

28 August 2021

**MEDIA STATEMENT BY  
THE SINGAPORE NATIONAL EMPLOYERS FEDERATION  
ON RECOMMENDATIONS MADE BY THE TRIPARTITE WORKGROUP ON LOWER WAGE  
WORKERS**

**EMPLOYERS STRONGLY SUPPORT UPLIFTING LOWER WAGE WORKERS**

1. The Singapore National Employers Federation (SNEF) strongly supports the recommendations made by the Tripartite Workgroup on Lower Wage Workers (TWG-LWW) to further uplift the wages and well-being of Lower Wage Workers.
2. Between 2015 and 2020, the real income of full-time employed residents increased by 2.9% per annum, higher than the median of 2.6% per annum<sup>1</sup>. However, for the year 2020, the income of full-time residents at the 20<sup>th</sup> percentile fell more than the median as industries with a higher concentration of lower wage workers were more adversely affected by the COVID-19 pandemic.
3. Many of our lower wage workers have played and will continue to play essential roles to keep our economy going and our environment safe during the pandemic. Their contribution, especially during this period, have galvanized employers and the society at large to come forward to provide greater support for our low wage workers.
4. Employers that SNEF engaged are supportive of strengthening the efforts to uplift lower wage workers, particularly through the progressive wage models (PWMs).
5. From the outcomes of the three sectors with mandatory PWMs, Cleaning, Security and Landscape so far, there are three clear benefits:
  - a. PWM incentivises workers to upgrade their skills so that they can perform better and take on expanded roles.
  - b. PWM brings about increased productivity that allows employers to share the gains with their employees, particularly those with lower wages, through sustainable wage increases.
  - c. PWM helps employers to better attract and retain talent with better wages and career prospects.

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<sup>1</sup> Report on Labour Force 2020, Ministry of Manpower

## ADDRESSING EMPLOYERS' CONCERNS

6. However, employers do have some practical concerns.

7. First, the timing of the changes, considering many lower wage workers work in sectors which have been severely affected by the pandemic. So, even as we push ahead to implement the changes, employers will be given some time to recover from the business downturn and transform their businesses. The PWMs for the new sectors and occupational progressive wage (OPW) will be implemented in two steps, starting from 1 September 2022. In addition, the Ministry of Manpower will implement a run-in period for each phase of implementation to allow employers to understand the requirements and have adequate time to make the necessary adjustments.

8. Second, while employers recognise that wage increases of lower wage workers need to outpace the median resident worker, they are concerned that the cost increase will not be sustainable, especially for those who are still not doing well and face uncertain business prospects.

9. SNEF conveyed these concerns to the TWG-LWW during the workgroup's deliberations and these recommendations have factored in the employers' cost concerns:

- a. The workgroup has recommended that the Government provide transitional support for employers.
- b. The National Wages Council, which has been making wage recommendations that take into account economic conditions, will ensure that the recommended range of Progressive Wage growth rate will be sustainable for employers.

10. In addition, SNEF encourages employers to leverage existing Government grants such as the Productivity Solutions Grant to improve their productivity to further mitigate the cost impact of wage increases.

## WHOLE-OF-SOCIETY APPROACH

11. Just as it takes a whole village to raise a child, it will take a whole of society approach to uplift lower wage workers. The impact will be greater when there is stronger societal support for employers who pay progressive wages and have a better appreciation for lower wage workers.

12. Therefore, SNEF supports the introduction of the Progressive Wage Mark to recognise companies that pay progressive wages. The Federation also encourages service buyers and consumers to support these companies and not just look at the price as the only consideration in making their buying decisions.

13. There are also ground-up initiatives from the Alliance for Action (AfA) for Lower-Wage Workers which comprises members from unions, corporates and community organisations. The AfA has identified projects to improve the working environment of lower-wage workers, encourage the public to show appreciation to them and recognise businesses which are making efforts to uplift lower-wage workers.

14. We need all hands on deck to uplift lower wage workers.

## CONCLUDING REMARKS

15. Said SNEF President Dr Robert Yap: “The speed that the tripartite partners is able to achieve consensus in uplifting lower-wage workers demonstrate the shared commitment of the Government, the Labour Movement and employers.

16. “The 18 recommendations were derived after extensive consultations from more than 1,800 stakeholders. They are balanced and have addressed the key concerns of different stakeholders.

17. More importantly, the recommendations are progressive as they do not just focus on paying better wages to lower wage workers but also focusses on progressive business and employment practices that will improve their capabilities and well-being.

18. Going forward, the journey to uplift low wage workers will move into an accelerated phase from now until 2030. I strongly encourage responsible employers to take the lead in this journey. I also look forward to the whole of society will lend their helping hands to ensure that no worker is left behind. Together, we all can emerge stronger and enjoy the fruits of economic growth.”

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### **About Singapore National Employers Federation**

The Singapore National Employers Federation (SNEF) is a trade union of employers. Our mission is to advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices for sustainable growth. SNEF has a membership of over 3,300 companies with a combined workforce of over 800,000. For more information, please visit [www.snef.org.sg](http://www.snef.org.sg)