

**MINISTER LAWRENCE WONG'S OPENING REMARKS
ON THE PARLIAMENTARY MOTION ON "SECURING SINGAPOREANS' JOBS AND
LIVELIHOODS" ON 14 SEPTEMBER 2021**

Mr Speaker Sir,

1. I beg to move

That this House:

- a. Acknowledges Singaporeans' anxieties about jobs and competition in a globalised and fast-changing economy;
- b. Affirms Singapore's need to stay open and connected to the world in order to grow and prosper;
- c. Supports government actions to manage the population of foreign manpower, ensure fair treatment by employers, and invest in education and upskilling, to create more good jobs for Singaporeans;
- d. Calls on the government to continue to update and improve its policies to secure the well-being and livelihoods of Singaporeans in an uncertain post-pandemic world; and
- e. Deplores attempts to spread misinformation about free trade agreements like the Singapore-India Comprehensive Economic Cooperation Agreement (CECA), stir up racism and xenophobia, and cause fear and anxiety amongst Singaporeans.

Introduction

Sir,

2. Securing jobs, livelihoods and better lives for Singaporeans has always been what this Government is about.

- a. All our economic policies, be they free trade agreements or foreign manpower policies, are about creating jobs for our people and helping Singaporeans achieve their aspirations.
- b. Every detail matters. Many of you will remember: Mr Lee Kuan Yew took special care to make the road leading from Changi Airport to the city as attractive as possible to impress foreign investors. They see this tree-lined road and their first impression is that this is a well-run place, able to plan and implement. So it's safe to invest here – and create jobs here.
- c. That's the level of detail – the persistence and devotion – that carries on to this day: All to secure jobs and livelihoods for Singaporeans.
- d. We've explained to Singaporeans many times our approach and policies.
- e. We've debated in this House too, including recently in July.

- f. I would like to bring it all together in this motion today to explain where the Government stands on jobs, why we must remain open and connected to the world, and how we are managing the foreign manpower population.
3. Mr Leong has also filed a motion on this matter.
- a. We had invited him to do so earlier.
 - b. His motion appears to be addressing concerns about jobs.
 - c. But it yet again falsely attributes the challenges faced to our FTAs and foreigners
 - d. This is despite the clarifications made by my colleagues Mr Ong Ye Kung and Dr Tan See Leng in July.
 - e. So we cannot accept his motion.
 - f. That's why the Government has moved a separate motion to explain and to reiterate our position on this important matter.
 - i. It is important that Singaporeans – and the world – understand where we stand.
 - ii. And as Mr Ong Ye Kung said in July, we are prepared to fight the next election on this issue; we are prepared to fight any party that chooses to take a populist line and stirs racism and xenophobia.

Staying Open and Connected to the World

4. We recognize that Singaporeans are anxious about jobs and competition.
- a. The pace of change in our economy has accelerated over the decades.
 - b. Think about what our economy was like in the early 1990s.
 - c. Then PMETs made up about 30% of our local workforce.
 - d. It was rare to hear of PMETs being retrenched. There was a higher chance of retrenchments amongst non-PMETs, but not so much amongst PMETs.
 - e. Today, PMETs make up a much larger 60% of our local workforce. Inevitably we are seeing more retrenchments amongst them.
 - f. Though the absolute number of layoffs is not many, even those who are in good jobs worry, and wonder if they might be next.
 - g. The pandemic has also increased the economic churn and uncertainty, and deepened these worries.
5. It's the same all around the world.
- a. Job stability has fallen across advanced economies.

