

The Price of a Job

New Domestic Workers and Efforts to Reduce the Costs in Starting Employment in Singapore



19th October 2016

Recruitment Costs for Domestic Workers: Are Curbs Working?

When migrant workers seek employment in another country, it can be expensive for them. Whereas professionals who are in demand may be assisted to move to a job abroad and benefit from the outset from the salary they will earn there, many migrant workers are saddled with charges for their recruitment that can take months to pay off.¹

Male workers who come to Singapore on work permits generally borrow money to pay for their recruitment costs in advance, and typically spend the first year or so of their employment paying off their debt: less if they are Chinese, more if they are Bangladeshi, due to differences in initial costs and the rates of pay received once at their destination².

In contrast, women who come to Singapore as domestic workers generally pay little or nothing in advance of their arrival; their charges are accumulated up to the point of their placement and subsequently paid off. Their employers pay domestic workers' recruitment costs to the employment agencies that place the workers with them, and then the great majority deduct some or all of this amount from their workers' salaries month after month until they recoup it.

Before 1997, it was common practice for employers to pay the full cost of hiring a domestic worker themselves. Agency charges were then equivalent to around three months of a domestic worker's salary. However, the Asian financial crisis brought about a change. With potential employers squeezed financially and anxious to keep their expenses down, agencies took to cutting the charges they made to employers, advertising the "\$0 maid" or the "\$88 maid". In fact, they were not reducing their own charges, but transferring the cost of a worker's recruitment from the employer to the worker herself. Employers would still pay the worker's

¹ The imposition of recruitment costs upon migrant workers to the advantage of recruiters and employers, and why those costs are high is discussed in PP 8-9, Dr Ray Jureidini, ILO White Paper "Ways Forward in Recruitment of Low-skilled Migrant Workers in the Asia-Arab States Corridor", 2016. http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_519913.pdf

² Bangladeshi construction workers paid an average of US\$7256 to obtain a job in Singapore, according to a survey of 192 workers. P.14, TWC2, "Worse Off For Working: Kickbacks, Intermediary Fees and Migrant Construction Workers in Singapore (2012), <http://twc2.org.sg/2012/08/12/worse-off-for-working-kickbacks-intermediary-fees-and-migrant-construction-workers-in-singapore/> Chinese workers paid 30,000-50,000 yuan, or roughly US\$2000-US\$3,300. P.22, China Labour Bulletin, "Hired on Sufferance: China's Migrant Workers in Singapore" (2011) http://www.clb.org.hk/sites/default/files/archive/en/share/File/research_reports/Hired_on_Sufferance_ebook.pdf

recruitment costs in full, but the difference was that the majority recovered all or most of that money by salary deductions.

The results were soon felt. Agencies that tried to stick to charging the full recruitment cost to employers went out of business. Employers had their costs cut; domestic workers had to work their first months of employment without receiving any pay, except for \$10 normally given as “spending money”.

A longer-term consequence was that the cost of recruitment for domestic workers rose. By 2003, when The Working Committee Two (forerunner of Transient Workers Count Too) was launched, salary deductions typically accounted for the first six months of a domestic worker’s salary. By the end of the decade, deductions were ranging from six to nine months of salary.

The main factor behind this increase appears to have been domestic workers’ weak bargaining power. When employers customarily bore the cost of hiring domestic workers, their economic power and ability to choose among competing agencies kept recruitment costs down, but with the transfer of the main burden of those costs to domestic workers, this constraint was removed. Agency charges could drift upwards for as long as there was a steady stream of women seeking work in Singapore households. The fact that workers did not pay their recruitment costs upfront tended to favour this trend: whereas finding a lump sum at the beginning of the recruitment process would, at some point, have appeared as an insuperable obstacle to an increasing proportion of potential recruits as it grew, the extended form of domestic workers’ debt-financed migration made these costs seem more manageable.

In recent years, the burden of recruitment costs for migrant workers has become a major focus of concern for migrant rights NGOs, the International Labour Organisation (ILO) and some national governments. Demands have grown in some quarters for “employer pays” recruitment models: this is the goal of the ILO³ and is widely supported by migrant rights organisations, such as Migrant Forum in Asia⁴ and the International Domestic Workers Federation⁵.

³ Article 7.1 of C.181, the ILO’s Private Employment Agencies Convention, 1997 says: “*Private employment agencies shall not charge directly or indirectly, in whole or in part, any fees or costs to workers.*” Neither Singapore nor any of the approved source countries from which migrant workers come to work in Singapore have so far signed this convention.

⁴ See, for instance, MFA’s “Policy Brief #1: Recruitment Fees & Migrants Rights Violations: <http://recruitmentreform.org/wp-content/uploads/2015/03/Policy-Brief-Recruitment-Fees-Migrants-Rights-Violations.pdf>

⁵ IDWF calls for all countries to ratify the ILO’s Convention on “Decent Work for Domestic Workers”(C189). Article 15.1(e) of C189 calls on signatories to “*take measures to ensure that fees charged by private employment agencies are not deducted from the remuneration of domestic workers.*”

Many states, both countries of origin and countries of destination, have introduced measures to try to reduce the costs borne by migrant domestic workers and migrant workers more generally.

