Prof Lim Chong Yah Launches Book on NWC

By Chen En Jiao

Industrial relations typically generate huge social tensions, but that hardly happens in Singapore, which has relatively harmonious labour-employer relations. A lot of that can be attributed to the National Wages Council (NWC), whose key behind-the-scene work was revealed in a book just published by the Economics Division’s Emeritus Professor Lim Chong Yah.

Launched at the National Library on 16 January 2014, Prof Lim’s book, Singapore’s National Wages Council - An Insider’s View, shared the hows, whys, and wherefores of the organisation.

Published by World Scientific, the book chronicles the NWC’s crisis management and economic restructuring efforts during the 29 years that Prof Lim served as its chairman. It includes poems and personal anecdotes.

The event was graced by Mr S. R. Nathan, former President of Singapore, as well as invited family members, guests, and colleagues.

Mr Nathan, who was a junior to Prof Lim at the Dunearn Road Hostel of the then University of Malaya when they first met in 1952, applauded Prof Lim for his immense contribution to the nation: “Above all, for our economy to grow uninterrupted, despite the industrial strife, it was he, as Chairman NWC, [who] made sure that participants in the tripartite experiment developed a sense of trust and ensured that tripartism was reasonable and fair to workers and employers alike.”

For almost three decades, real wage rates in Singapore grew by an average 4.9% per annum, achieving the NWC’s objective of Growth with Equity. The success of the NWC is most evident in Mr Lee Kuan Yew’s off-the-cuff reply to a question about Singapore’s success. When asked to name three uniquely Singapore institutions that most contributed to the country’s miraculous transformation, the former Senior Minister simply replied: the National Wages Council, the Economic Development Board, and the Central Provident Fund.

Prof Lim’s book offers great insight into the council’s critical role in transforming Singapore industrial relations – moving from a confrontational approach to one that emphasises mutual understanding. Enlivened by anecdotes from important personalities, the volume is not meant to serve as a treatment for insomnia, quipped Prof Lim at the reception.

He also made some interesting suggestions for the present NWC leadership to consider:
For instance, the NWC can increase local labour supply by extending the retirement age. It can also look to the compulsory CPF element to help raise the wages of low-income workers, in lieu of a compulsory national minimum wage scheme.

“Like all important NWC initiatives, they have also to be unanimously supported by the NWC’s employers’ representatives, as has been the yearly practice since the start of the NWC 42 years ago,” said Prof Lim.