- b. In part, this is the result of the churn that happens in any vibrant economy – in some sectors, firms will close and let go of people, in other sectors, there will be growth and more promising jobs being created.
 - c. Technology is accelerating this churn due to the disruptions it causes across all sectors of the economy.
- 6. In some places, the churn they are experiencing is coupled with structural difficulties. For example, entire industries going down with no new jobs to replace, and
 - a. places like these have started to turn inwards and become more protectionist.
- 7. But that's not a viable option for Singapore. As a small island-state with no natural resources and no hinterland, the only way we can only survive and prosper is to stay open and connected.
- 8. Indeed we have thrived over the decades only because we are an open economy and a business hub.
 - a. Global businesses see value in locating their regional and global functions here.
 - b. Home-grown enterprises benefit too, because they can expand easily to markets overseas and access opportunities everywhere around the world.
- 9. Ultimately, businesses choose Singapore because of our openness, our rule of law, and our consistency in policies.
 - a. They will hire many Singaporeans because they know the quality of our people – their skills, their drive, their honesty. Indeed, the quality of the Singaporean workforce is one reason why they come here in the first place.
 - b. But there aren't enough Singaporeans to fill all the jobs available. Moreover, as international companies, they want to have a diverse workforce and to move their staff around their different offices to develop them.
 - c. So here in Singapore, they bring together the best team to oversee their regional and global operations.
- 10. What is our response to these global businesses? Do we want them in Singapore or not?
 - a. These companies can locate their functions in any other hub city, be it Hong Kong, New York or London.
 - b. If we were to take a politically craven approach and impose many stringent conditions on their ability to operate here, we will lose out on many good investments.
 - c. We would have fewer foreigners for sure.
 - d. But many Singaporeans will also be deprived of good jobs and career opportunities.
 - e. It's like cutting off one's nose to spite one's face.

Our Strategies Have Worked

11. Let me be clear: we are bringing in investments and growing the economy, not as an end in itself, but as a means to an end. Our aim is to create good jobs and improve the lives of all Singaporeans
12. Our strategies have worked. Look at the data over the last decade.
 - a. From 2010 to 2019 – up until COVID struck – median income in real terms grew by 3.2% per annum for residents.
 - b. Income growth at the lower end has kept pace with the median.
 - c. Likewise household incomes have also risen across the board.
 - d. Our employment rate has been amongst the highest in the world; our unemployment rate has been kept low.
13. Look at the PMET data – professionals, managers, executives, technicians.
 - a. Between 2010 and 2020, local PMET employment grew by about 300,000.
 - b. This is almost three times the increase in EP and S pass holders over the same time period, which was about 110,000.
14. These are substantial achievements which we can be proud of, and which we should celebrate.
 - a. But the PSP wants to sweep these aside.
 - b. They downplay the jobs, opportunities and outcomes we have created, and play up the anxieties.
15. The PSP assumes that if we reduced the number of foreigners here; then all these jobs will automatically go to Singaporeans.
 - a. Mr Leong has a euphemism for it. He called it in one of his earlier FB posts – “rebalancing”.
 - b. But it is quite clear what he means. In one post, he said we can get rid of “tens of thousands” of workpass holders and he thinks that Singaporeans can fill these jobs.
16. But that thinking is fatally flawed.
 - a. First, we already have more than 25,000 PMET vacancies today, with many companies still looking to hire.
 - b. With so many companies having difficulties filling these vacancies, how would we find people with the relevant skill-sets to take on the additional “tens of thousands” of jobs that Mr Leong thinks can be created by getting rid of the foreigners?
 - c. Second, if our policies were to become overly-restrictive, companies will just find other places to operate in where they can be more competitive. We would lose all the jobs they brought here.

- d. If we are not careful, decades of hard work to build up our business hub will be wasted. Our economy will contract and go down in a tailspin.
- e. We will end up with far worse problems, and it's not the foreigners, but Singaporeans who will ultimately pay the price.

17. Today, foreign PMETs account for about 20% of our PMET workforce. For those who would like to see fewer foreign workpass holders, they may perhaps be feeling a sense of nostalgia about how things were like in the past.

- a. Let's say we go back to the 1990s. Back then, we were not as developed as a hub economy; so foreign PMETs accounted for just 10% of our PMET workforce.
- b. But remember our overall standards of living were also much lower then: in 1995, that's the earliest I could get data on, our GDP per capita was just around \$35,000 instead of more than \$80,000 now; and median salaries of residents were less than \$2,000 compared to around \$4,500 today.
- c. Is that what we want? Stagnate in the 1990s, while the rest of the world progresses around us?
- d. Remember how Mr Lee Kuan Yew once said, "never fear, 10 years from now, this will be a metropolis".
- e. What do Mr Leong and the PSP promise: "10 years from now, we will go back 30 years"?

18. The reality is that as a business hub, we cannot escape global competition, whether it comes from China, or India or the developed countries or cities.

