

## **SPEECH BY DEPUTY PRIME MINISTER LAWRENCE WONG**

### **LAUNCH OF FORWARD SINGAPORE EXERCISE ON 28 JUNE 2022**

NTUC President Sister Mary Liew

Secretary-General Brother Ng Chee Meng

Tripartite Partners Brother Tan See Leng, Brother Robert Yap

Distinguished Guests, Brothers and Sisters

1. We are all gathered here because we are deeply invested in Singapore's future
  - a. Where is our country headed?
  - b. What can we do now to secure the future we hope for?
  - c. How can each of us contribute?

#### **Introduction**

2. To address these questions, I announced earlier that the 4G team will embark on an exercise to review and refresh our social compact, and chart a roadmap for the next decade and beyond
3. Today, let me share some of my thoughts on this Forward Singapore exercise
4. It's fitting that I do so at this NTUC tripartite dialogue

- a. Because NTUC has played a crucial role in shaping our social compact since the early years of our nation building
    - i. Our unions steadfastly protected the interests of our workers – to get a fair deal
    - ii. They persuaded workers to abandon strife and conflict, and work with employers instead
    - iii. In turn, the Government provided a stable and conducive environment – which enabled businesses to grow and create jobs, and importantly, to share the fruits of progress with all workers
  - b. All sides kept faith with each other
    - i. Together, we developed our unique tripartite system
    - ii. Together, we’ve uplifted generations of Singaporeans
    - iii. So I want to say a big thank you to all of you for your steadfast partnership throughout these years. Thank you very much!
5. Importantly, we’ve kept faith with the values and beliefs set out at the founding of our nation too
- a. They are expressed in our Pledge: “one united people, *regardless of race, language or religion*”; and “a democratic society, based on *justice and equality*”
  - b. These are timeless values
  - c. We must continue to hold fast to them, as we write the next chapter of our Singapore Story together

## Refreshing our Social Compact

6. What is a social compact and why do we need to refresh ours?
7. Broadly speaking, a social compact is a shared understanding of how all of us in society relate to one another
  - a. It's about the respective roles and responsibilities of different groups
    - i. What should the Government, employers and the community do for workers and individuals?
    - ii. What are our obligations as individuals to one another and to society at large?
  - b. A social compact that is deemed fair by all segments of society will strengthen social capital and foster trust, and this is what will enable us to progress together as a nation
  - c. This is why it is so important for us to refresh and update our social compact, so that it remains fit for our changing context and circumstances

## External Trends

8. Just consider the world around us
  - a. Over the past decade, we've seen many examples of fraying social compacts and more fractured societies
    - i. Look across Europe and North America, for example. Many people with difficulties coping have felt excluded from their nation's progress
    - ii. They sense that the system has failed the people

iii. Their resentment has fuelled the growth of extremist political parties on both the far-right and the far-left

iv. As a result, many societies have turned inward and xenophobic, and they are unable to find a consensus on important national issues

9. Fortunately, in Singapore, our situation is not as dire as in many of these countries. Economically, we are in better shape than most

a. Unlike most developed countries, we have been able to achieve inclusive growth, including over the past decade – where the real wages of lower-income workers have risen faster than that of the median worker, which means that our income gaps have been narrowing

b. We are still creating many new jobs, thanks to the investments that we have been able to attract from overseas, as well as the growth of our own companies and the skills of our workers

c. Throughout the last two years of the pandemic, we have stayed nimble and adapted quickly, and demonstrated a strong sense of social solidarity

d. Amidst great adversity, we were able to come together, seize the opportunities ahead of us, and emerge stronger

