

# Work History Survey

Alex Au, June 2016

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## Chapter 1

### Summary

Conducted in November 2015 and May 2016 among male work permit holders around Singapore, 910 valid responses were collected. Malaysians and domestic workers were excluded.

The results and analysis are organised into three themes, with salient findings as follows:

#### Duration in Singapore, duration in job

- 53% first came here to work in 2011 or later. 38% came between 2006 and 2010. Only 9.4% came before 2006.
- It is estimated that about three in four of those who joined our workforce in the 2006-2010 period are no longer here. We have lost their skills and experience.
- For 61% of respondents, their current jobs were their first jobs in Singapore; 39% had held other jobs before.
- The mean duration the respondents have been in their current jobs is about 4 years. Those from India tend to stay on a job longest among the three major nationalities. Those from China stay shortest. The Bangladeshis are in the middle.

#### Salary trends

- In terms of basic salaries, the Chinese are paid substantially more than the Indians or Bangladeshis (an expected result).
- For Indians and Bangladeshis still in their first jobs, those who joined in the last five years (i.e. between 2011 and 2016) had current monthly basic salaries that averaged between \$582 and \$697.
- Indians and Bangladeshis generally enjoy annual increases in basic salary of about \$20 - \$30 for each year completed.

- Workers who come back for a subsequent job tend to have higher starting salaries than first-time workers. Exactly what that salary premium is seems to fluctuate considerably from year to year. Some cohorts report only a \$20 - \$50 difference, other cohorts report differences around \$100 or more. It is not clear what really motivates employers to pay more for experienced workers. Perhaps they see value in them, or perhaps they are responding to the levy differentials set out by the Ministry of Manpower (MOM). The authorities at least, and possibly some employers, see value in experienced workers. The greater the pity then that we have lost so many of the workers who first came in the period 2006 – 2010, along with their skills and experience.
- Starting basic salaries for first-time workers from India and Bangladesh appear to have remained more or less constant since 2006, fluctuating within the range of \$546 to \$629 per month on average. However, when adjusted for inflation, a downward trend is seen. In terms of purchasing power, average basic salaries have declined about 20% since 2006.

### Sector

- About 75% of non-Malaysian, non-domestic workers are in the construction sector.
- About 84% of those who have held more than one job in Singapore have remained in the same sector.

The downward trend in starting salaries (after adjusting for inflation) is the most striking finding. Coupled with rising placement costs, it implies intensifying financial stress on foreign workers. This cannot long continue without reaching a breaking point, when unexpected reactions may occur, as happened, for example, when foreign drivers of a bus company went on strike in late 2012. Depressed pay and financial stress also have implications for work safety.

Worker churn in the short term did not appear to be serious based on our finding that the typical employee has been in the current job for about four years. However, fewer workers than expected reported a duration in Singapore (whether time in same job or previous jobs) matching the surge of foreign work permit holders (non-domestic) that Singapore experienced in the 2006 – 2008 period. We seem to have lost many workers since that surge.

In Chapter 8, difficulty with retention or with workers getting subsequent jobs is discussed. This is traceable in large part to high and aggressively rising recruitment costs, and this paper concludes with a proposal for a new model of recruitment that would avoid this.

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# Chapter 2

## Introduction

Transient Workers Count Too's Work History Survey was conducted in 2015 and 2016 among male foreign workers in Singapore. A total of 910 valid responses were obtained.

The objectives were to gain insight into:

1. The extent of turnover (or churn) of foreign workers in Singapore.
2. Salary trends
  - (a) at an individual level for those who have worked several years in Singapore, and
  - (b) overall starting salaries (for first-time workers) through the years.

An earlier article on TWC2's website, **Too many claims for minor injuries**<sup>1</sup> highlighted the fact that 47% of the injury cases seen at the Cuff Road Project were among workers who had worked less than a year.

If incidents of workplace injuries are independent of length of time in jobs, then on the face of it, this statistic would suggest that about half of foreign workers in Singapore at any given time are in the first year of a job. This in turn suggests an extremely high rate of turnover.

However, even at the time that **Too many claims for minor injuries** was published, we had interim data from the first wave of this Work History Study. The interim data indicated a much lower percentage of workers still within their first year on the job. That a disproportionate number of injuries were being reported by workers still within their first year points to a correlation between workplace injuries and newness on the job.

Work safety has become an acute issue. Between 1 January and 24 May 2016, there were 15 construction workplace fatalities, nearly twice as many as in the same period 2015, when there were eight.<sup>2</sup>

New workers tend to be much less familiar with safety protocols, or the layout of a worksite, or are less able to make proper judgements about risks. This vulnerability can be glimpsed from another finding of the study **Too many claims for minor injuries**. Not only were 47% of injuries found in workers who had worked less than a year, but workers in manpower supply companies were disproportionately represented in them. 'Supply' workers are sent from one worksite to another whenever a need for extra hands arises. This disproportionate representation of 'supply' workers in the injury statistics thus illustrates the pernicious effect of unfamiliarity with a site and the existing crew there. The same difficulties are faced by newly-recruited workers even if they are not working for manpower supply companies.

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<sup>1</sup> <http://twc2.org.sg/2016/03/12/too-many-claims-for-minor-injuries/>

<sup>2</sup> <http://www.mom.gov.sg/newsroom/press-releases/2016/0528-mom-scal-siso-and-wshc-take-concerted-and-urgent-actions-to-improve-workplace-safety-in-construction-sector> and <http://www.channelnewsasia.com/news/singapore/mom-agencies-to-boost/2824532.html>

The integration or otherwise of workers into a workforce influences productivity and may influence safety too. Once people are able to adjust to how others work, and become part of a team, everything goes a bit more smoothly. It is also possible that they look out for each other a bit more.

Compounding the problem, jobs in Singapore's construction and marine industries are filled by foreign workers from many different countries with no common language among them. This problem is especially acute among new workers, whereas those who have worked several years here tend to have acquired some English. Poor communication naturally leads to a higher risk of accidents.

Work safety can also be compromised when workers are fatigued. This is often traceable, albeit indirectly, to the fact that they have paid huge sums of money as placement costs to obtain their jobs.



TWC2's 2012 research report into agents' fees, titled **Worse off for working?**<sup>3</sup>, found that Bangladeshi workers needed to work 17 months to pay off their placement costs. Workers will naturally want to work as much overtime as they can to recover these costs sooner. However, fatigue leads to inattention, resulting in a higher risk of accidents and injury.

In the construction industry, the norm now is that work permits are only for one year. Clearly, this is not long enough when an average of 17 months is needed to recover placement costs. A worker would therefore be very keen on getting his work permit renewed at the end of the year, which means that he will find himself undertaking unsafe work if so ordered rather than resist the order and put himself in the boss' black books. This inability to resist such orders too undermines work safety.

<sup>3</sup> <http://twc2.org.sg/2012/08/12/worse-off-for-working-kickbacks-intermediary-fees-and-migrant-construction-workers-in-singapore/>

If a worker finds that his work permit is not renewed at the end of the first year, he would have to return to his home country, since current regulations do not permit him to change jobs freely.<sup>4</sup> Once home, he would have to approach job agents again to find a new job, and if successful, would have to pay placement costs all over again. With the unrecovered portion of the first job's placement costs added to the second round of placement costs, his financial stress is aggravated, heightening further his need for overtime work.

The higher the turnover of workers, the more individuals will face the problem of non-recovery of placement costs. Hence, an examination of how long workers stay in their jobs will have a direct bearing on work safety.

However, this cannot be seen in isolation from salary. If salary is high enough or if salary increases are steep enough, the financial stress will be ameliorated.

In 2011 when fieldwork for **Worse off for Working?** was undertaken, the mean placement cost for a first-time worker was \$7,256. Anecdotal reports indicate that it has since risen to well over \$10,000, for Bangladeshi construction workers. If average starting salaries have not risen in a commensurate manner in the intervening period, the 17-month payback period would have lengthened, with graver implications for work safety, among other issues.

Therefore, in addition to seeking information about job duration and turnover, this study also enquires into salary levels at various points in time. The hope is that we can connect the dots to discern multi-year trends about starting salaries.

For any particular individual worker however, he would not always be at entry grade. With experience, his salary might rise. This would help alleviate the pressure of recovering his placement costs. This study also looks at salary increases for the same workers.

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<sup>4</sup> In July 2015, MOM implemented a slight change allowing construction workers who have completed their Work Permit tenure to take up new jobs without first going home. It is still too early to say how much of a difference this is making, or even how many workers know about this. Further discussion can be found in Chapter 8.



# Chapter 3

## Survey method

TWC2 took advantage of an offer by a tertiary institution, which asked not to be named, to deploy a large number of students to help conduct a survey. Data collection took place in two waves: on Sunday, 8 November 2015 and another Sunday, 15 May 2016.

Surveys were taken at a total of ten locations where workers congregate to spend their rest days : Boon Lay, Chinese Garden, Jurong East, Botanic Gardens, Orchard Road, Esplanade, Little India, Farrer Park, Aljunied and Paya Lebar.

Some locations had more female foreign workers (mostly domestic workers) than male workers, thus results were not equally sourced from all the locations.

A total of 1,133 responses were collected, but about 20% had to be discarded – more explanation below. Valid responses used for analysis numbered 910, of which 418 (46% of 910) were collected in the November 2015 wave and 492 (54%) collected in the May 2016 wave.



*Three students speak with an Indian and two Bangladeshi workers during the survey*

Mostly, the students spoke to Bangladeshi respondents in English. It was largely the same with workers from India, though some survey-takers could speak Tamil with them. When a worker from mainland China was approached, the survey taker would generally speak in

Mandarin. Likewise, with workers from Myanmar -- the language used was primarily Burmese since there were a number of students from Myanmar helping with the research.

The survey was designed to take no more than 5 minutes per respondent. Most students used online data capture on mobile devices. Some used paper forms.

### Eligibility criteria

- Currently on a work permit
- Male
- Not in domestic sector
- Non-Malaysian

Whilst the original intention was to survey foreign workers in non-domestic sectors, it was ultimately limited to male foreign workers in non-domestic sectors. This was because it could be difficult for students to distinguish a female non-domestic worker from a domestic worker. Narrowing the scope to males only was judged safer for the integrity of the survey than taking the risk of having domestic worker responses muddying the results.