- a. But by combining and complementing local and foreign professionals, we are able to attract more investments, including from cutting edge companies.
- b. Then we can grow the pie, create many more good jobs and career choices for Singaporeans.

19. In fact, companies are actively hiring locals into PMET jobs.

- a. Most of our local graduates are snapped up as soon as they enter the workforce.
- b. Over the past decade, 9 in 10 were employed within 6 months after graduation, with starting salaries rising steadily.
- c. And our resident PMET unemployment rate remains low.

20. Consider the IT sector.

- a. 20 years ago, few Singaporeans wanted to study computer science. It was one of the least popular courses in our universities.
- b. Today, the IT sector has grown manifold and there is huge demand for tech professionals in every sector.

- i. IMDA estimates that there are around 19,000 unfilled tech jobs across our economy every year.
- ii. Computer science is now an extremely popular course and its graduates are in huge demand. The median starting salary of a computer science university fresh graduate is around \$4,000 ~ \$5,000 a month.
- iii. Last year, around 7,600 local students enrolled in ICT courses in our universities, polytechnics and ITEs.
- iv. Our institutions of higher learning (IHLs) are producing as many ICT graduates as they can. But you can see from the data that relying on the local pipeline alone will not be enough.
- v. And we also need to balance the needs of other sectors. Because if we increase the intake of young people in ICT too sharply, we will end up with fewer people in other areas like nursing or physiotherapy. Then the complaint will not be about foreigners in ICT, but foreigners in our hospitals.

21. It is not just the number of jobs that has grown. Career choices have also expanded as we become more vibrant as a hub economy.

22. Look at the financial services sector.

- a. More than twenty years ago, the sector was smaller and the number of jobs available were more domestically focused than today. Most of the jobs then were in our three local retail banks: DBS, OCBC and UOB.
- b. Today, the financial services sector has grown significantly. Our local banks now have a good overseas footprint. In addition, we have anchored major international banks, like the Asia-Pacific operations of Citi and the global operations of Standard Chartered, as well as a wider variety of other players including private banks, asset managers, specialist and reinsurance firms, FinTech companies and more. They serve not only the domestic market, but also the larger regional and global markets.
- c. Across the financial sector, the number of Singaporeans holding senior level positions has also grown steadily over the years and continues to do so.
 - i. Just in recent months, we have seen Singaporeans being appointed new leadership positions in various international firms including Deutsche Bank and HSBC, as they expand their operations here.
 - ii. As we anchor more businesses here and as they expand their footprint, there will be more opportunities for Singaporeans as well.

23. So the data and evidence are clear: our economic policies have helped to raise living standards across the board, and to create many good jobs for Singaporeans. Our children – fresh graduates from our IHLs, Polys and ITE – are benefiting. They are doing the jobs of the future, not the past – which would have disappeared in any event if we had stood still in the 1990s.

Addressing the Downsides

Sir

24. What I've described so far are not just abstract figures. They reflect the lived experiences of the vast majority of Singaporeans, whose their lives have improved as a result of our policies.

25. But we know that globalisation is not an unmitigated good. Being a hub economy brings many benefits to Singapore and Singaporeans, but it also comes with its share of cost. The rapid pace of change and the "creative destruction" that takes place in any vibrant economy means that there will be people displaced from their jobs.

26. But the issue is not about foreigners working here.

- a. Even if we got rid of "tens of thousands" of foreigners, locals will continue to be displaced – because of technology, because of innovation, because of the changing nature of work over time.
- b. With the rise of remote work, people can work from anywhere in the world, and they need not be all in the same place.
- c. In the face of these painful dislocations, it's easy for politicians to blame someone for them. People don't lose jobs because of technology or innovations, they say. But it's because of these foreigners in our midst, they are the reason you have been displaced. And if they can mobilise existing racial prejudices against particular foreign nationalities here, better still.
- d. That's why we see nationalist and protectionist sentiments gaining ground everywhere around the world. That's why populist and anti-immigrant parties – even neo-Nazis and fascists – do well in many European countries.
- e. Far easier to point fingers, make one nationality or another the scapegoat, and blame them all for our troubles, rather than work on reskilling our workers.