### Crossroads

10. But we find ourselves now at a crossroads in our nation's journey

11. All of us had expected a strong recovery from COVID-19, but now we have flown into stronger headwinds:

- a. We have a war raging in Europe fuelling global inflation, and possibly a recession – if not stagflation
  - b. We also face rising geo-political tensions, especially between the US and China; disrupting supply chains and ushering in a more dangerous and bifurcated world
12. Domestically, too, we have to deal with a number of social trends with long-term consequences
- a. A rapidly ageing population
  - b. A concern that social mobility is slowing, with those who have done well pulling further ahead of the rest due to their entrenched advantages
  - c. And, with that, mounting anxieties among many of being displaced by others
  - d. These are very real fears in our stressful society – the fear of not doing well enough, of being left behind
13. I understand your concerns
- a. Our students feel pigeon-holed in a system where the stakes are high from very early in their lives
  - b. Our graduates and workers are anxious about their careers; and worry that they will be priced out of the property market
  - c. Our older workers sometimes struggle to be considered for new jobs after being displaced or retrenched

d. Sometimes, those who do not meet the traditional yardsticks of merit may find opportunities closed to them. They may feel beaten down by early failure, and feel discouraged from trying again

e. I know that these are genuine struggles that Singaporeans face – perhaps more so today than in the past

f. And I hope we will have honest conversations about these concerns, and how we can tackle them together

14. The bottom line is that the world around us and our own society have changed, and will continue to change

a. So we know in our guts that it cannot be business-as-usual

b. For the stable state of affairs we now enjoy can easily be disrupted

c. And if our social compact fails:

i. A large segment of Singaporeans will come to feel estranged from society, believing that the system is not on their side

ii. Trust in the Government and among various segments of society will plummet

iii. Politics in Singapore will turn nasty and polarised

iv. We will become a low trust society, like so many others in Asia and Europe

v. And Singapore, if this were to happen, will surely fracture

15. Conversely, if we strengthen our social compact

- a. We can turn each set of challenges into opportunities
  - b. We can find the silver lining in whatever comes our way
  - c. We can be a bastion of stability and opportunity in this world
  - d. And we can leave behind a better Singapore for tomorrow
16. This is why my 4G colleagues and I think we should take a step back to:
- a. Reflect on where we are today
  - b. Where we want to be in the future
  - c. And how we can get there together
  - d. At this juncture – as we prepare for a post-pandemic world; as we navigate an increasingly treacherous geo-political situation; as my 4G team and I prepare to take on the mantle and lead Singapore forward – let us:
    - i. Re-affirm our fundamental values
    - ii. Re-examine our principles
    - iii. Re-view our priorities and policies – and chart our new way forward together
  - e. This is what the Forward Singapore exercise is about

### **What We Hope to Achieve**

17. To help focus our efforts, let me offer some questions for us to consider:

- a. How can we do more to **equip** and **empower** our people, whatever their starting point in life, and ensure everyone is able to maximise their potential?
  - b. How can we as a society better assure Singaporeans and better **care** for their needs in this volatile and unpredictable world?
  - c. With increasing demands on our resources, how do we **build** an even better home and **steward** our shared environmental and financial resources, so we can meet the needs of Singaporeans today as well as those yet unborn – our future generations?
  - d. And finally, how might we **unite** our people and foster a greater sense of shared ownership and responsibility, so that we can all pull together as one to take Singapore forward?
18. Let me share my thoughts on these questions, and how I think our social compact might evolve
19. **First**, on how our economy is run, and whether the system benefits all or just the few
- a. Everyone knows we have long relied on open and free markets to grow the economy
  - b. That must remain the case – for it is by staying open to investments and talent from around the world that we create wealth, keep our economy innovative and vibrant, and thus provide good jobs and better opportunities for Singaporeans

c. But we also know that left unchecked, the workings of the free market can lead to excessive competition and rising inequalities

d. That's why we have always **tempered extreme market outcomes and resisted a winner-takes-all economic regime**

20. For example, to stay open as an economy means having to accept some degree of competition from foreign workers and professionals – whether they are here or overseas

a. I know this competition sometimes causes anxiety

b. That's why we have not left Singaporeans to fend for themselves, or allowed outcomes to be decided by market forces alone

c. Instead, we have invested heavily in skills upgrading and retraining – and will continue to do so – so that Singaporeans are better equipped to compete fairly for good jobs

d. And we will be passing a new law to ensure that all employers uphold fair employment practices. We will not hesitate to take action against any employer who discriminates on the basis of nationality -- or other factors, namely, age, sex, disability, race and religion

e. At the same time, we will continue to update our policies to manage the inflow of work pass holders, and ensure they come into sectors where we need them the most – to complement, not to displace, our local workforce