Of the countries from which most women recruited to be domestic workers in Singapore come, the Philippines has gone furthest in trying to reduce the costs they bear. Philippines agencies are prohibited from charging domestic workers anything for their recruitment. Since April 2011, Singapore has prohibited agencies from charging workers more than the equivalent of two months of their salary for their services⁶, and so it would appear that a Filipina woman recruited in the past five years should have paid off her recruitment costs within two months of her arrival in Singapore. However, this rarely seems to be the case. In TWC2's experience, most Filipina workers have to pay significantly more, and the position of Indonesian and Myanmar workers was, if anything, worse.

This report was undertaken in order to look into how much domestic workers pay to obtain a job in Singapore and assess how far efforts made to curb these costs have borne fruit. We used a questionnaire that included 20 questions, produced in English, Bahasa Indonesia and Burmese versions, to take account of the languages spoken by the great majority of domestic workers in Singapore. Volunteers went to gathering places of workers on successive Sundays from January 24th to February 21st 2016 (apart from February 7th, at Chinese New Year), with one outreach each to Filipina and Myanmar workers and two to Indonesians. The great majority of the completed questionnaires were gathered at these sessions, apart from the Filipina ones. Most of the latter were collected with the assistance of established contacts among the workers, notably members of the Indonesian Family Network and the Filipino Family Network, for which we are very grateful.

Our focus was on collecting questionnaires from workers who had arrived recently, and we initially intended to concentrate collection on those who had arrived since 2014, but in our initial soundings, we encountered relatively few women who had. We then widened the focus to workers who had come to Singapore since April 2011, when Singapore's cap on local agency charges to workers came into force. We aimed to collect questionnaires in proportions broadly corresponding to their presence in Singapore's domestic worker labour force of some 230,000.⁷

⁶ Under clause 12 of the Employment Agencies Rules (2011), the workers can be charged one month's fee for each year of their contract up to a maximum of two months for two years. See: <http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3A2d7a278e-f5c5-43a0-a0aa-802890631682%20Depth%3A0%20Status%3Ainforce;rec=0>

⁷ The Ministry of Manpower (MoM) website says that there were 231,500 foreign domestic workers in Singapore in December 2015 and 237,100 in June 2016. <http://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers>.

One problem in doing this is that Singapore does not release figures for domestic workers broken down by nationality and so researchers must resort to using other sources of information in seeking to determine the relative sizes of the different nationalities among domestic workers. However, the great majority of domestic workers in Singapore are undoubtedly from Indonesia, Philippines and Myanmar. Relatively small numbers come from Sri Lanka, India, Bangladesh and Thailand. Media reports and occasional references by embassies and sources in countries of origin suggest that approximately 55 per cent of domestic workers come from Indonesia, 30 per cent from Philippines and 14 per cent or so from Myanmar. We suspect that this may slightly overstate the percentage in the first two cases and understate it in the last. Nevertheless, in our sample, we still think that workers from Indonesia and the Philippines are under-represented and Myanmar workers somewhat over-represented, at, respectively 48 per cent, 26 per cent and 24 per cent.

There is a built-in bias in our results towards workers who are in more favourable employment conditions, since we reached very few workers who had no days off, who probably account for between 30 and 40 per cent of all domestic workers⁸. We believe that, had it been possible to reach them, our findings would have revealed a less favourable situation for workers overall, as “no day off” workers tend to be exposed to worse terms of employment in all respects than their counterparts who do have days off, in our experience.⁹

Nevertheless, we believe that our research gives a good indication of the level of recruitment fees that domestic workers are paying at present and of the success or otherwise of efforts made by governments to rein in these expenses.

Thanks to those who helped with collecting questionnaire, analysing the results, writing and proof reading this report: Elham Ab, Afreen Azim, McRhon Banderlipe I, David Dickinson, John Gee, Marusa Godina, Soe Lai Lai Aung Htut, Jackie Rolf, Wei Theng Sng and Kellynn Wee.

⁸ This is necessarily a very rough estimate, since workers who have no days off are often unable to communicate with people outside their employer’s household and, in our experience, even those who may be able to leave the household to meet a child from school or walk a dog are more often than not, afraid to speak to an interviewer, even with a promise of anonymity. However, domestic workers who do have days off normally know of workers employed in residences near their employers who don’t have days off, indicating that this is still common.

⁹ Our research shows a clear correlation between workers’ pay and leave conditions: those who have fewest days off tend to be the lowest paid, and there is every reason to think that low pay would be even more prevalent among “no day off” workers. P.14, “The Right to Rest”, TWC2, 2015. http://twc2.org.sg/wp-content/uploads/2015/06/Right_to_rest_v15.pdf

Survey Findings

Our first questions were asked in order to obtain background information.

Country of Origin (Q2)¹⁰

Country	Number	%
Indonesia	112	48
Philippines	60	26
Myanmar	55	24
India	4	2
Bangladesh	1	0
All	232	100

The great majority of the workers surveyed arrived in the past seven years (2010-2016) and only their data is used, unless otherwise stated. The number of Indian and Bangladeshi women interviewed is clearly too small to allow general conclusions to be reached about their specific national experiences. They are categorised as "Other", where they do appear.