The survey was also designed to be limited to work permit holders. Even workers on Special Passes, who used to be work permit holders, were excluded. We wanted to survey only those workers who were currently in employment.

The survey excluded Malaysians even if they were on work permits. It would be difficult for the survey-takers to distinguish a Malaysian from a Singaporean. In any case, the regulations and terms of employment affecting Malaysians can be significantly different from those affecting Bangladeshis, Chinese, Indians and Burmese. Including Malaysians could complicate the results.

To have 20% of responses discarded is rather high, and it merits discussion. The most common reasons were rather mundane: the respondents were either female or not on work permits. Normally, in a survey, these two elimination questions would be outside the survey questionnaire, but since we were relying on students who were far from experienced survey takers, it was felt safer to have these elimination questions inside the survey so that at the analysis stage we could see exactly what we were including or excluding from the results.

Other reasons for excluding responses included:

1. The recorded response left too many questions blank, thus useless for analysis;
2. The reported basic salary was outside the salary range of work permit holders, so even if the respondent had earlier said he held a work permit, the entire response was treated as suspect.

## Defect in questionnaire design and two difficult questions

Unfortunately, there was a defect in the online questionnaire for the May 2016 wave which we didn't pick up till the survey was completed. For the question "In which year did you start your present job?" the dropdown list gave a series of years to choose from. For the November 2015 wave, the dropdown list went to 2015. But for the May 2016 wave, we should have added a "2016" option. We forgot to do so. It is possible that a number of interviewers in the second wave encountered workers who had commenced their jobs in



2016, but the survey taker entered his answer as '2015' instead, it being the nearest equivalent.

Those using paper forms did not have this difficulty; they could simply write 2016 on the form if the respondent said so.

Of 910 valid surveys, only one respondent is seen to have started his current job in 2016. This is unexpectedly low, and is almost surely due to the deficiency in the online questionnaire. However, since the survey anyway ended in May 2016 and thus did not encompass the whole of 2016, it is not a serious flaw to have conflated some number of "I started in 2016" cases with 2015.

The survey also explored what **sectors** respondents were working in. The vast majority of respondents were able to answer this question without difficulty, with about 1 in 10 offering more detail by describing their actual jobs. About 3% did not give a clear answer regarding sector, instead describing their occupations. Although sector is clearly stated on their work permits, perhaps these 3% had not noticed it before. Since the survey was meant to be anonymous, survey takers would not have asked to see their work permits, and so had to rely on respondents' verbal answers. We could either disregard the answers of this 3%, or make a best guess as to which sector they were in. We chose to do the latter.

The question that respondents had the greatest difficulty with was the one that asked them to total up how much **"back home" time** they spent **between jobs** and how much **home leave** they have taken during a job. This question was only put to those who have held more than one job in Singapore. Only about a third of more-than-one-job respondents were able to answer this question in a coherent way.

The absence of this information is not serious, but it could affect how we interpret other data about the total duration the men have spent in Singapore. A simple estimate of the number of years between the year of their first arrival and the current year ought to be discounted for the time spent back home. Fortunately, the responses we did obtain indicated that the total time back home wasn't very lengthy, only about 11 – 14 months for those who have worked 5 – 10 years (gross) in Singapore. Therefore the absence of good data on "back home" time is not seriously damaging.

## Possible biases

We believe that a few students had not taken sufficient care to ask the respondents for **basic salaries**. Some respondents might have replied with **gross salaries**, and the students failed to double-check the reply to ensure that the workers were reporting basic salaries. This concern arose when we saw a few responses where the respondent said he was on a work permit, yet gave a "basic salary" that was actually within the S-Pass range (i.e. monthly basic salary >\$2,200). These results were eliminated from analysis, but there could have been other responses where workers gave gross salaries instead of basic salaries, albeit below \$2,200 a month. These would not be identifiable amidst the data noise.

That said, the results after tabulation appear more or less in line with TWC2 volunteers' understanding of prevailing salaries, so if indeed this had been a problem it probably was not a serious one. If at all this possible confusion between gross and basic salaries affected

the replies recorded on the survey forms, it would be to make the salary picture rosier than it otherwise might have been.

We chose to focus the survey on basic salaries. In the interest of length, we did not ask about gross salaries. Limiting the study to basic salaries allows for easier longitudinal comparison, whereas asking about gross salaries would have compelled us to ask about overtime, deductions and so on, introducing a number of additional variables.

Conducting the surveys on Sundays allowed us to reach the largest number of workers possible in a short time. However, it also meant that we would not be able to sample those who were **working on those two Sundays**. TWC2 knows from our casework that there are foreign workers who work virtually every Sunday – fortunately they are a small minority – and these would not be in our sample.

What effect this has on our findings is unknown. Perhaps there is none. Perhaps their salary patterns, length of experience in Singapore, etc, are indistinguishable from those who do get most Sundays off. It may be worthwhile for another project to look into this.

# Chapter 4

## Profile of respondents: nationality

Bangladeshis made up 51.5% of our sample. Indian nationals made up 32.1% while the Chinese were the third largest group, at 12.6%.

Table 41

### Which country are you from?

	Number	Percent
Bangladesh	469	51.5
China	115	12.6
India	292	32.1
Subtotal	876	96.3
Other		
Indonesia	1	0.1
Myanmar	28	3.1
Nepal	1	0.1
Philippines	1	0.1
Sri Lanka	2	0.2
Not stated	1	0.1
Subtotal	34	3.7
<b>Grand total</b>	<b>910</b>	<b>100.0</b>

(Note: In all subsequent tables, 'Other nationalities', like in the table above, will include the one respondent who did not state his nationality.)

For the purposes of this analysis, all other nationalities are grouped as 'Other' (3.7%), but Myanmar nationals predominate among them.

We do not know how close these percentages are to the overall nationality split of foreign workers in Singapore because the government does not publish these figures. We believe however that the Bangladeshis are over-represented in our dataset whilst the Chinese and Indians are under-represented.

A likely reason why this is so is because the Bangladeshis tend to be more approachable, and generally have a fair knowledge of English. Interviewers find them easier to work with. A higher proportion of Indian nationals, especially those from Tamil Nadu, have a poor command of English (compared with Bangladeshis) and unless the interviewer is also able to speak Tamil, they may decline to be interviewed.

Language should not have been a problem with Chinese workers; we took care to send Mandarin-speaking interviewers (many of whom were students from China) to those areas where Chinese workers were likely to be found. However, unlike foreign workers from India and Bangladesh who tend to concentrate in certain localities, Chinese workers often spend their rest days quite dispersed in various parts of Singapore. By sending our teams of survey takers into ten specific locations, we might have missed many of them while getting easy access to Indians and Bangladeshis who are more concentrated in those localities.

In the main, the lines of analysis in this study took each nationality group separately whenever the sample sizes of nationality groups in the subsets allowed. In only a few places did we analyse the data as a single set of foreign workers. Hence it does not much matter if the sampling of each nationality group did not match the (unknown) Singapore-wide ratio.

## Profile of respondents: Age

Looking at the respondents by age group, nationality differences show up clearly. Bangladeshis were the youngest overall, with 67% aged 20 – 29. Their weighted average age was 28.

Indians tended to be slightly older, with weighted average age of 30. About 72% of them were in the age range of 25 – 34.

Tables 42a and 42b

### How old are you?

#### (a) Number of respondents

	Bdesh	China	India	Other	All
19 or younger	1	0	0	0	1
20-24	118	3	34	4	159
25-29	196	10	122	10	338
30-34	90	19	89	10	208
35-39	36	17	28	5	86
40-49	23	62	18	4	107
50-59	1	4	0	0	5
Unclear answer or not stated	4	0	1	1	6
Total	469	115	292	34	910

#### (b) Percent of respondents

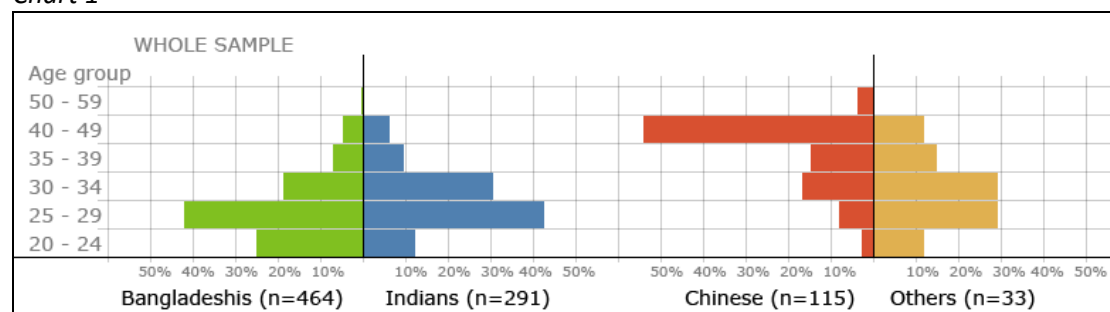
	Bdesh	China	India	Other	All
19 or younger	0.2	0.0	0.0	0.0	0.1
20-24	25.2	2.6	11.6	11.8	17.5
25-29	41.8	8.7	41.8	29.4	37.1
30-34	19.2	16.5	30.5	29.4	22.9
35-39	7.7	14.8	9.6	14.7	9.5
40-49	4.9	53.9	6.2	11.8	11.8
50-59	0.2	3.5	0.0	0.0	0.5
Unclear answer or not stated	0.9	0.0	0.3	2.9	0.7
Total	100.0	100.0	100.0	100.0	100.0

Weighted average age	28	40	30	31	30
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Approx mean age	27	40	30	31	29
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The Chinese men were distinctly older. 54% were in the 40 – 49 age group, with 85% in the 30-49 range. Their weighted average age was 40.

