in a totally different era. Compare the change in positions between Austria and UK in their per capita GNP over the period of 25 years, 1955 to 1980.

In 1955 UK's per capita GNP was US\$1,039, while Austria's was US\$603. In 1980, the tables were turned. UK's per capita GNP was US\$9,200, while Austria's rose to US\$10,255. It was during this same period that British unions had their fun and games with respective Tory and Labour governments. This shows clearly that national performance and union actions are inextricably linked.

Mr Johann Bohm, the first President of the OGB, was convinced that for Austria to recover from the war, the trade unions must assume co-responsibility for the economy as a whole,

not just for wages and working conditions alone. He maintained that unions should refrain from making a redistribution of national income the reason and basis for wage demands. Instead wage claims were based on productivity and inflation rates. As a result, Austrian workers made steady progress in their standard of living.\*

Two points of the Austrian labour movement are noteworthy. Firstly, the virtual absence of strikes in Austria over the past 30 years reflects the strength rather than the weakness of the unions. At present union membership accounts for over 61% of the workforce. Secondly, the basic philosophy of the OGB's wage policy is that high pay claims of a given union should not be shouldered by other groups of employees in the form of higher prices. In other words, pay claims must be kept within the bounds of overall growth and productivity. It is interesting to note that the annual productivity growth rate for the period 1971-1979 was 4.5%, a very creditable figure by any standards. Hence wage rates increased without affecting their competitiveness and job security. Austrian workers are reaping a fine harvest of a very sound policy.

The principle to extract from the Japanese and Austrian experiences is a simple one. When we have limited resources,

\* Source: Maria Szecsi, "Social Partnership in Austria", in Kurt Steiner, eds, Modern Austria, California, The Society For The Promotion of Science and Scholarship, 1981, P.189

and if the only one we have is human resource, the best way to build up a dynamic and resilient economy is to motivate all our human resources into making a concerted effort to achieve national progress. Any approach that will create dissent, divisiveness or confrontation will lessen the effectiveness of our pursuit for progress to the detriment of all. When we have limited resources, we should not allow them to break up into factions and go for each other's throats. If we did allow them to do so that would be the surest way to disaster and damnation.

It is clear that no nation is immune from the present economic crisis not even the mighty American, West German, Japanese, Canadian and French economies. The question each one faces, whether a large or small economy, is how to minimise the impact of adverse conditions so that the country is well-placed to recover when times improved. The answer, as shown by Japan and Austria, is motivating human resources to work together for a common goal. Switzerland will have provided another useful model based on the progress their economy has made and the increasing standard of living the Swiss have enjoyed. This could form the subject for some research by interested students.

Singapore, with its non-homogeneous population, small and fragile economy, totally exposed to the vagaries of world political conditions, and entirely dependent on exports for

survival, will have much more reason to be united in purpose. All Singaporeans whatever their status and rank in life share a common destiny. We must thus all pull in the same direction forward. Only then will we thrive.

Our vulnerability to external and internal factors is clearly illustrated by the fact that over the period 1960-1981, Singapore achieved real gross domestic product growth rates of 6% to 14.3% pa except for three years. They were 4% in 1960, -4.3% in 1964, and 4% again in 1975. 1960 was the first year after self-Government was attained in June 1959. The uncertainty following it had its telling effect in our GDP growth. In 1964, the late President Soekarno launched a policy of confrontation against Malaysia. In 1975 we suffered the impact of the serious global recession following the oil price increases in 1973. This demonstrates vividly that we will be foolish and reckless to take progress for granted. Jobs can disappear overnight unless we are adequately prepared to meet all sorts of calamities.

#### Mobilising Our Nation

This points to the need for us to treat our efforts to improve our industrial relations climate, strengthen employer-employee relations, and upgrade workers' skills and aptitudes with greater urgency. The sooner we are able to pool and develop our

resources the better position we will be in to withstand the onslaught of the bleak economic prospects and increasing protectionist tendencies.

Not much was achieved at the recent GATT meeting. Trade-war clouds loom in the horizon. If we did nothing, or worse still fritter our energy squabbling unnecessarily, investments flowing into Singapore will decrease to a trickle, our markets will shrink and retrenchments become widespread. We must press on with our business of building up a high-calibre workforce, an excellent industrial-relations climate and retain our position as an attractive location for high-quality investments.

More importantly the relationship between the NTUC and the PAP Government must continue and even be strengthened. We must not allow inconsequential distractions to break this bond which has over the past 17 years brought our workers jobs and prosperity. Together we can and shall continue to mobilise the nation as we have done before to face the uncertainty in the '90s.

On its part, the NTUC will step up its programme of training union leaders, upgrading workers' skills, and restructuring its organisation. It has recently set up the Industrial Relations Promotion Division under the Industrial Affairs Council. Its

main objective is to assist and encourage our unions and workers to establish contacts with employers and build up a climate of mutual trust and confidence. In this way we can succeed that much quicker in creating an environment where workers and managers work as a team so that our products can compete with the best in the world in price and quality. Only thus can we retain existing and penetrate new markets.

In the longer term, NTUC could expand this IR Promotion Division into a Trade Union Productivity Council which is able to contribute professionally and more effectively in all activities organised by the National Productivity Board and employers at enterprise and national levels. This will be possible when more union leaders and workers have acquired greater experience and expertise in finding ways and means to increase productivity over a wider range of industries. The Council's main function will be to exchange information, educate and cooperate both within and outside the union movement. In this way, the concept, purpose and benefits of higher productivity, better skills, and greater extent of teamwork will be understood by more workers and managers. Ultimately, the aim is to involve every Singapore worker in the development of a reputable workforce.