Age (Q3)*

Age	Indonesia	Philippines	Myanmar
Under 23	0	0	4
23-30	40 (46)	20 (21)	36 (40)
31-40	32 (48)	10 (10)	6 (8)
41-50	1 (7)	4 (4)	0 (0)

*Figures in brackets are for all workers who responded to this question; the preceding figure is for workers who arrived in 2011 or later.

Immediately noticeable is the concentration of Myanmar workers in the below 30 age groups, with four workers being below the legally required minimum age of 23¹¹, whereas there is a relatively greater concentration of Indonesian and Philippines workers among the over-31s. When the date of arrival of the workers was compared with the stated age of those who provided it, it emerged that, in total, 16 of the Myanmar workers were under 23 years of age on arrival in

¹⁰ We refer to each question in our questionnaire as Q followed by its number. The questionnaire text is provided as an appendix to this paper.

¹¹ The minimum age for employment as a domestic worker was raised from 18 to 23 with effect from 1st January 2005. The measure was said to ensure that domestic workers "are better able to understand their rights and protection provided under Singapore law." (Annex to MOM press release, "Comments by Ministry of Manpower Spokesperson in Response to Media Queries on the "Day Off Campaign by UNIFEM, TWC2 & HOME, 29th April 2008.

Singapore, as were 10 of the Indonesians (although that includes two who arrived before 2005, one of whom was 15). No Filipina workers in our sample were under the minimum age on arrival. It must be added that, in our survey, in all cases in which workers below the minimum legal age obtained a job since 2005, they were no younger than 20 years old at the time, and most were only one or two years below the minimum age.

The workers' ages may have some bearing on their payment of recruitment fees. An older woman with more work and life experience may feel more confident than a younger woman in looking into different ways of obtaining a job in Singapore and disputing charges she feels are unreasonable. A woman who is below the legal minimum age for employment in Singapore as a domestic worker will have limited power to contest excessive charges at any stage of her recruitment and placement, as by using false documentation to conceal her real age, she has committed an offence under Singapore law that would make her reluctant to turn to the Ministry of Manpower or the police with any complaint (including about abuse, non-payment of salary, illegal deployment, overwork or any other, as well as excessive recruitment fees) for fear of being penalised for her illegal action. Our finding concerning Myanmar workers supports the perception that they tend to be the most vulnerable group among the three major nationalities of women currently employed as domestic workers in Singapore.

Year of Arrival in Singapore (Q4)

Year of Arrival	Number	Year of Arrival	Number
1999	3	2010	13
2000	1	2011	29
2002	2	2012	29
2003	1	2013	27
2004	1	2014	40
2007	3	2015	60
2008	3	2016	11
2009	6	Not Stated	3
		Grand Total	232

Before asking workers about what they had paid for their recruitment once they had arrived in Singapore, we asked them about any payment they might have been asked to make in their country of origin, and to whom they paid money. It is evident from their answers that not all their country of origin costs were consolidated into a charge that was passed to a Singapore agency and incorporated into what it charged in turn: most workers part with some money for recruitment before they set foot in Singapore, and the great majority of those pay the money to an agency in their own country. Those least likely to pay money for recruitment in

their country of origin are Myanmar women. While a very high proportion of Filipina and Indonesian women paid agencies in their home countries we do not know if these charges were permissible or how high they were, as there was no question that itemised the amounts paid prior to entering Singapore. From conversations with workers, our general impression was that the amounts charged were not considered to be large by workers themselves.

Did You Pay Anything Before You Came to Singapore? (Q6)

Arrived:	Indonesia	Myanmar	Philippines	Other	Total
2014/ later					
Yes	74%	52%	68%	50%	65%
2011/later					
Yes	70%	45%	69%	60%	63%
Total Surveyed*					
Yes	73%	50%	70%	60%	66%

*This includes workers who arrived before 2011.

If “Yes”, Who Did You Pay Money to? (Q6a)

	Country of Origin Agency	Agency in Singapore	Other	Not stated
Indonesia	88%	1%	4%	6%
Philippines	90%	0%	5%	5%
Myanmar	78%	0%	0%	22%

There was a significant difference between the proportion of Myanmar workers not answering this last question and the much lower proportion not answering from Indonesia and Philippines. Later answers suggested that this may be due to a significant number of Myanmar workers making use of informal channels to leave their country and find employment in Singapore.

We wanted to find out whether women coming to work as domestic workers were informed while being recruited that they would have to pay money in Singapore to obtain a job here. From the answers we received, it seems that workers were provided with that information before they left their countries. Few, if any, would have come without knowing that they would be expected to pay, though they may not have had a clear idea of how much they would have to pay.

In your home country, were you told that you had to pay to get a job in Singapore? (Q7)

From	% Answering "Yes"*
Indonesia	73
Philippines	86
Myanmar	89
Other	40
Total	80

*Percentages exclude no response.