**Chart 1**

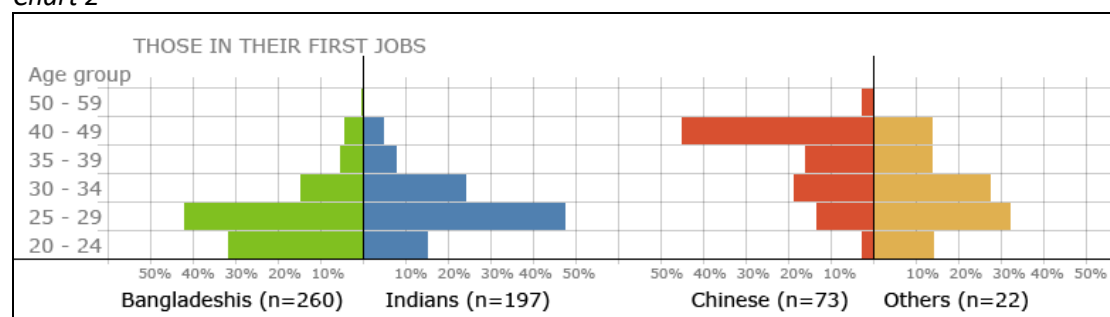


Note: Chart 1 excludes the one Bangladeshi who reported his age as "19 or younger", and those who did not give a clear or any answer.

Other nationalities (most of whom were Burmese) made for a much smaller sub-sample. They have a mean age of 30 – 34.

The age pyramids for respondents who were still in their first jobs in Singapore did not differ much from the survey's whole sample but they were slightly younger.

**Chart 2**



Note: Chart 2 excludes the one Bangladeshi who reported his age as "19 or younger", and those who did not give a clear or any answer.

The difference is so slight, it isn't easily noticed from the numerical tables, but for the record, they are on the next page.

Tables 43a and 43b

## How old are you?

Respondents who were in their first jobs in Singapore

### (a) Number of respondents

	Bdesh	China	India	Other	All
19 or younger	1	0	0	0	1
20-24	84	2	30	3	119
25-29	110	10	94	7	221
30-34	39	14	47	6	106
35-39	14	12	16	3	45
40-49	12	33	10	3	58
50-59	1	2	0	0	3
Unclear answer or not stated	1	0	1	0	2
Total	262	73	198	22	555

### (b) Percent of respondents

	Bdesh	China	India	Other	All
19 or younger	0.4	0.0	0.0	0.0	0.2
20-24	32.1	2.7	15.2	13.6	21.4
25-29	42.0	13.7	47.5	31.8	39.8
30-34	14.9	19.2	23.7	27.3	19.1
35-39	5.3	16.4	8.1	13.6	8.1
40-49	4.6	45.2	5.1	13.6	10.5
50-59	0.4	2.7	0.0	0.0	0.5
Unclear answer or not stated	0.4	0.0	0.5	0.0	0.4
Total	100.0	100.0	100.0	100.0	100.0

Weighted average age	28	38	29	32	30
Approx mean age	27	38	28	29	28



# Chapter 5

## How long in this job?

Tables 51a and 51b

### In which year did you start your present job?

Of all responses with start year or year range of current job (n = 865)

#### (a) Number of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	12	0	7	1	20
2001 - 2005	15	3	16	1	35
2006 - 2010	138	19	93	19	269
2011	45	6	29	0	80
2012	57	13	28	3	101
2013	53	29	27	4	113
2014	47	6	33	4	90
2015	84	32	39	1	156
2016	1	0	0	0	1
Total	452	108	272	33	865

Subtotal since 2014                      132              38              72              5              247

Subtotal since 2011                      287              86              156              12              541

#### (b) Percent of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	2.7	0.0	2.6	3.0	2.3
2001 - 2005	3.3	2.8	5.9	3.0	4.0
2006 - 2010	30.5	17.6	34.2	57.6	31.1
2011	10.0	5.6	10.7	0.0	9.2
2012	12.6	12.0	10.3	9.1	11.7
2013	11.7	26.9	9.9	12.1	13.1
2014	10.4	5.6	12.1	12.1	10.4
2015	18.6	29.6	14.3	3.0	18.0
2016	0.2	0.0	0.0	0.0	0.1
Total	100.0	100.0	100.0	100.0	100.0

Subtotal since 2014                      29.2              35.2              26.5              15.2              28.6

Subtotal since 2011                      63.5              79.6              57.4              36.4              62.5

Overall, only 18.1% joined their present jobs in 2015 (with one worker joining in 2016). 28.6% have been in their present jobs for less than two years (i.e. joined in 2014 or later). Three in eight of them, or 37.5%, have been in their present jobs for more than five years.

The Indians seem to have stayed at their current jobs for longer, with 42.6% having been on their current jobs from before 2011. The Chinese were at their jobs shortest, with only 20.4% by the same measure. Just 14.3% of Indians joined their present jobs in 2015, whilst the comparable percentage among the Chinese was 29.6%.

For those of 'Other' nationalities, it may not be possible to draw much by way of inference since the sample size is relatively small.

The job movements of the Chinese may either reflect

- (a) the instability of construction sector jobs – Table 71b will show that they are slightly more concentrated in the construction sector than other male workers – or
- (b) their relative empowerment to quit one job and join another.

The latter may be a result of their higher salaries, discussed in Chapter 6.

## Current job (those in their first jobs here)

Overall, 61% of 910 respondents reported that they were on their very first job in Singapore. 39% had worked in different jobs previously.

Tables 52a and 52b

### Is your present job your first job in Singapore?

Of all respondents (n = 910)

#### (a) Number of respondents

	Bdesh	China	India	Other	All
On his first job here	262	73	198	23	556
Not his first job here	207	42	94	11	354
Unclear answer or not stated	0	0	0	0	0
<b>Total</b>	<b>469</b>	<b>115</b>	<b>292</b>	<b>34</b>	<b>910</b>

#### (b) Percent of respondents

	Bdesh	China	India	Other	All
On his first job here	55.9	63.5	67.8	67.6	61.1
Not his first job here	44.1	36.5	32.2	32.4	38.9
Unclear answer or not stated	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

With 61% of respondents in their first job, one suspects that there is churn, with older workers being sent home and replaced by fresh new workers.

That said, Tables 53a and 53b show that the numbers for year of joining are not heavily concentrated in recent years, i.e. 2014 or 2015. Across all nationalities, a majority have worked more than 2 years in their current jobs. So, if there is churn, it is not a rapid one.

Tables 53a and 53b

## In which year did you start your present job?

Of those on first job here (n = 529)

### (a) Number of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	6	0	6	0	12
2001 - 2005	7	2	8	1	18
2006 - 2010	66	7	64	12	149
2011	24	3	23	0	50
2012	41	9	19	3	72
2013	33	18	20	2	73
2014	27	4	27	3	61
2015	49	24	19	1	93
2016	1	0	0	0	1
<b>Total</b>	<b>254</b>	<b>67</b>	<b>186</b>	<b>22</b>	<b>529</b>

Subtotal since 2014                      77                      28                      46                      4                      155

Subtotal since 2011                      175                      58                      108                      9                      350

### (b) Percent of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	2.4	0.0	3.2	0.0	2.3
2001 - 2005	2.8	3.0	4.3	4.5	3.4
2006 - 2010	26.0	10.4	34.4	54.5	28.2
2011	9.4	4.5	12.4	0.0	9.5
2012	16.1	13.4	10.2	13.6	13.6
2013	13.0	26.9	10.8	9.1	13.8
2014	10.6	6.0	14.5	13.6	11.5
2015	19.3	35.8	10.2	4.5	17.6
2016	0.4	0.0	0.0	0.0	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

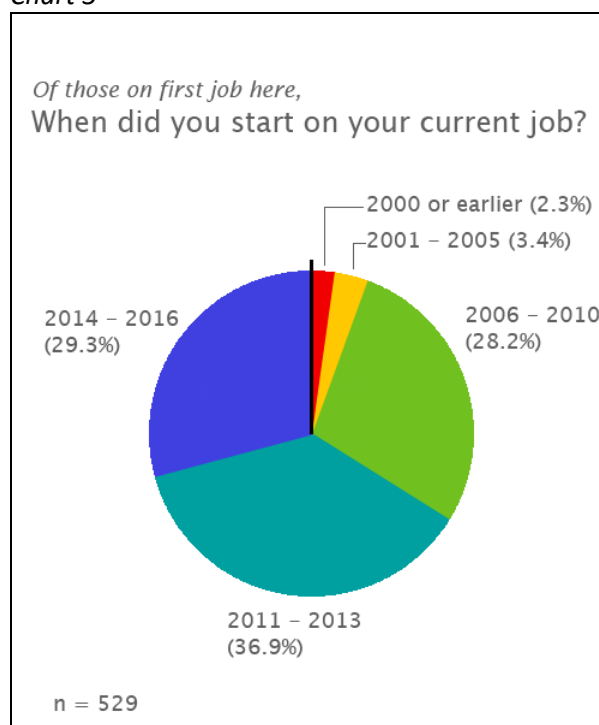
Subtotal since 2014                      30.3                      41.8                      24.7                      18.2                      29.3

Subtotal since 2011                      68.9                      86.6                      58.1                      40.9                      66.2

As can be seen in Chart 3 at right, fewer than one in three workers, (29.3%) has spent less than 2 years on the job.

The mean duration these respondents – those with their first employers here – have been in their jobs is about 4 years, i.e. since 2012.

Chart 3



## Current job (those who have had previous jobs)

336 workers who were not in their first jobs gave us the starting year of their current jobs.