27. I emphasise again: there are downsides to an open economy, and these must be attended to.

- a. But if we want an economy where nobody will ever be displaced, then we will stagnate and atrophy.
- b. So the right approach is not to impede progress by holding on to every job even as they become obsolete; but to work hard to protect every worker and help those who are displaced.
- c. In this way, we grow the economic pie for everyone, and ensure that the cost of globalisation and openness does not fall unfairly on the displaced workers.

28. This is the approach we – the PAP and NTUC – have taken.

- a. On an overall basis, the pluses of what we've been able to achieve far outweigh the negatives.
- b. For example, over the past decade, we've had around 60,000 resident PMET retrenchments.
- c. But we've seen a much bigger increase of around 300,000 in PMET employment for residents.

29. At the same time, we have taken and will continue to take proactive steps to deal with the downsides.

30. **First**, we are continually updating our manpower policies and rules to ensure that the flow of workpass holders is managed, and to ensure that they are of the right calibre.

- a. Hence we review and update the criteria for workpass holders over time.
- b. I will elaborate on this later in my speech.

31. **Second**, we uphold fair employment practices and take a strong stance against discrimination at the workplace.

- a. We know that some Singaporeans have experienced this.
 - i. Their foreign colleagues may not be up to scratch.
 - ii. They may have been unfairly passed over for a promotion.
 - iii. They may have been victims of discriminatory hiring practices.
- b. Prime Minister spoke frankly about these issues at National Day Rally. We recognise the pain and frustration of those who feel unfairly treated by a foreign boss or a foreign colleague.
- c. When our agencies pick up problematic indicators in a firm, we place the firm on the Watchlist for closer scrutiny, and our agencies step in to intervene, quietly but effectively.

32. As PM announced at NDR, we will now enshrine the Tripartite Guidelines on Fair Employment Practices into law.

- a. This is a major philosophical shift.
- b. We had deliberated over this for some time, and had hesitated to do this in the past.
- c. We were concerned that doing so would lead to a more litigious and confrontational process; it could easily sour workplace relations harming both employers and employees.
- d. But after hearing from the Labour Movement and NTUC MPs, and consulting our tripartite partners, we decided we could manage these concerns, and that it was time to change.
 - i. To send a clear signal we have zero tolerance of discrimination at the workplace, and
 - ii. To give our agencies more regulatory levers to take action against errant employers.
- e. To be fair, the majority of companies do behave responsibly. But we know that that unfair practices occur from time to time. We will spare no effort in investigating every case thoroughly. Where companies are found wanting, there will be consequences.

33. **Third**, we do everything we can to help those who are displaced. To every person who loses his job, the unemployment rate is 100%. Losing one's job is disorienting and disabling – there are no two ways around it. We understand your concerns and we will do our utmost to help you.

34. This is why the Government has been investing heavily in SkillsFuture – to help all Singaporeans learn for life and to stay employable in this competitive environment. We're paying special attention to mid-career PMETs, to equip them with relevant skills and to find new jobs.

35. Take the example of Mr Edwin Chee, who was retrenched in May 2019 as an engineer in a manufacturing firm.

- a. Edwin took the plunge and made a career switch to the rapidly growing medical technology industry.
- b. Although he was new to the industry, his company valued his good attitude and past experience, and hired him under the Career Conversion Programme.
- c. Through the programme, Edwin learnt the ins-and-outs of the sector, picked up new skills and successfully pivoted into his new role as a senior engineer.
- d. Today, Edwin has settled into his new role and enjoys good prospects in this rapidly growing industry.

36. Covid-19 has given us greater impetus to accelerate this important work, and to provide more help for displaced workers.

- a. We're pressing ahead with our industry transformation efforts to raise wages and productivity across all sectors.
- b. We're stepping up employment and training support, especially for mid-careers and mature workers, to help them pivot into new growth areas.
- c. We are doing everything we can to help displaced workers get back into jobs.
 - i. We want to minimise their time out of a job;
 - ii. Find good job matches that build on their wealth of skills and experience; and
 - iii. Give them an injection of skills if needed for the new job.
- iv. These are the major undertakings under the National Jobs Council chaired by SM Tharman.

37. Some of our current schemes are temporary incentives for jobs which will be tapered down as the economy recovers.

- a. But we are not going back to the pre-Covid status quo ante.
- b. After the crisis, we expect a permanent shift in support levels with more help for our workers, especially as we enter a period of greater volatility and disruption.