The next question we asked was intended to find out whether workers were told that they were being charged a fee by their agencies, even if it was subsumed within the total that their employers paid to the agency and then deducted from their salaries. In retrospect, it needed refining. It comes as no surprise to domestic workers that an agency expects them to pay fees; what is more to the point is whether workers receive accurate information about what they are paying for and can determine whether it is fair and legal.

Did your agency in Singapore tell you that you would have to pay them money? (Q8)

From	% Answering "Yes"*
Indonesia	76
Philippines	87
Myanmar	75
Other	80
Total	78

*Percentages exclude no response.

We then turned to questions about salary deductions. We wanted to know whether workers were told by their agencies to expect them and set that against a follow-up question on whether they actually did face salary deductions. There's a good match between what Filipina respondents were told and what actually happened, and a poorer (though not greatly so) one between what Myanmar workers were told and what happened. The mismatch between the percentage of Indonesian women who say that they were told to expect salary deductions (69%) and those who experienced them (95%) is striking.

Did your agency in Singapore say that your employers would deduct money from your salary to get back money they paid to hire you? (Q9) Did your employers make deductions from your salary (Q11)

Country	% Answering "Yes"* (Q9)	% Answering "Yes"** (Q11)
Indonesia	69	95
Philippines	95	95
Myanmar	80	89
Other	75	80
Total	78	94

*Percentages exclude no response.

**This includes instances where a worker paid money directly to an agency from her salary. Percentages exclude no response.

Questions 12-17 were concerned with how much workers paid to obtain a job and how many months of salary deductions they had faced as a consequence. These were followed by a question (Q18) about whether the workers had days off during the time when deductions were being made from their salaries.

Salaries & deductions in Singapore by country of origin (Q12, 13 & 15)

Country	Average Monthly Salary	Average Monthly Deduction	Average Number of Months of Deductions	Total Deduction	% of Monthly Salary Deducted
Indonesia	\$479	\$410	6.04	\$2,476	86
Philippines	\$511	\$447	4.99	\$2,231	87
Myanmar	\$476	\$457	5.95	\$2,721	96
Other	\$442	\$334	1.44	\$482	76
Total	\$486	\$431	5.67	\$2,443	89

The total figures at the foot of the above table don't mean much to the workers themselves; as it shows, salaries vary according to workers' nationalities and what has been described by agencies as "the going rate" for each, the existence of which is usually attributed to the supposed differences between workers in training and in command of English. In practice, differences in salary rates appear to apply to nationalities irrespective of individuals' capabilities, in TWC2's experience.

A number of points stand out. Filipinas were more highly paid than other workers; Indonesians and Filipinas were left with rather more spending money during their deduction period than Myanmar workers; and the deduction period for Filipinas was notably shorter than for Indonesian and Myanmar workers, averaging just short of five months. Myanmar workers were left with the least spending money

during their deduction period. In our sample, their deduction period was slightly less than that of Indonesian workers, but this could easily be due to the size of the sample and the virtual non-representation of “no day off” workers, who almost certainly form a higher percentage of Myanmar workers than of Indonesians.

The figures above reflect average salaries and deductions as they stood when when all workers surveyed were first employed. The next table is broken down according to year of arrival from 2010. Leaving aside the 2016 figures as based on a too small and recently arrived sample (moreover, a sample of workers who had days off and were thus particularly well-placed employer-wise compared to most new workers), it indicates that an overall improvement has taken place in salary and deduction levels for domestic workers. The average salary has risen. So have monthly deductions, but not fast enough to swallow up domestic workers’ salary increases. The introduction of the cap on what agencies are allowed to charge domestic workers in 2011 appears to have made a difference too; while our researchers encountered workers who had clearly seen no benefit from this measure, they also met workers who were paying no deductions or only the two months’ deductions permitted under the Employment Agency Rules. The average total deduction year by year hides wide disparities, but the overall tendency for salary deductions to fall is evident. The result is that many workers are able to pay down these deductions in a shorter time than they did five or six years ago, when the deduction period typically ranged from six to eight months.

Salaries & deductions in Singapore by year arrived (Q12, 13 & 15)

Year Arrived	Average Monthly Salary	Average Monthly Deduction	Average Number of Months of Deductions	Total Deduction	% of Monthly Salary Deducted
2010	420	382	7.2	\$2,751	91
2011	456	419	6.7	\$2,803	92
2012	482	421	6.4	\$2,697	87
2013	521	409	5.6	\$2,290	78
2014	498	449	4.7	\$2,103	90
2015	527	477	4.7	\$2,236	90
2016*	533	485	3.0	\$1,448	91

*Small sample size: 11 workers

We then asked workers whether they had days off while paying salary deductions. In the past (probably still), many agencies counselled employers who were taking on a new domestic worker not to give her days off during the first months of her

employment: six months was the period most often mentioned.¹² They often explained this in terms of the worker needing an adjustment period, during which the trust between worker and employer would grow. Underlying this was a concern that workers might run away from their employers before the employers had finished paying the agencies for their hire.

The advice given by many agencies was a negative influence, working against efforts by NGOs and others to secure a weekly day off for domestic workers. Being denied a day off should be seen as part of the cost to domestic workers of taking a job in Singapore.