Tables 54a and 54b

### In which year did you start your present job?

Of those not on first job here (n=336)

#### (a) Number of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	6	0	1	1	8
2001 - 2005	8	1	8	0	17
2006 - 2010	72	12	29	7	120
2011	21	3	6	0	30
2012	16	4	9	0	29
2013	20	11	7	2	40
2014	20	2	6	1	29
2015	35	8	20	0	63
2016	0	0	0	0	0
<b>Total</b>	<b>198</b>	<b>41</b>	<b>86</b>	<b>11</b>	<b>336</b>
<b>Subtotal since 2014</b>	<b>55</b>	<b>10</b>	<b>26</b>	<b>1</b>	<b>92</b>
<b>Subtotal since 2011</b>	<b>112</b>	<b>28</b>	<b>48</b>	<b>3</b>	<b>191</b>

(b) Percent of responses

When commenced current job	Bdesh	China	India	Other	All
2000 or earlier	3.0	0.0	1.2	9.1	2.4
2001 - 2005	4.0	2.4	9.3	0.0	5.1
2006 - 2010	36.4	29.3	33.7	63.6	35.7
2011	10.6	7.3	7.0	0.0	8.9
2012	8.1	9.8	10.5	0.0	8.6
2013	10.1	26.8	8.1	18.2	11.9
2014	10.1	4.9	7.0	9.1	8.6
2015	17.7	19.5	23.3	0.0	18.8
2016	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0

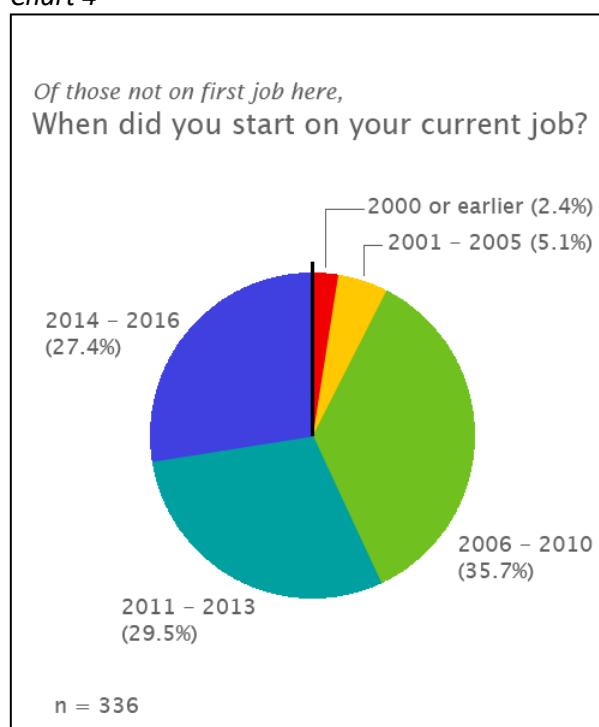
Subtotal since 2014	27.8	24.4	30.2	9.1	27.4
Subtotal since 2011	56.6	68.3	55.8	27.3	56.8

Chart 4 below is not a lot different from Chart 3 (which represented those on their first jobs here). Only 27.4% of this sub-sample – those not on their first job here – have spent less than 2 years in the present job. Similar to respondents on their first jobs, those not on their first jobs have been at their current jobs for a mean of about 4 years, i.e. since 2012.

That workers have been in their present jobs for a mean of four years implies a fair degree of job stability. But what is the likelihood that with the ending of one job, they are able to get another – even if they have to first go home and pay placement fees all over again? If the likelihood is low and companies replenish their workforces with fresh new workers rather than previously-in-Singapore ones, then such a practice suggests a slow churn. There is a bleeding away of skills and experience, and a barrier to improving productivity.

At the root of churn is possibly a resistance to re-hiring experienced workers, perhaps for cost reasons or because employers find them less subservient.

Chart 4



This question – the likelihood of getting a subsequent job – cannot be answered by merely looking at how long they have been in their present jobs. A better clue lies in asking: How many workers have in the past worked here, but are no longer here?

Alas this question cannot be answered through a survey conducted within Singapore, because by definition if they are no longer here, they cannot be reached by a physical survey.



*Although some of the ten locations we surveyed, such as the green spaces near City Plaza, Paya Lebar, are better known for their concentrations of female domestic workers, we could always find some male workers to survey among them. There is a degree of socialisation between male workers and domestic workers.*

In Chapter 8, we will attempt to estimate the loss Singapore has suffered, using published data about foreign workforce numbers in previous years and comparing them with the distribution of this survey's respondents by year of first arrival.



## Year of first arrival

Overall, slightly over half (52.6%) of respondents reported that their year of first arrival was within the last five years, i.e. 2011 to the present. By nationality, the Chinese stood out. Nearly three in four (74.3%) first arrived in the last five years.

Tables 55a and 55b

### Year of first arrival

Year of first arrival, whether it's previous or current job (n = 873)

#### (a) Number of responses

When first came to Singapore	Bdesh	China	India	Other	All
2000 or earlier	20	1	12	1	34
2001 - 2005	23	4	20	1	48
2006 - 2010	178	23	111	20	332
2011	44	6	30	0	80
2012	57	17	24	4	102
2013	51	28	27	3	109
2014	31	6	31	3	71
2015	50	24	21	1	96
2016	1	0	0	0	1
<b>Total</b>	<b>455</b>	<b>109</b>	<b>276</b>	<b>33</b>	<b>873</b>

Subtotal since 2014                      82              30              52              4              168

Subtotal since 2011                      234              81              133              11              459

#### (b) Percent of responses

When first came to Singapore	Bdesh	China	India	Other	All
2000 or earlier	4.4	0.9	4.3	3.0	3.9
2001 - 2005	5.1	3.7	7.2	3.0	5.5
2006 - 2010	39.1	21.1	40.2	60.6	38.0
2011	9.7	5.5	10.9	0.0	9.2
2012	12.5	15.6	8.7	12.1	11.7
2013	11.2	25.7	9.8	9.1	12.5
2014	6.8	5.5	11.2	9.1	8.1
2015	11.0	22.0	7.6	3.0	11.0
2016	0.2	0.0	0.0	0.0	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Subtotal since 2014                      18.0              27.5              18.8              12.1              19.2

Subtotal since 2011                      51.4              74.3              48.2              33.3              52.6

As a point of clarification, "year of first arrival" is the year they arrived for their current job if they have had only one job, or the year they arrived for their very first job if they have had previous jobs.

## Once they've started working here, not much disruption

Just because a man first came to Singapore X years ago does not mean he has spent all X years in Singapore. We tried to ascertain how much time cumulatively, each respondent spent back home.

This question proved rather difficult for interviewers and respondents, and we only had 103 responses among those who were not in their first job here.

With this relatively smaller dataset, we found that of those who first came to Singapore 5 – 10 years ago, they had since spent about 11 – 14 months back home. This could have been a single longish period, or a total of several shorter periods taken as home leave or between jobs. This finding of 11 – 14 months for men who have been in Singapore for 5 – 10 years suggests that their working period here has not been substantially disrupted by having to spend long periods back in the home country.

Of those who first came in other time periods, it is not possible to say how long they have cumulatively spent back in their home country because the sample sizes for those cohorts were too small.

Tables 56a and 56b

Since [first year in Singapore], how many months or years in total have you spent back in your home country - home leave and between jobs?

Average cumulative home leave of those who have previous jobs, (n = 103)

(a) Number of respondents

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	3	1	2	0	6
2001 - 2005	3	0	2	0	5
2006 - 2010	54	7	22	6	89
2011 - 2013	2	0	1	0	3
2014 or later	0	0	0	0	0

(b) Average cumulative duration of home leave (months)

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	17	3	36		21
2001 - 2005	33		11		24
2006 - 2010	14	14	11	13	13
2011 - 2013	14		3		10
2014 or later					

Figures in grey are based on sample subsets smaller than 20

However, it needs to be stressed that these are the ones lucky enough to have had either a long duration job permitting them home leave or the good fortune of having been able to find subsequent jobs. For each one of them, there were many others who went home after a job ended but have not come back again.



*Friends say their good-byes at Changi airport*

## First job here didn't last long

Out of 354 respondents who were not on their first jobs in Singapore, 350 told us how long their first jobs lasted. Interestingly, unlike the mean of four years in their present jobs, the mean for their first jobs was much shorter, only about one year. This was true for all three major nationality groups, as can be seen in the following tables.

Tables 57a and 57b

## How long did you work in this first job?

Of those not on first job here (n = 350)

### (a) Number of responses

How long, 1st job?	Bdesh	China	India	Other	All
One month or less	0	0	2	0	2
Just a few months	11	3	3	1	18
Around 1 year	77	28	25	4	134
Around 2 years	47	9	30	4	90
Around 3 years	32	1	10	0	43
Around 4 years	19	1	8	0	28
Around 5 years	10	0	3	1	14
More than 5 years	9	0	12	0	21
Total	205	42	93	10	350

### (b) Percent of responses

How long, 1st job?	Bdesh	China	India	Other	All
One month or less	0.0	0.0	2.2	0.0	0.6
Just a few months	5.4	7.1	3.2	10.0	5.1
Around 1 year	37.6	66.7	26.9	40.0	38.3
Around 2 years	22.9	21.4	32.3	40.0	25.7
Around 3 years	15.6	2.4	10.8	0.0	12.3
Around 4 years	9.3	2.4	8.6	0.0	8.0
Around 5 years	4.9	0.0	3.2	10.0	4.0
More than 5 years	4.4	0.0	12.9	0.0	6.0
Total	100.0	100.0	100.0	100.0	100.0

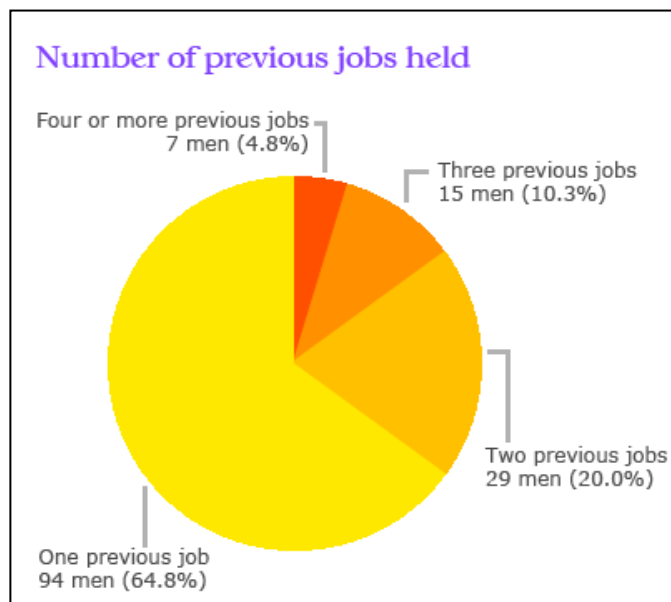
We did not enquire into the reasons why the first job lasted so much shorter than their current job has lasted, partly because we did not anticipate such an outcome, but also because open-ended questions were not considered suitable for a survey conducted by students not fully familiar with the issues.

One possibility is that there is an element of self-selection here. Perhaps it is because the first job lasted such a short time that these men were highly motivated to seek a second job here. In other words, there could be a built-in bias, with over-representation of not-so-successful first jobs among men who are now in their second or subsequent jobs.