- c. MOF is working through these details carefully, to make sure that the changes we make are financially sustainable.

38. I promise all Singaporeans – especially those who are displaced: you will never be alone. We will continue to invest in your capabilities and skills; help you stay competitive; and walk this journey with you through the rest of your careers.

Our Singapore Talent Policy

Sir,

39. What I've just described fits into our overall policy for Singapore – to grow our economy, to improve our standard of living, and to make sure we progress cohesively as a nation, both now and into the future.

- a. Mr Leong's motion states that the Government's "foreign talent policy" is the cause of job anxieties.
- b. But he's barking up the wrong tree because the issue is not about local talent vs. foreign talent. This is not a zero-sum competition, as I have explained.

40. What we have is a Singapore talent policy – to maximise our overall talent pool, so that we can achieve the best outcomes for Singapore and Singaporeans.

- a. We do this by first nurturing and growing our own talent, because Singaporeans will always be our priority and at the centre of everything we do.
 - i. We start from young through significant investments in pre-school and education, to help every child achieve their full potential.
 - ii. We're also broadening our conception of merit, and giving people opportunities to advance and excel across different domains, and at multiple stages of their lives.
- b. At the same time, we continue to bring in manpower and skills from around the world to complement our own people – to give us that extra boost so we can continue to thrive amidst intense global competition.

41. We do this across every level of the workforce.

- a. At the lower end of the income spectrum, we bring in work permit holders.
 - i. The numbers are quite large. But we need them in areas like construction and marine.
 - ii. So we control the flow with quotas and levies.
- b. For the middle-income tier, we have Singaporeans doing the jobs, but there are not enough of them, and we need to top-up with S Pass holders.
 - i. We control the flow with quotas and levies.

- ii. But we also impose minimum qualifying salaries to make sure they have the right skill-sets and are in areas where we need them most.
- c. At the higher level, we bring in professionals with the abilities and skills to contribute at the upper end of the workforce.
 - i. We need the right instrument to manage the flow of these foreign professionals and ensure they are of the right calibre.

- ii. This is best achieved not through levies and quotas but through the salary cut-offs – because how much the employer is prepared to pay is a practical indicator of quality.
- iii. Last year we raised the EP qualifying salary twice.
- iv. We will continue to ensure that the qualifying salaries – for both S Passes and EPs – keep pace with our local wages.
- v. We are also studying how to further improve this framework to have a finer-grained feel for the people we bring in, and ensure we get the right talent for Singapore.

42. This is how we constantly adjust the balance in our workforce, and bring together the best talent for Team Singapore.

- a. Based on this framework, we allow companies to bring in the workers they need at different levels.
- b. The PSP has raised questions in Parliament on the nationality breakdown of the EPs.
- c. But from a competition and jobs perspective, where the EPs come from shouldn't matter. What's more important are the policy parameters I've just outlined, which determine the overall flow and the quality of the workpass holders.
- d. So, if there are questions about this balance, we can discuss and debate the specific settings of our policies. But let's not turn this into an issue about CECA and Indian professionals, which are not relevant, unless the PSP intends to persist with its negative campaign to stir up racial unhappiness.

43. In short, Singapore will remain open and welcoming. We must. But those who do business here must also recognise the value of our workforce and abide by our rules.

- a. We will continue to ensure that the companies we attract and root in Singapore are those who are committed to nurturing and growing our Singaporean core.
- b. Both sides need to make the effort.
 - i. Singaporeans must be big-hearted and accepting of those who are different from us.
 - ii. Non-Singaporeans must respect our norms and way of life, and make the effort to fit in.

Standing Against Misinformation, Racism and Xenophobia

Sir,

44. All of us in this House are concerned about the job challenges faced by Singaporeans.

- a. So, I welcome this debate today.
- b. But we should not be starting this debate from zero.

45. At the last debate in July, my colleagues Mr Ong Ye Kung and Dr Tan See Leng explained why we need FTAs, including CECA – to attract investments and create jobs for Singaporeans.

- a. Both Ministers went to great lengths – showing the specific clauses in the text – to explain why the Movement of Natural Persons provisions in our FTAs do not allow free access for foreigners to work in Singapore.
- b. During the debate, Mr Leong acknowledged some of the points, and he said that the PSP “fully supports FTAs” and is “in favour of having foreign talents or foreigners to come in to complement us”.