Did you have days off during the months of your salary deductions? (Q18)

Year Arrived	% Answering “No”*
2014 or later	44
After 2010	50
All Surveyed (inc. pre-2011)	54

*Percentages exclude no response

The answers to this question that we received suggest that there has been a tendency for more workers to obtain days off during their initial period of employment, even while still facing salary deductions. The figure for “All surveyed” indicates how much more prevalent was the practice of giving no days off during the deduction period six and more years ago. Out of 32 women who arrived in Singapore from 1999-2010 (25 Indonesian, five Myanmar and one Filipina) who answered this question, only seven had days off during their deduction period.

While it should be borne in mind that our surveyors reached hardly any current “no day off” workers and this may skew our results somewhat, it appears that all the efforts to promote days off for domestic workers by NGOs, by the Ministry of Manpower (primarily, but not only, through the mandatory day off policy that

¹² *“The initial debt repayment period is fraught with the fear that a worker may abscond without completing the necessary seven to nine months of work, and agents develop a number of strategies to hedge against this risk: they advise employers to adjust the tempo of debt repayment and assure workers that the onerous placement loans are a ‘rite of passage’ through which she must go, but that only has to be experienced once in order to encourage her to persevere.”* P. 26, Charmian Goh, Kellynn Wee and Brenda S.A. Yeoh, “Who’s holding the bomb? Debt-financed migration in Singapore’s domestic work industry”, Migrating out of Poverty Research Consortium, 2016. <http://migratingoutofpoverty.dfid.gov.uk/files/file.php?name=wp38-goh-et-al-2016-whos-holding-the-bomb-debt-financed-migration-in-singapores-domestic-work-industry.pdf&site=354>

came into effect in 2013) and by many concerned others have produced a definite advance in the percentage of new workers having days off.

While the International Labour Organisation, migrant NGOs and migrant rights NGOs promote a goal of migrant workers not having to pay for their recruitment¹³, we wanted to see what domestic workers who are not, by and large, members of an organisation engaged in advocacy thought about the payments they make in order to obtain a job. We asked them about the principle of making payments – whether they thought it was fair – and what they thought they ought to pay. The answers differed significantly by nationality.

Do you think it is fair to pay other people such as recruiters or agents for your job? (Q19)

Country of Origin	% Answering “Yes”*
Indonesia	38
Philippines	65
Myanmar	74
Other	0
Total	53

*Percentages exclude no response

If you said yes to question 19 , how much do you think is fair to pay them? (Q20)

Workers from	Average Months of Salary	Total in SGD*	Number answering “Yes”
Indonesia	2.7	\$1,337	41
Philippines	1.6	\$781	29
Myanmar	3.3	\$1,668	38
Other	-	-	0
Total	2.6	\$1,304	108

*Assumes SGD 500 per month salary where months given.

These were the only questions that called for an expression of opinion, and a few workers added comments that helped us to understand their responses better. Some who answered “Yes” to question 19 added remarks such as “They are making a living too” and “Without them, we would not be in Singapore”: essentially saying that they’d been provided with a service for which they thought it was fair to pay. These remarks may go some way towards explaining the different responses by nationality.

¹³ See Introduction, P.2.

When asked (Q10) about the agency through which they came to Singapore, of 55 Myanmar workers, most gave no answer or a vague answer; 18 named an agency and 10 named individuals, whereas most Indonesians and Filipinas named agencies and none referred to individuals. This suggests that many of the Myanmar workers did not come to Singapore by conventional agency channels, and this seems highly likely, since their opportunities for legal exit from Myanmar to work as domestic workers have been restricted. Myanmar women were not officially permitted to come to work as domestic workers in Singapore until March 2014, and then a five-month ban was imposed in September of the same year following reports of ill-treatment of Myanmar workers, which has more or less continued ever since.¹⁴ Many left Myanmar on tourist visas and then sought work in Singapore through local agencies, but also via (probably) unlicensed agents or with the help of contacts in the existing Myanmar community in Singapore.¹⁵ As a result, they may feel very appreciative of the assistance they were given to obtain a job and this is reflected in their high level (74%) of agreement that it was fair to pay for their job.

65% of Filipina respondents also thought that it was fair to pay for their recruitment, but this should be seen in conjunction with their responses to question 20: they thought that it was fair to pay one or two months' salary for their jobs, which is pretty much in line with the fee legally permitted by the Singapore Ministry of Manpower.

On the other hand, a strong majority of Indonesian domestic workers who answered this question opposed paying for their jobs. This may reflect a feeling that they are charged excessively for the services that they receive.

We compared what workers who answered "Yes" to Q19 were paying for their jobs with what they thought was a fair amount to pay, and one thing that emerged consistently across the board was that they all thought that they should be paying less than they actually did pay in recruitment fees.

An analysis of salary deductions using information provided about total deductions and monthly salary levels yielded mixed results, as the following table shows.

¹⁴ Aw Cheng Wei, "Myanmar slaps fresh ban on maids for Singapore", "Straits Times", 5th June 2016.