This may be an area for further enquiry.

## How many previous jobs?

Chart 5



Of those who have worked in previous jobs, 145 of them provided enough detail about year of first arrival, number of previous jobs held and year they started on present job to enable us to calculate pertinent averages.

They had held an average of 1.57 previous jobs each, with 64.8% of them having held only one previous job.

On average, each previous job lasted about 2.7 years – which is to some degree an over-estimate since we did not discount for time

spent back in the home country between jobs. We were not able to make this adjustment because our question about cumulative time spent back in the home country did not further distinguish whether it was home leave in the middle of a job (or whether it was the current or previous jobs), or time between jobs, or some mix of the two. In any case, as pointed out on page 22, not many respondents were able to give us clear answers to this question of time spent back in the home country.

# Chapter 6

## Basic salaries of current job

Of 556 respondents who were in their first jobs here, 519 provided details about their salaries enabling us to compile the following tables:

Tables 61a, 61b and 61c

### Present job: When began? Starting basic, current basic?

Of those on first job here

(a) Number of respondents (n=518) who gave a starting basic salary, current basic salary, and year of starting present job

When began this job?	Bdesh	China	India	Other	All
2000 or earlier	6	0	6	0	12
2001 - 2005	7	2	8	1	18
2006 - 2010	65	6	63	12	146
2011 - 2013	97	28	62	5	192
2014 - 2016	75	26	46	4	151
Total	250	62	185	22	519

(b) Average monthly basic salary at start of job (\$)

When began this job?	Bdesh	China	India	Other	All
2000 or earlier	615		569		592
2001 - 2005	566	1900	613	468	730
2006 - 2010	587	930	602	809	626
2011 - 2013	600	1470	608	864	736
2014 - 2016	620	1137	548	809	692

(c) Average monthly basic salary now (\$)

When began this job?	Bdesh	China	India	Other	All
2000 or earlier	828		1020		924
2001 - 2005	906	2000	888	988	1024
2006 - 2010	797	1318	838	1270	875
2011 - 2013	697	1665	684	971	841
2014 - 2016	649	1185	582	859	726

Figures in grey are based on sample subsets smaller than 20

Bangladeshis who are relatively new in their jobs have average basic salaries in the region of \$650 a month. Those who have worked more than two years have average salaries of



around \$700. Indian workers' salaries are similar. The Chinese are paid more than Bangladeshis and Indians. This is almost surely because they tend to be the ones holding the skilled jobs.

Table 62

## Average annual increase in basic salaries

Of those on first job here (n=519)

\$ per month

When began this job?	Bdesh	China	India	Other	All
2000 or earlier	14.20		30.07		22.13
2001 - 2005	28.33	8.33	22.92	43.33	24.50
2006 - 2010	30.00	55.43	33.71	65.86	35.57
2011 - 2013	32.33	65.00	25.33	35.67	35.00
2014 or later	19.33	32.00	22.67	33.33	22.67

Figures in grey are based on sample subsets smaller than 20

Deriving annual increases in basic salaries from preceding tables, Table 62 shows Bangladeshis reporting annual increments of between \$19 and \$32, depending on cohort. For Indians, the reported increments, depending on cohort, range from \$22 to \$33. These annual increments are about 4% of basic salaries.

These figures are consistent with casual reports heard by TWC2 over the recent years. Typically a worker would report that for each year of service completed he would get an increase of \$1 per working day, or about \$26 a month.



Newly-arrived workers from Bangladesh meet their boss for the first time

We next turn to those who were not in their first jobs here. Of 354 who were not in their first jobs, 332 provided details about their salaries in their present jobs that enabled us to compile the following tables:

Tables 63a, 63b and 63c

## Present job: When began? Starting basic, current basic?

Of those not on first job here

(a) Number of respondents (n=332) who gave a starting basic salary, current basic salary, and year of starting present job

Began present job	Bdesh	China	India	Other	All
2000 or earlier	5	0	1	1	7
2001 - 2005	8	1	8	0	17
2006 - 2010	72	12	29	7	120
2011 - 2013	56	17	22	2	97
2014 - 2016	55	9	26	1	91
Total	196	39	86	11	332

(b) Average monthly basic salary at start of present job (\$)

Began present job	Bdesh	China	India	Other	All
2000 or earlier	428		390	1200	533
2001 - 2005	705	600	744		717
2006 - 2010	639	1106	699	688	703
2011 - 2013	623	1406	647	624	765
2014 - 2016	654	1283	724	750	737

(c) Average monthly basic salary now (\$)

Began present job	Bdesh	China	India	Other	All
2000 or earlier	806		1950	1500	1068
2001 - 2005	874	650	904		875
2006 - 2010	810	1580	868	896	906
2011 - 2013	758	1581	708	715	890
2014 - 2016	723	1413	788	850	811

Figures in grey are based on sample subsets smaller than 20

Likewise, we can compute the annual increments enjoyed by these not-first-time workers since they began at their present jobs.

Table 64

## Average annual increase in basic salaries

Of those not on first job here (n=332)

\$ per month

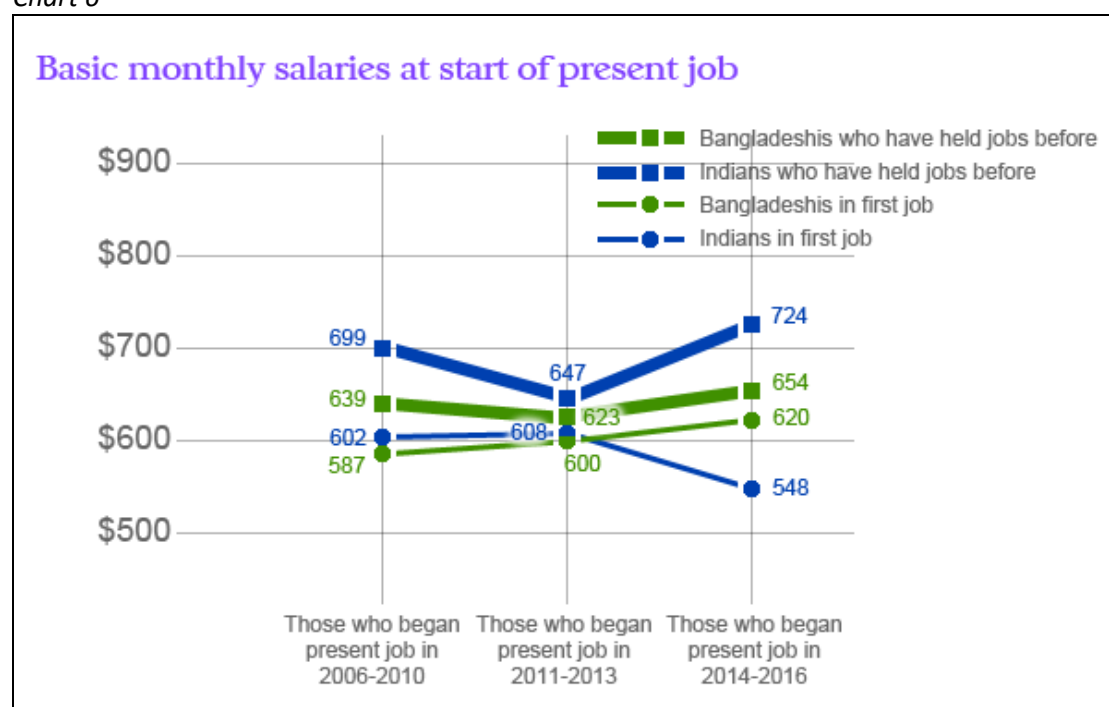
Began present job	Bdesh	China	India	Other	All
2000 or earlier	25.20		104.00	20.00	35.67
2001 - 2005	14.08	4.17	13.33		13.17
2006 - 2010	24.43	67.71	24.14	29.71	29.00
2011 - 2013	45.00	58.33	20.33	30.33	41.67
2014 - 2016	46.00	86.67	42.67	66.67	49.33

Figures in grey are based on sample subsets smaller than 20

From looking at the numbers alone, it is hard to get a sense of their meaning compared to those in Table 62 , i.e. comparing annual increments enjoyed by those who have worked before with those who are in their first jobs.

However, if we plot the average starting salaries (in present jobs) of those who have worked in other jobs previously against those who were in their first jobs, we see that those who have worked before enjoyed noticeably higher starting salaries (the thick lines).

Chart 6



The salary premium enjoyed by workers who have been here before appears to vary considerably by cohort. In the 2011 – 2013 period, the premium almost disappeared, before widening again for the 2014 – 2016 cohort.

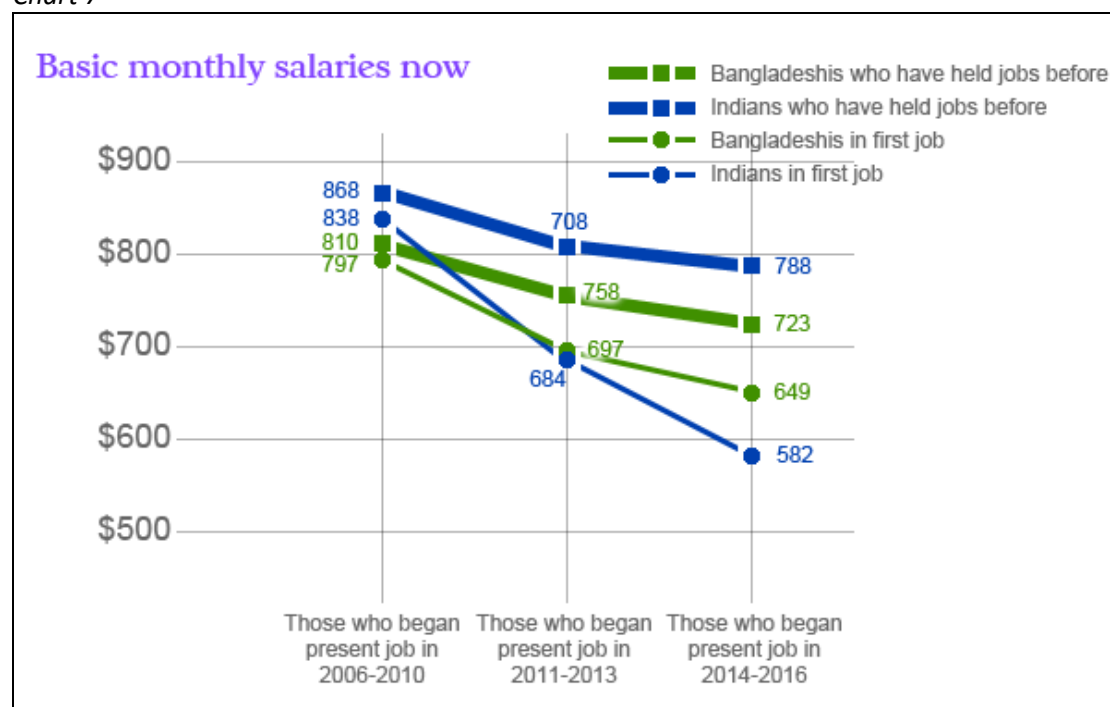
Perhaps it has something to do with regulatory pressure. Recently, the rates for better skilled workers have become more advantageous. This may incentivise employers to prefer workers who have the necessary certification, e.g. Core-Trade, and it is more likely that workers who have spent some years here would have had the opportunity to acquire such certification. More discussion in Chapter 8.