21. I want to assure everyone, Singaporeans and Singaporean workers will always be at the centre of everything we do

- a. In this same spirit, we will ensure that public housing remains affordable, especially for the young and first-timers
  - b. We will continue to uplift our vulnerable workers through schemes like Workfare and the Progressive Wage Model
  - c. And we will further strengthen our progressive system of taxes and transfers, so that everyone contributes something, but those with more contribute more, to help those with less
  - d. In fact, I made a series of moves in the Budget this year to do this, and we will continue to study what more needs to be done
22. As Singapore prospers, we will ensure that our income and wealth gaps do not widen, and that every Singaporean has a fair share in the benefits of growth
23. **Second**, on our system of meritocracy
- a. People debate about this a lot but meritocracy is still the best way to organise our society
  - b. Why? Because it encourages people to strive and to make the best use of the opportunities available to them, and it preserves upward mobility
  - c. After all, if we do not reward on merit, then what other alternatives do we have? Surely, we cannot do so on the basis of connections – just because I know someone – or networks, or worse, social pedigrees
24. But we also know that meritocracy has its downsides
- a. The rich can give their children more opportunities

b. Those who have succeeded by their merit naturally seek to pass on their advantages to their children by any means possible

c. So there is a risk of privilege being entrenched across generations

25. We cannot abandon meritocracy, but I believe **we can improve it and make ours a more open and compassionate meritocracy**

a. One way is to do more early in the life of every child, especially those from less well-off families, so that the circumstances of their birth do not determine their future in life

i. We are already investing in pre-school education

ii. I believe more can be done in the early years, including from ages 1 to 3, and especially for those from lower-income families

iii. This way, we can better ensure that all Singaporean children, no matter their social background, can fulfil their potential

b. Another approach is to broaden our conception of merit beyond academic credentials: to recognise and develop talents in diverse fields, and give our people opportunities to advance at multiple stages of their lives

i. We've started and made progress with SkillsFuture

ii. But a lot more needs to be done

iii. So the Government will need to work closely with employers and unions to effect more changes. For example:

(1) How can we get employers to hire and promote staff, not just on the basis of credentials, not because of a piece of paper, but on the basis of their skills and actual work performance

(2) How can we strengthen our overall system of learning, not just in schools and formal education, but lifelong education, so that our people can continually upgrade their skills and secure better jobs

26. The most important change is not something that the Government can legislate into reality: We must all, as a society, learn to value the contributions of every worker in every profession and every field

a. This means respecting all – including those in lower-income jobs – who keep society going in so many ways

b. Many of these unassuming workers are essential, as we all learnt during the pandemic – our hawkers, cleaning workers, food delivery riders, security officers, and so many more

c. Let us all recognise them, treat them with dignity and respect, treat them kindly, never turn up our noses at anyone – and pay them well

d. This way, we can accord these workers a greater sense of dignity and sufficiency in life, and the opportunity to continue to improve their lives

27. This is my deepest belief: **I hope to see a society and a system that benefits many, not a few; that rewards a wide variety of talents, not a conventional or narrow few; that values and celebrates all individuals for who they are and what they can achieve; and provides all with opportunities to do better throughout their lives.** Let's all work together to make this happen.