¹⁵ "(S)ince these workers often leave their country as a tourist, they are not protected by labour or migration laws." Kate Arnold, "Myanmar women put in danger by ban on maids working overseas", "The Guardian", 6th June 2016 <https://www.theguardian.com/global-development/2016/jun/06/myanmar-women-put-in-danger-by-ban-on-maids-working-overseas>

Analysis of Salary Deductions (Q12, 13, 14 and 15)

Year Arrived	No Deduction	0-2 months	2-4 months	4-6 months	6-8 months	8 months or more	Totals
All surveyed	5.1%	7.3%	14.1%	26.5%	34.2%	12.8%	100%
2010 or earlier	11.1%	0.0%	8.3%	16.7%	30.6%	33.3%	100%
2011-2013	3.6%	4.8%	10.7%	23.8%	38.1%	19.0%	100%
2014-2016	4.4%	11.4%	18.4%	31.6%	32.5%	1.8%	100%

The percentage of workers who did not have any deductions made from their salaries when they started work has declined. On the other hand, the percentage of workers with long deduction periods of eight months or more has fallen radically, from 33% in 2010 or earlier to less than two per cent in 2014-16. There has also been a modest drop in the percentage of workers paying six-eight months of salary deductions in the 2011-2013 to 2014-2016 periods. The percentage of workers in each of the other categories of deductions up to six months of salary has risen significantly.

The results indicate two trends at work: a reduction in agency charges for some workers, and a rise in domestic workers' salaries in recent years that was not cancelled out by a comparable rise in agency charges. Overall, the result has been a tendency for the salary deduction period to fall by roughly two months since 2010 or thereabouts:

	Months Salary Deduction <i>Excluding</i> "No Deduction" Category		Months Salary Deduction <i>Including</i> "No Deduction" Category	
	Average	Median	Average	Median
All Surveyed	5.6	5.9	5.3	5.8
2010 or earlier	7.0	7.3	6.2	7.0
2011-2013	6.2	6.2	6.0	6.2
2014-2016	4.8	4.9	4.5	4.8

The impact of the fall would have been greater if the percentage of workers paying no deductions had remained unchanged. Our survey threw no light on why this percentage fell significantly from the 2010 or earlier period and then rose slightly from 2014, although the latter change may not be statistically significant in a survey the size of ours.

Conclusion

The question we set out to answer in undertaking this survey was: Are the curbs on recruitment fees and costs to domestic workers that the Singapore government and governments of countries of origin have introduced working?

The answer seems to be: while they have not achieved their professed goals, they have had a positive impact in bringing down the number of months that it takes workers to pay off their recruitment costs.

What would the legal maximum deductions be if the laws of the countries of origin and destination were strictly followed?

Philippines:	SGD	Approx. Months of Salary @ SGD500pm
Documentation costs if advanced by the Philippine agent (POEA estimate)	650	1.3
Singapore Agent Fee	1,000	2
Total Permissible	1,650	3.3
% paying in excess of 3.3 month maximum		%
Arrived 2011 or later		72
Arrived 2014 or later		64

Indonesia:	SGD	Approx. Months of Salary @ SGD500pm
Recruitment fee to Indonesian agent (BNP2TKI) ¹⁶	1,400	2.8
Singapore Agent Fee	1,000	2
Total	2,400	4.8
% paying in excess of 4.8 month maximum		%
Arrived 2011 or later		58
Arrived 2014 or later		44

The tables above illustrate the point, at least as far as Filipina and Indonesian domestic workers are concerned. Myanmar does not have a system of managing

¹⁶ The Indonesian Ministry of Manpower and Transmigration's Decree No. 588/2012 on "Components and Amount of Fees Paid by Candidates for the Placement of Indonesian Workers for the Domestic Sector of Countries of Interest - Singapore" caps the placement fee amount that recruitment companies are to charge migrant domestic workers bound for Singapore at 13 million IDR (Indonesian rupiahs) or SGD \$1325, though with interest, workers pay more. We have rounded the figure up to take some account of this. BNP2TKI Pangkas Beban Tiap TKI ke Singapura Hingga Rp. 26 Juta. Retrieved from <http://www.bnptki.go.id/read/10637/BNP2TKI-Pangkas-Beban-Tiap-TKI-ke-Singapura-Hingga-Rp.-26-Juta>, cited in Kellynn Wee, "Recruitment Fees Brief on Indonesia", TWC2, 2016 (P.7) BNP2TKI is the Indonesian acronym for the National Authority for the Placement and Protection of Indonesian Overseas Workers.

labour migration comparable to those of Indonesia and the Philippines as yet, nor does it have similarly developed policies to limit the costs of migration for its nationals.

However, other factors that have probably contributed to the reduction of the average salary deduction period probably include the rise in domestic workers' salaries in recent years, without a similar rise in recruitment fees, and a reduction in the availability of workers from the Philippines and Indonesia: employers have complained about having to wait for a worker and some have become more willing to take on a transfer worker – one who is already in Singapore.

It should be noted that such changes as have occurred in the level of salary deductions for domestic workers have taken place in the absence of cooperation between the authorities in the countries of origin and Singapore. None consider themselves bound to respect or enforce the caps on deductions set by others.