The survey however did not enquire into qualifications and we have no data on this front.

Whether through levy inducements or otherwise, one reads from the above pattern that employers are prepared to pay more for workers who have some experience, or who have had skill upgrades during their time in their previous jobs. But this inference has to be understood in terms of employers who have hired experienced workers in the first place. As pointed out in Chapter 5, many workers who used to work here in the 2006 – 2010 period no longer do. So it would appear that many employers resist hiring experienced workers, while those employers (a minority?) who are prepared to hire experienced workers are also prepared to pay higher for them as starting salaries.

The next chart shows the present salaries.

Chart 7



Generally speaking, those who had worked in previous jobs continued to enjoy higher salaries than those who were still in their first jobs. This gap is much wider among workers in the most recent cohort (i.e. those who joined 2014 – 2016) but begins to vanish among workers in the oldest cohort (those who joined in 2006 – 2010).

This stands to reason. After a few years, an employer has direct observations of the worth of his workers, and no longer needs to rely on the proxy measure of whether a worker had worked here before, in making his estimation of his workers.

## Experienced workers seen to have value, but...

Table 65 demonstrates that workers who have been in the same company since the period 2006-2010 are earning 30 – 40% higher salaries today than when they started.

Table 65

### Salary histories of workers who have been in the same company since 2006 - 2010

All nationalities

	Average starting basic when they joined	Average basic salary today	% increase
	\$/month	\$/month	
Those who were first-time workers when they joined the company (n=146)	626	875	39.8
Those who were not first-time workers when they joined the company (n=120)	703	906	28.9

Since foreign workers in Singapore have so little bargaining power, the salary increases they have enjoyed cannot realistically be attributed to market forces. Whilst it is possible that some employers see genuine value in experienced workers and voluntarily reward them accordingly, a complex process involving levy inducements may be at work.

It may go like this:

Over the years, long-serving workers may have gone for upgrading courses. Coupled with having completed 4 or 6 years of work, they will be reclassified by MOM<sup>5</sup> as "higher-skilled". This in turn enables the employer to enjoy reduced levy rates. The employer may then pass some of the levy savings to the employee.

Once again, this has to be read carefully. Some employers continue to be driven by payroll cost considerations above all else, and have a habit of churning their workforce. These employers may not be represented among the employers of the workers in Table 65, if they regularly bringing in cheaper fresh workers.

<sup>5</sup> This page on MOM's website explains how a construction worker is classified as "higher-skilled": <http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/construction-sector-requirements> accessed 13 June 2016





*These Bangladeshi workers came to TWC2 for help in mid 2015. They had only worked for about six months and were not properly paid.*

For example, a small contractor whose business is volatile, will not have the luxury of thinking long-term, sending his workers for courses, or expecting to retain his employees for long. For reasons of survival, he has to think short-term, and keeping his payroll cost as low as possible in order to bid successfully for projects may appear an essential business strategy to him. The logical response for him would be to hire the cheapest, newest workers. Manpower supply companies would very much of similar mind.

The author has come across employers, in the course of assisting workers who have been allowed by the Ministry of Manpower to seek new jobs, who have unequivocally said they do not, as a rule, hire anyone who has worked here before. How many employers take the same attitude is not known.

For example, the workers pictured on this page failed to secure new jobs after their difficulties with the first employer, and were repatriated. Considering the huge amounts that they paid in recruitment costs to secure the aborted jobs, they ended up poorer than before they came to Singapore.



## Salary increases through entire span of years working here

There were 338 respondents who had worked at more than one job, and who provided us the starting basic salary of their first job as well as their present basic salary in their present job. The data is presented in Tables 66a to 66c on the next page.

We are able to derive a picture of the total salary increases they have enjoyed since they began working in Singapore, across their different employers. See Table 66d next page.

Some subsets are too small to be meaningful. But the data from the larger subsets show annual increases in monthly basic salaries of \$31 to \$44 for Indian and Bangladeshi workers. This is consistent with the increases enjoyed by workers in their current jobs as shown in Tables 62 and 64.

In other words, it does not make that much difference in terms of likely salary improvements whether a worker stays in the same job or changes jobs.



Chinese workers enjoy larger annual salary increases. Although the numbers in the Chinese subset are small, they suggest annual increments in monthly basic salaries that are in the \$64 to \$80 range over the entire span of their working careers here. This is commensurate with the finding that they enjoy higher basic salaries than those from Bangladesh and India.

Tables 66a, 66b, 66c and 66d

## Very first starting salary, present salary, average annual increments

Workers who have had more than 1 job, and who provided salary information about their very first starting pay and present pay

(a) Number of respondents in this subset

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	14	1	5	1	21
2001 - 2005	14	2	12	0	28
2006 - 2010	111	15	47	8	181
2011 - 2013	54	20	19	2	95
2014 or later	5	2	6	0	13
<b>Total</b>	<b>198</b>	<b>40</b>	<b>89</b>	<b>11</b>	<b>338</b>

(b) Average monthly basic salary at start of very first job \$/month

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	564	1600	452	800	598
2001 - 2005	601	700	621		617
2006 - 2010	548	1107	593	658	611
2011 - 2013	543	1309	650	637	727
2014 or later	565	700	529		569

(c) Average monthly basic salary now in current job \$/month

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	979	2000	928	1500	1040
2001 - 2005	772	825	938		847
2006 - 2010	815	1559	811	891	879
2011 - 2013	675	1549	695	715	864
2014 or later	632	1600	765		843

(d) Average increase in monthly basic salary per year \$/month

When began the very first job?	Bdesh	China	India	Other	All
2000 or earlier	27.67	26.67	31.73	46.67	29.47
2001 - 2005	14.25	10.42	26.42		19.17
2006 - 2010	38.14	64.57	31.14	33.29	38.29
2011 - 2013	44.00	80.00	15.00	26.00	45.67
2014 or later	44.67	600.00	157.33		182.67

Figures in grey are based on sample subsets smaller than 20.

Note: in the above tables, "When began the very first job" is effectively "When first came to Singapore?"

## Starting salaries for new arrivals: trend over the years

Although many of the preceding tables presented data grouped by cohorts (e.g. 2006-2010, 2011-2013) the survey actually collected salary data by specific years.

It is therefore possible to lay out the starting salaries for first-time workers for each year. However in Table 67 below, we only use the data for Indian and Bangladeshi workers to better discern the historical trend. Including workers of other nationalities, when they have different skill levels (and thus different starting salaries), would complicate the analysis.

Table 67

### Starting salaries by year of first arrival, and adjusted for inflation

When started first job	Number of respondents			Average starting basic salary (\$/month)			CPI 2014=100	Adjusted average basic salary (\$/month)		
	Bdesh	India	Both	Bdesh	India	Both		Bdesh	India	Both
2000 or <*		11	31	579	516	557	74.8	774	690	745
2001	4	2	6	537	1263	779	75.6	710	1671	1030
2002	1	0	1	468		468	75.3	622		622
2003	5	4	9	698	696	697	75.6	923	921	922
2004	2	4	6	400	445	430	76.9	520	579	559
2005	9	10	19	609	526	565	77.3	788	680	731
2006	9	15	24	586	592	589	78.0	751	759	755
2007	39	27	66	561	588	572	79.7	704	738	718
2008	55	30	85	556	535	548	84.9	655	630	645
2009	37	18	55	542	619	567	85.4	635	725	664
2010	36	20	56	589	694	627	87.8	671	790	714
2011	44	30	74	579	580	580	92.5	626	627	627
2012	57	24	81	614	556	597	96.7	635	575	617
2013	51	27	78	545	714	603	99.0	551	721	609
2014	31	31	62	581	510	546	100.0	581	510	546
2015	49	21	70	642	599	629	99.5	645	602	632
2016	1	0	1	520		520				