46. So with that as the starting point, I look forward to hearing Mr Leong’s further elaboration on the PSP’s position today. In particular at the last debate, Mr Ong asked whether the PSP agreed on two key points:

- a. First, that FTAs, including CECA, are fundamental to Singapore’s economic survival and our ability to earn a living and we should not shake this bedrock principle for political purposes;
- b. Second, that CECA is not the cause of the challenges faced by our PMEs, and does not allow a free flow of Indian PMEs into Singapore. Those were the two questions raised by Minister Ong then.

47. Mr Leong had not given this House a clear answer to these two questions. The PSP has had two months to think about their answers. So I hope that when Mr Leong rises next, he will speak clearly.

- a. If he acknowledges that FTAs, including CECA, are not the cause of the challenges faced by our PMETs, then we can put this issue to rest once and for all.
- b. But if he continues to equivocate, or to make misleading or false claims, then we can only conclude that CECA is a cover for the PSP to stoke racist and xenophobic sentiments.

48. The strong racist and xenophobic undertones in the PSP’s campaign against CECA have not gone unnoticed. The business community here has already expressed concerns about the rhetoric against foreigners and FTAs – they are worried that the PSP’s anti-foreigner stance will undermine their access to workers, and jeopardise their overall operations here.

49. Our fellow Singaporeans are also impacted.

- a. Let me share an email some Ministers received from a Singaporean of Indian ethnicity.

- b. His email says and I quote “Due to such PSP campaign and what is falsely reported in social media, there is every possibility that Singaporeans who are shortlisting candidates may not shortlist me for interviews thinking that I am an India Indian. I decided to indicate on the header of my resume on each page ‘Singapore Citizen’ but does this help? I don’t think so....I seek your assistance that our Government put a stop to the PSP campaign which is truly racist and is hurting Singapore Indians and we are splitting Singaporeans along racist lines. These are little hairline cracks that if left unchecked will result in bigger issues in years to come.”

50. So I appeal to the PSP – its two representatives here and its leadership outside the House.

- a. If you are truly concerned about the wellbeing of our fellow Singaporeans and the future of this country, please have a care about how you go about dealing with these issues.
- b. Please reflect on how your rhetoric can deepen fault-lines – not just between locals and foreigners, but even between Singaporeans of different races.
- c. Please refrain from exploiting Singaporeans’ anxieties for your own political gain.

51. I hope that when Mr Leong rises to speak later, he will share with us the PSP’s approach to deal with this important issue of jobs.

- a. I’ve set out comprehensively the Government’s strategy.
 - i. We stay open and connected to the world, to create more jobs and uplift everyone.
 - ii. We take concrete measures to deal with the downsides of an open economy – manage the inflow of workers, tackle discrimination at the workplace, and look after those who are displaced.
 - iii. We ensure every Singaporean has a place in our society and a share in our nation’s progress. We keep Singapore and Singaporeans together – not fractured.
- b. What alternative is the PSP offering?
- c. I hope Mr Leong will give us a satisfactory answer later with concrete policy alternatives, and not resort to anti-foreigner rhetoric to stir anger and fear, or disaffection against the Government.

Conclusion

Sir

52. The PAP Government has and will continue to serve with the best interests of all Singaporeans at heart.

- a. The challenges before us are complex.
- b. There are no silver bullets or instant solutions.

- c. It would have been easy for us to make cosmetic changes, for symbolic effect or political gestures.
- d. But that's not the way we operate.

53. Our approach is to deal squarely with the difficult issues; to be upfront with Singaporeans about our challenges and trade-offs.

- a. We deliberate options carefully.
- b. We discuss with stakeholders, especially our tripartite partners.
- c. We forge consensus on the way forward to bring about solutions that are durable, effective and sustainable.

54. Working together in this way, we have overcome crisis after crisis. During bad times, we do not quarrel and fight over a shrinking pie. Instead, we rally as a team to solve our problems, and grow the pie for all to benefit.

55. Let us continue to work together to build a better Singapore – for ourselves, for our children, and for our children's children. Let us never stop thinking about tomorrow.