28. Third, on our system of social support

a. In the Budget this year, I explained how the Government has been spending more over the years to strengthen our social safety nets, to provide Singaporeans with more protection

b. But new forces of technological and economic disruptions require us to rethink if our current assurances are adequate

29. In a more volatile job market, more Singaporeans will find themselves getting displaced and in financially precarious conditions

a. Or they may choose to take on platform jobs which, though more flexible, do not offer adequate safeguards for their employment, career progression, or longer-term needs

b. And as our population ages, healthcare and retirement adequacy will become more critical to help our seniors live out their golden years with dignity

30. I believe, as a society, we can and we must do more to provide greater assurances for our fellow Singaporeans

a. Everyone, every Singaporean, must know and feel that they will not be left to fend for themselves when times are hard

b. That is why we will study how we can do more to help our workers tide over difficult times

c. And how we can better provide for our growing number of seniors

31. Of course, all this will require more resources

- a. That's why we must also collectively determine
    - i. How much more the Government should spend — and on what
    - ii. As well as how much more our people are prepared to pay to fund this spending
    - iii. Beyond that, we must also consider how families, corporates and the community can complement what the Government is doing
  - b. For it is only when we all chip in that we can better support one another, especially the most vulnerable amongst us, to weather the storms that may come our way
32. Finally, on our solidarity – how we can unite our people and build a better home, and steward our resources equitably across generations
- a. Some things should not, cannot, can never change – like our fundamental principle of multi-racialism
  - b. Our diversity is a source of strength, but it also requires constant adjustments to make sure we get the balance right: to progressively expand our common space, while allowing each community as much room as possible to go about its way of life
33. Crucially, a strong social compact must provide not just for this generation's needs, but it must also provide across generations
- a. We are fortunate to have inherited a well-endowed Singapore. We owe this to the foresight and prudence of past generations
  - b. And this was why we were able to pass successive Budgets to fund critical schemes, and help workers and families tide over COVID-19

- c. It is our sacred duty not to squander what we have inherited
- d. If we were to use up more than our fair share of fiscal resources today, or neglect taking care of the environment, our children and our future generations will end up paying the price: they will be left with bigger challenges down the road

34. So even as we tackle the challenges of today, we must consider the needs of tomorrow – the social compact we forge must be one that is fair and equitable across generations

### **Partnering with All to Realise our Vision**

35. Forward Singapore will be a major undertaking of the 4G team. It is an exercise that we are both excited and honoured to lead

- a. You have my word that we are sincere and committed to listening to and partnering with Singaporeans
- b. We will build on the momentum we have gained, and apply the lessons we have learnt over the years
- c. We will engage in good faith; consider all ideas; and work alongside Singaporeans to achieve our shared aspirations

36. Some of you may ask me: what is it that I want to see in the Singapore of tomorrow?

37. I would say: I want to see a Singapore

- a. Where opportunities are open to all, no matter who they are or what their background is

b. Where all are assured of access to basic needs like education, healthcare and housing, and everyone can chart their own path to live a fulfilling and dignified life

c. Where we can build the best home, not just for ourselves but for generations of Singaporeans yet unborn

d. Where all Singaporeans contribute their fair share to the common good, with those who are fortunate to do well in life willingly contributing more to uplift their fellow citizens with less

e. **Where every man and woman is valued, every child treasured, and every senior respected**

38. This is my hope for the future

39. But I cannot make this happen by myself

40. Today, I seek your full support and participation. I am counting on all of you – as unionists, as business leaders, but most importantly as fellow Singaporeans

a. To offer your ideas and energies

b. To shape our vision so they reflect the aspirations and concerns of all Singaporeans

c. And to work hand in hand with the Government to turn our common vision into reality

41. This journey to take Singapore forward will not be easy

- a. It will require us to reflect not only on our aspirations, but also our anxieties
  - b. And to see things not just from our own lens, but also from the lens of those with different backgrounds, different needs, and different priorities from us
  - c. I hope we can all approach this with open minds and big hearts
    - i. Be willing to give and take, as we negotiate difficult trade-offs
    - ii. So we may arrive at where we want to be, stronger and more united than when we started
42. I have every confidence that by engaging and partnering one another, openly and sincerely, we will be able to build a better and stronger Singapore
43. So let us all strive for:
- a. A fairer and more equal
  - b. A more just and inclusive
  - c. And a more generous, big-hearted and greener Singapore – for many more generations to come
44. Thank you very much