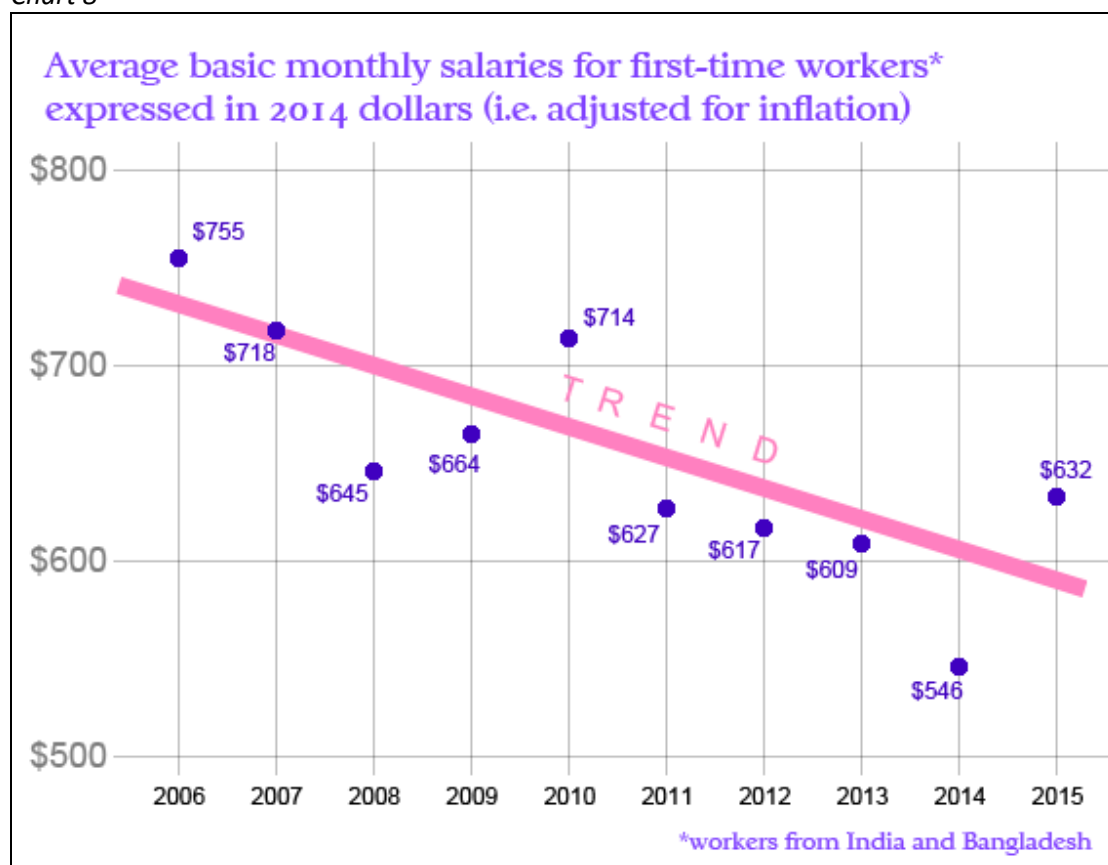
\*started first job in year 2000 or earlier

Figures in grey are based on sample subsets smaller than 20

The four columns on the right adjust starting salaries for inflation, using the Consumer Price Index published by the government's Department of Statistics.

The data for 2006 to 2015 in the rightmost column are graphed on the next page. Data for earlier years are ignored since they are based on subsets that are tiny.

Chart 8

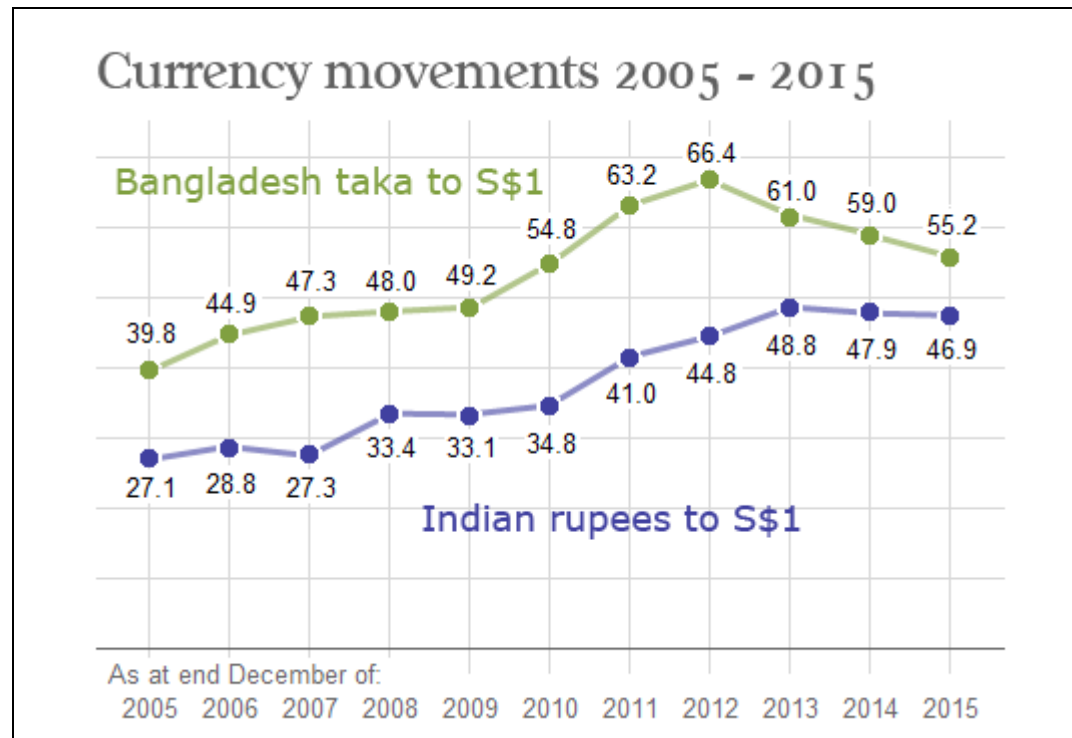


The long-term trend is quite obvious. Excepting some variation from one year to the next, there has been an erosion of about 20% in the purchasing power of the starting basic salary of new workers from India and Bangladesh over the ten-year period.

This disappointing trend has also to be seen in the context of rising placement costs for the same workers over the same period, as known from casework conducted by TWC2. This survey did not collect data on placement costs. Taken together, the financial stresses faced by these workers have probably grown more severe than the salary trendline alone indicates.

It might be argued that the movement in exchange rate between the Singapore dollar and the Bangladesh taka or Indian rupee should also be factored in, since it would influence the purchasing power of workers' remittances. The movement of the Indian rupee and Bangladeshi taka over the last ten years is shown in the next chart. It shows a depreciation of the rupee and the taka against the Singapore dollar until 2014 and 2013 respectively, when the trend turned and these currencies appreciated slightly.

Chart 9



In our view, the depreciation of the rupee and taka through most years of the ten-year period cannot be a valid justification for depressing salaries once we consider the converse circumstance: now that the rupee and taka are appreciating, do we hear any clamour to raise foreign workers' salaries (in Singapore dollar terms) to maintain the purchasing power of remittances? One doubts so. They are good arguments for raising their salaries, but compensating for the decline of the Singapore dollar against their home currencies is not one of them.

Moreover, workers also incur expenditure in Singapore, for their meals, transport, phone cards, etc. Purchasing power cannot be seen only in terms of home currency equivalent. Fundamentally, as a matter of principle, the yardstick of value and remuneration should be Singaporean: if workers did well (until 2013/2014) out of changes in the exchange rate, well, they were just lucky.

# Chapter 7

## About 75% are in the construction sector

899 respondents out of 910 provided an answer to the question "Which sector are you working in?". The most striking result is that across all major nationalities, construction was named by the majority of interviewees. Overall, 74.7% said they currently worked in construction.

Table 71

### Which sector are you working in?

#### (a) Number of respondents

Sector of current job	Bdesh	China	India	Other	All
Cleaning	5	0	1	0	6
Construction	356	98	200	18	672
Landscaping	6	0	7	0	13
Manufacturing	9	5	9	3	26
Marine	44	3	25	4	76
Process	4	2	6	0	12
Service	25	3	11	6	45
Other	17	2	28	2	49
Total	466	113	287	33	899

#### (b) Percent of respondents

Sector of current job	Bdesh	China	India	Other	All
Cleaning	1.1	0.0	0.3	0.0	0.7
Construction	76.4	86.7	69.7	54.5	74.7
Landscaping	1.3	0.0	2.4	0.0	1.4
Manufacturing	1.9	4.4	3.1	9.1	2.9
Marine	9.4	2.7	8.7	12.1	8.5
Process	0.9	1.8	2.1	0.0	1.3
Service	5.4	2.7	3.8	18.2	5.0
Other	3.6	1.8	9.8	6.1	5.5
Total	100.0	100.0	100.0	100.0	100.0

Looking at the results, the first concern that came to mind was that construction workers were over-represented in our survey, though we could think of no reason why that might be so to any large extent.

However, back of the envelope calculations suggest that nationally, it is probably the case too that construction workers make up about 3 in 4 of non-Malaysian, non-domestic work permit holders. This estimate is explained in more detail in Chapter 8.



Quite mysterious is the finding that 5.4% of Bangladeshi and 3.8% of Indian respondents said they were in the **service sector** (see Table 71). According to MOM's website, Bangladesh and India are not approved source countries for this sector. The actual numbers are not negligible. There were 25 Bangladeshis and 11 Indians who gave us this response – it therefore cannot have been just a slip of the finger as our interviewer(s) recorded the answers. We are unable to explain why we obtained these results.

Perhaps we should have worded the question more tightly. We should have asked "What sector is written in your work permit?" instead of "Which sector are you working in?"

Yet, the vast majority of respondents understood our question to mean virtually the same thing, with about 11% adding more information about their precise occupation -- information that was useful in confirming that their sector description was correct. There is no indication that this was a difficult question to answer.

## Few workers change sectors

Of those whose current jobs were not their first jobs in Singapore, 351 respondents also answered the question about the sector of their first jobs in addition to the sectors of their current jobs.

Only 57 (16.2%) of them had changed sectors. Table 73 provides a matrix of first and current sectors:

Table 72

### Sectors of first job and current job

	Current job								Total
	Cleaning	Construction	Landscaping	Manufacturing	Marine	Process	Service	Other	
First job									
Cleaning		7					2		9
Construction			1	3	1		6	5	16
Landscaping		1			2				3
Manufacturing		3					1		4
Marine		7					1		8
Process		3							3
Service		7	1					1	9
Other		4				1			5
Total	0	32	2	3	3	1	10	6	57



There appears to be some gravitation towards the construction sector from other sectors. This may be due to a perception that more overtime is available in construction and consequently, high total income.

# Chapter 8

## Discussion: salary stagnation

The two most troubling findings from this survey are that

- starting salaries have been declining over the years when adjusted for inflation;
- even as the total number of non-domestic work permit holders have been stabilising, we continue to see many first-time workers coming in, coupled with a steady loss of more experienced workers.

It should be noted that salaries of local employees have also suffered stagnation through much the same period. Member of parliament Zainal Sapari attributed this, in a blogpost, to outsourcing practices.<sup>6</sup> With foreign workers, outsourcing in the form of layers and layers of subcontractors in the construction and marine industries is common practice.