Although our survey was only concerned with the first period of employment in Singapore, we are aware that this is not a once and for all recruitment charge. Workers who don't obtain a transfer while in Singapore may be compelled to pay substantial amounts to return to Singapore. This is particularly true of Indonesian women, who are sometimes obliged to attend training centres before going to a new placement even though they have already gone through a training course and acquired experience while working abroad.¹⁷

There are also workers who are placed with employers with whom they are unable to get along. In some cases, this may be because of inadequate concern for good matching on the part of the agencies concerned, but in a few, it seems to be deliberate. When these workers are returned to their Singapore agency, they are charged for another placement. In the worst case encountered in our survey (though one much out of keeping with the experience of the great majority of workers), an Indonesian woman was transferred four times before she found herself with a good employer, and consequently faced salary deductions for over a year.¹⁸

¹⁷ See Wee, "Recruitment Fees..." cited above, P.6.

¹⁸ The extent of this problem is unclear. It has been little researched and it has hardly been touched upon in the media. It is referred to briefly in "The current system is no good": The challenges of Singapore's domestic work industry", Policy Briefing No 5 of the Asia Research Institute of the National University of Singapore. The briefing notes: *"If a worker has worked less than six months before her employment relationship ends, the agency is required to refund her one month's service fees. However, when she begins a new contract, she will be charged two months' fees – thus adding one month to her loan. This might become a profit-making strategy for some agents: if agents deliberately mismatch workers or are willing to cycle workers indefinitely within their pool of employer clients, the additional one month's salary becomes a quick way of racking up profits. Within the industry, this is a practice known as 'churning' or 'recycling'. Workers who are 'churned' are caught in eternally ballooning debts which are very difficult to pay off."*

It also bears repeating that, as we reached hardly any “no day off” workers, our results reflect the position of women who would tend to be more favourably placed in every way than those who have no days off.

In short, progress has been made towards reducing the burden of debt assumed by domestic workers when they first come to Singapore, but it remains heavy. On the basis of our results some 64% and 44% of workers from the Philippines and Indonesia respectively who arrived from 2014 onwards still paid fees greater than officially permitted by the Singapore and Philippine/Indonesian governments. Further efforts are clearly needed to enforce existing regulations aimed at cutting the workers’ costs.

Our findings on workers’ attitudes towards making some form of payment in order to obtain a job testify to their sense of what is fair. Workers’ comments suggest a widespread belief that, if they receive a service, they should be ready to pay something for it. The question for them is, how much? Attitudes towards paying for a job seem to be influenced by established norms that can change over time: it is surely no accident that, while most Filipina women agreed thought they should pay something to intermediaries to obtain a job, the amounts they thought they should pay averaged out at rather less than two months’ salary. Out of the countries of origin, it is the Philippines that has made the most sustained efforts to reduce the cost of labour migration for workers. Expectations can change, and it may be anticipated that, with the development of employment alternatives in countries of origin, workers will become less willing to go abroad for employment unless they can do so on terms that significantly improve on those of the present: these may well include very low or zero recruitment charges.

Reports such as this conventionally end with a list of recommendations.¹⁹ We have a few, but consider that what is most needed is a fundamental rethinking of the present system of recruitment and placement, rather than piecemeal measures that only deal with problems such as power disparities in relations between domestic workers, recruitment intermediaries and employers, controlling practices that make it difficult for domestic workers to take advantage of a range of options for obtaining a job, and policies that attach a worker to a specific employer and limit

<http://migratingoutofpoverty.dfid.gov.uk/files/file.php?name=rp08-mig-ind-mi-policy-brief-v9.pdf&site=354>

¹⁹ See the detailed and exhaustive recommendations in Ray Jureidini, *op.cit.*, pp 15-35 Though dealing with migrant workers going to the Arab states, some would clearly be relevant to domestic workers who come to work in Singapore: recruitment and placement models are similar. Among Jureidini’s recommendations are to bring domestic workers under the coverage of local labour laws; in Singapore, domestic workers are not covered by the Employment Act.

the possibility of her seeking more favourable terms with another employer. This needs to be part of a bigger debate on the future of paid domestic work in our region.

For the near future, we recommend:

i). Agencies in Singapore should be obliged to provide both workers and employers with itemised bills to show what they ought to pay, what it is for, and who it ultimately goes to – the country of origin agency or the Singapore agency.

ii). Consideration should be given to introducing a standard form of agreement on the model of Taiwan's "Foreign Worker's Affidavit for Wage/Salary and Expenses Incurred before Entering the Republic of China for Employment", which, in part, sets out the expenses accrued during the process of a worker's recruitment in her home country and the terms for paying for them. Employer, worker and intermediaries (in both the countries of origin and destination) must sign this and the worker has to produce the document when applying for a visa.²⁰

Currently, Singapore maintains that it can't oblige Singapore agencies to confine their charges to domestic workers to the two-month maximum fee prescribed in its own rules because that won't take into account country of origin charges, over which it has no power. An agreement on the lines of the Taiwan affidavit would be a step towards capping that amount from the Singapore end.

iii). Singapore and domestic workers' countries of origin should cooperate to reduce recruitment costs. The process of recruitment should be made more flexible, competitive and transparent, so that workers have more choice in the routes they take to come to Singapore. Recruiters should be obliged to disclose in full to women considering becoming domestic workers the costs of recruitment, including all the charges that would be likely to be made for training. If they so wish, workers should be able to go to a training centre and obtain a certificate to prove they have completed the requisite training without, at that point, being tied to a particular agency. The certificate should qualify them, in principle, for employment in Singapore and then it should be up to the workers to choose whether to use the services of one agency or another, or no agency at all. The certificate should be awarded once and for all; a worker should not be obliged to return to a training centre to repeat her training in order to travel abroad to work again.