Meanwhile, the NTUC and its affiliates will strive to strengthen the cooperative and consultative spirit between labour and management. We shall be consulting and discussing

as equals not just in terms of muscle-power but because we share a common interest and possess equal abilities to look for better solutions to common problems.

We must reduce the need for ceremonial postures, strategic jockeying, manipulation of information, and pressured timing. The objective is to build a new cooperative road, not merely repave the old adversary course. This is the ideal of modern labour-management relations. Finally employers and employees must convince one another that we are in it together, competing against other teams in the wide international markets. And it is survival of the fittest team of managers, workers, unionists, supervisors, engineers, accountants, and everyone in the enterprise. We must strive to be that team.

With the world financial system tethering on the brink of disaster, and world trade shrinking at an alarming rate, multi-nationals invariably will cut back new investments. To survive, we must remain attractive to whatever meagre investments that are still available.

If the worst should happen then invariably these multi-nationals will consider shutting down some of their subsidiary plants overseas. In this eventuality we must then ensure that their plants in Singapore will be kept open because of our workers' high productivity and efficiency. If all their overseas plants

are to be closed then we should strive to ensure that those located in Singapore will be the last ones to be shut down. We must convince MNCs that their factories in Singapore are cost-effective and profitable. In fact we must encourage them to build better and more productive factories to replace the older ones that are to be shut down.

This points to the urgency with which we must build up our high-calibre and productive workforce. This is the only effective way to preserve jobs for our workers. When the situation improves then we shall succeed in creating more new jobs in the high-quality industries for younger Singaporeans. This is what looking after workers' interest is really all about. This is how we can ensure that you, the potential leaders, managers, and professionals, together with every other Singaporean will have a stake on this island of ours.

In short, we must work together as one team, workers, unions, professionals, employers, and the Government, to maintain and build on our reputation as an attractive investment location. We have succeeded over the past 17 years in creating a climate suitable for investments. We must build on this foundation. To do this we must mobilise our whole nation to face the uncertain '90s for we all share a common destiny and aspire to a common goal - a better future for all Singaporeans.

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Table I

## COMPARATIVE ECONOMIC PERFORMANCE (1979 - 1981)

Country	1979			1980			1981		
	Real Growth in GNP*	Increase in Consumer Prices	Unemployment Rate	Real Growth in GNP*	Increase in Consumer Prices	Unemployment Rate	Real Growth in GNP*	Increase in Consumer Prices	Unemployment Rate
	%	%	%	%	%	%	%	%	%
AUSTRIA	4.9	3.7	2.0	3.1	6.4	7.9	0	6.8	2.4
Japan	5.1	3.6	2.1	3.4	3.0	2.0	1.8	3.3	2.2
UK	0.3	13.4	5.7	-1.9	18.0	7.4	-1.8	11.2	12.4
USA	2.5	11.3	5.7	0.1	13.5	7.0	0.3	10.4	7.5
West Germany (FRG)	4.5	4.1	3.2	-2.3	5.5	3.1	1.0	5.6	5.2
Singapore	9.3	4.0	3.3	10.2	8.6	3.0	9.9	8.1	2.9

\* Figures of Singapore and UK are for GDP

Sources: OECD Economic Outlook  
Economic Survey of Singapore

Table II

COMPARATIVE REAL GROWTH RATES

	<u>1955-59</u>	<u>1960-69</u>	<u>1970-79</u>
	%	%	%
AUSTRIA	5.6	4.9	4.3
Japan	7.9	11.6	5.4
Switzerland	-	4.6	1.5
UK	2.2	3.0	2.0
USA	3.3	4.1	2.8
West Germany (FRG)	7.1	5.0	3.2
OECD	3.9	5.1	3.5
Singapore	-	8.7	9.4

Source: OECD Economic Outlook  
Economic Survey of Singapore

Table III

PER CAPITA GNP (IN US\$)

	1955		1970		1975		1980	
	Absolute	Index	Absolute	Index	Absolute	Index	Absolute	Index
AUSTRIA	\$ 653	100	\$ 1,957	100	\$ 5,074	100	\$ 13,255	100
Japan	270	45	1,939	102	4,500	90	8,895	87
Switzerland	1,298	215.3	3,350	171	8,477	169	15,500	152
UK	1,039	172.3	3,196	112	4,115	82	9,200	90
USA	2,417	400.8	4,789	245	7,148	143	11,475	112
West Germany (FRG)	621	136.2	3,069	157	6,709	136	13,390	131
OECD	1,190	197.3	2,937	155	5,535	108	9,570	94
Singapore	-	-	778	40	2,023	40	3,532	34

Sources: OECD - Economic Outlook  
 Singapore Yearbook of Statistics  
 Survey of The Austrian Economy

Table IV

COMPARATIVE INCREASES IN CONSUMER PRICES (1970 - 1981)

	<u>%</u>
West Germany (FRG)	5.0
Switzerland	5.0
<u>AUSTRIA</u>	6.2
USA	7.7
Singapore	7.9
Japan	8.6
OECD	8.8
UK	12.8

Sources: OECD Outlook  
Economic Survey of Singapore