²⁰ The Taiwan government's rationale for this is given in Council of Labour Affairs, Executive Yuan, Taiwan, (January 2014), "Protection of the Rights for Foreign Workers in Taiwan". The affidavit template may be found at <https://www.wda.gov.tw/en/home.jsp?page=201310280007&actype=view&dataserno=201304190005>

Appendix: Bilingual Bahasa Indonesia/English Questionnaire

English and Burmese versions were also used in the survey. We originally targeted workers who had arrived since January 2014.

Domestic Worker Survey: The Price of a Job for New Workers (Harga sebuah pekerjaan untuk pekerja baru)

*This questionnaire is for workers who have come to Singapore since January 2014.
(Pertanyaan ini untuk pekerja yang sudah datang ke S'pore sejak January 2014)*

1. Name (optional) _____
(Nama)
2. Nationality _____
(Kebangsaan)
3. Age _____
(Umur)
4. When did you come to Singapore? _____
(Kapan kamu datang ke Singapura)
5. Have you transferred to another employer since you arrived? Yes/No
(Pernahkah kamu transfer ke majikan lain sejak kamu datang ?) Ya/ Tidak
*(If you said "Yes", please answer the following questions about your original employment.)
(Kalau Ya, tolong jawab beberapa pertanyaan tentang pekerjaan pertama kamu)*
6. Did you pay anything to get a job before you came to Singapore? Yes/No
(Apakah kamu membayar untuk mendapatkan pekerjaan sebelum datang ke S'pore)
Ya/ Tidak
- 6.a. If you answered "Yes", who did you pay money to? _____
(Kalau jawaban mu Ya, kepada siapa kamu membayar uang itu ?
7. In your own country, were you told that you had to pay to get a job in Singapore? Yes/No
(Di negaramu, apakah di kasih tau kamu harus bayar untuk mendapatkan pekerjaan di Singapore?) Ya/Tidak
- 7.a. If you answered "Yes" to the last question, how much were you told you would have to pay? _____
(Kalau jawabanmu Ya di pertanyaan yg terakhir, berapa kamu harus membayar ?)
8. Did your agency in Singapore tell you that you would have to pay them money? Yes/No

(Apakah agent di Singapore bilang ke kamu berapa uang yang harus di bayar ke mereka?)
Ya/Tidak

9. Did they say that your employers would deduct money from your salary to get back money they paid to hire you? Yes/No

(Apakah mereka bilang kalau majikan akan potong gaji kamu untuk mendapatkan uang mereka kembali untuk mengambil kamu) Ya/Tidak

10. What is the name of your agency in Singapore? _____
(Apa nama agent mu di Singapura)

11. Did your employers make deductions from your salary? Yes/No
(Apakah majikan memotong gajimu ?) Ya/Tidak

12. How much was that each month? _____
(Di potong berapa setiap bulan nya ?)

13. For how long did you have money deducted from your salary? (If you are still paying, please write how long you will have to pay for) _____
(Untuk berapa lama uangmu akan di potong dari gajimu ? Kalau masih membayar, tolong tulis berapa lama kamu harus membayarnya ?

14. How much in total did you pay or are you paying for your job? _____
(Berapa jumlah yang kamu bayar atau yang sedang kamu bayar untuk pekerjaan mu ?)

15. How much is your monthly pay? _____
(Berapa gaji bulanan mu ?)

16. Is this what you were told you were going to be paid before you got this job? Yes/No
(Apakah ini yang di sudah di kasih tau yang harus kamu bayar sebelum mendapatkan pekerjaan ini ? Ya/Tidak

17. Are you being paid: a) More Yes/No b) Less Yes/No c). The same
(Apakah kamu di bayar : a) Lebih Ya/Tidak b) Kurang Ya/Tidak

18. Did you have days off during the months of your salary deductions? Yes/No
(Apakah kamu dapat hari libur selama dalam masa potongan gaji ?) Ya/ Tidak

19. Do you think it is fair to pay other people, such as recruiters or agents, for your job? Yes/No
(Menurut pendapatmu,apakah adil untuk kamu membayar orang lain seperti sponsor atau agent untuk pekerjaanmu ? Ya/ Tidak)

20. If you said "Yes" to question 19, how much do you think is fair to pay them?
(Kalau jawabanmu Ya di pertanyaan no 19 , menurutmu, yang adil itu harus bayar berapa?)

This questionnaire is for a research project of Transient Workers Count Too, a Singapore society that seeks to promote the rights and wellbeing of migrant workers.

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