However, in recent years, whilst the government has tried to push up salaries of cleaners and security guards, sectors where local employees are still commonly found, wage stagnation and decline in real terms among foreign workers has continued. A factor unique to foreign workers is probably at work: the slowdown or cessation in the growth of work permit "quota" especially in the last 3 or 4 years. By limiting demand, albeit through administrative fiat, market forces may have lowered the clearing price of a low-skill worker.

Table 81

### Work Permit levies for the construction sector

Category	Monthly levy (\$)
NTS* and PRC** - higher skilled, on MYE	300
NTS* and PRC** - basic skilled, on MYE	550
NTS* and PRC** - higher skilled, MYE waiver	600
NTS* and PRC** - basic skilled, MYE waiver	950

\*NTS: Non-traditional source countries, which include India, Bangladesh and Myanmar

\*\*PRC: People's Republic of China

Source: <http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/construction-sector-requirements>, accessed 11 June 2016

Another factor could be the increases in levies, for which the current rates applicable to the construction industry are shown above. MOM has in recent years been trying to incentivise employers to hire higher-skilled workers through widening the gap between levies for lower-skilled and higher-skilled workers. In 2010, the differential was only around \$100 (see news clippings in Appendix 2). In February 2013, it was announced that work permit levy rates

<sup>6</sup> Straits Times 13 Feb 2016. 'Outsourcing has depressed wages of many low-wage workers: Zainal Sapari' <http://www.straitstimes.com/singapore/manpower/outsourcing-has-depressed-wages-of-many-low-wage-workers-zainal-sapari>

would be raised by an average of \$160 per month in the construction sector by 2015.<sup>7</sup> By June 2016, the differential in this sector, which accounts for about 3 in 4 of non-domestic, non-Malaysian work permit holders in our survey, has risen to at least \$250.

The levy rate also varies depending on whether a worker is hired within a company's Man-Year Entitlement (MYE) or outside it. MYEs are calculated based on a project's value.

Further increases for the construction sector were announced in March 2016, with the levy rate for Basic Tier R2 workers going up from \$550 to \$650 on 1 July 2016, and to \$700 on 1 July 2017.<sup>8</sup>

It is likely that the diversion of cashflow towards paying higher levies has caused employers to be increasingly stringent about worker salaries, and would continue to do so since further increases in levy rates are anticipated.

Please send in your amendments with the supporting documents. We will inform you whether a new application is required.

CPF Submission Number	2014-11-11 - PTE - 01
Basic monthly salary	S\$ 468
Fixed monthly allowances	S\$ 0
Fixed monthly salary	S\$ 468
Monthly housing, amenities and services deductions	S\$ 0
Other monthly deductions	S\$ 0
Monthly salary after taking into account fixed monthly allowances and deductions	S\$ 468
Housing provided	YES
Monthly Levy Rate	S\$ 550

Extract from an MOM document "In-principle approval for Work Permit" issued to a Bangladeshi construction worker in January 2016. The levy rate is higher than his fixed monthly salary.

The government's stated reason for raising levy rates for lower-skilled workers is to encourage employers to retain workers with experience and to incentivise them to hire higher-skilled workers. The problem that arises is that with such low salaries, it is difficult for a worker to take time off from work to enroll in a training course. The average salary of a worker who has been with the same employer since the period 2006 – 2010 does not even

<sup>7</sup> <http://news.asiaone.com/News/Latest%2BNews/Singapore/Story/A1Story20130226-404803.html>

<sup>8</sup> <http://www.straitstimes.com/business/economy/singapore-budget-2016-foreign-worker-levy-increase-deferred-in-marine-and-process>

cross \$1,000 a month, as shown in Table 65. They need to work as much as possible. It would be different if the employer would sponsor the course and continue to pay at least the basic salary through the course period, but anecdotal reports suggest that such far-sighted employers are few and far between. Continued depression of salaries therefore acts as a brake against the desire to have a higher-skilled foreign workforce.

The effect of low salaries and related financial stress on work safety has been discussed in the Chapter 2 (Introduction). This too should be an area of concern.

Quite apart from the above-mentioned instrumental reasons for concern over depressed salaries for foreign workers, there is also the question whether they are morally defensible for a high-income, high-cost economy that Singapore is.

## Discussion: worker loss

This question was raised on page 19: What is the likelihood that with the ending of one job, workers are able to get another – even if they have to first go home and pay placement fees all over again? An indirect indication can be obtained from estimating how many workers who came within a certain period are still here. If a high percentage are no longer here, it can mean either that

- (a) they did not wish to return for another job stint after the ending of one job, or
- (b) they wanted to return but they could not find another job.

Among Indian and Bangladeshi workers, the first is not a commonly seen choice. From casework, TWC2 has noticed that most workers strongly desire to find another job in Singapore when one has ended. But either way, i.e. whether it is the worker who does not wish to return or the employer who prefers to hire fresh workers over experienced ones, it represents a loss to Singapore of skills, experience and accumulated socialisation.

It is possible to get a rough measure of this problem by comparing (i) how many foreign workers net arrived in Singapore annually in the past against (ii) the distribution of Year of First Arrival.

If the distribution of Year of First Arrival among our respondents resonates with the annual net increases in the foreign workforce it will suggest that experienced workers do get re-hired easily and fresh inexperienced workers are not much used to replace them.

The published data on foreign workforce numbers in previous years can be seen in the next table.

Table 82

## Foreign workforce numbers

Year	Source	Number of work permit holders	Less domestic workers	Non-domestic workers
2006	TOC	580,000	160,000	420,000
Dec 2007	TWC2	757,100	183,200	573,900
Dec 2008	TWC2	870,000	191,400	678,600
Dec 2009	TWC2	856,300	196,000	660,300
Dec 2010	TWC2	871,200	201,400	669,800
Dec 2011	TWC2	908,600	206,300	702,300
	MOM	901,000	206,300	694,700
Jun 2012	TWC2	931,200	208,400	722,800
Dec 2012	MOM	942,800	209,600	733,200
Dec 2013	MOM	974,400	214,500	759,900
Dec 2014	MOM	991,300	222,500	768,800
Dec 2015	MOM	997,100	231,500	765,600

Sources:

"TOC" : [www.theonlinecitizen.com/2006/12/foreign-labour-policy-income-disparity-in-singapore/](http://www.theonlinecitizen.com/2006/12/foreign-labour-policy-income-disparity-in-singapore/) which said the figures came from MOM; accessed 4 June 2016

"TWC2" : [www.twc2.org.sg/2012/10/12/manpower-minister-provides-5-year-data-for-foreign-workforce-numbers/](http://www.twc2.org.sg/2012/10/12/manpower-minister-provides-5-year-data-for-foreign-workforce-numbers/) accessed 4 June 2016, which extracted data provided by MOM on a page at MOM's website, now no longer available.

"MOM" : [www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers/](http://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers/), accessed 4 June 2016

As mentioned above, the TWC2 data was taken from a page on MOM's website in October 2012. The figures given for December 2011 are different from the figures now being given by MOM on its website today. It is not clear why MOM changed the 2011 figures.

That TWC2's 2011 figure was correctly copied from MOM's then-website is corroborated by the fact that the same figure for December 2011 (same as given by TWC2) is shown on a slide available at this link (by Phua Kai Hong et al, Lee Kuan Yew School of Public Policy, 'Health of migrants in Singapore')

[http://www.asef.org/images/docs/Session%203\\_2\\_Kai%20Hong%20Phua\\_Preliminary%20results%20of%20studies%20of%20Singapore%20and%20HongKong%20SAR\\_1.pdf](http://www.asef.org/images/docs/Session%203_2_Kai%20Hong%20Phua_Preliminary%20results%20of%20studies%20of%20Singapore%20and%20HongKong%20SAR_1.pdf)

Table 82 shows a surge in non-domestic workforce numbers between 2006 and 2008, followed by a dip in 2009 and 2010, which can be attributed to the 2008 financial crisis and the recession that followed, reducing demand. Nonetheless, taking a five-year period as a whole (2006 – 2010), this group went up 60% from 420,000 in 2006 to 669,800 at end 2010, an increase of 249,800. Since 2010, it has only gone up to 765,600, or a further increase of 14%, or 95,800, over the subsequent five years.

In other words, of 345,600 who were added to the foreign workforce numbers in the decade between 2006 and the present, 249,800 were added in the five-year period 2006 – 2010, while only 95,800 were added over the following five years. That's a ratio of 26.1 to ten.

If all those who came in 2006 – 2010 had stayed on to work in Singapore or come back after a short hiatus, then we should have found a similar ratio in our survey.

Chart 10

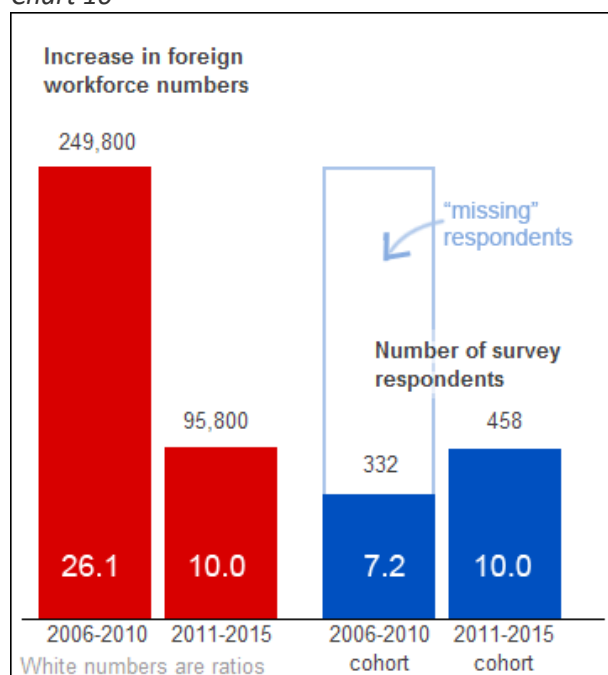


Table 83

MOM stats	Added to foreign workforce* 2006 - 2010	Added to foreign workforce* 2011 - 2015
Number	249,800	95,800
Ratio	26.1	10.0

Survey	First came in 2006 - 2010	First came in 2011 - 2015
Number	332	458
Ratio	7.2	10.0

**Hypothetically, if all who came in 2006 - 2010 were still here, survey would have found**

	First came in 2006 - 2010	First came in 2011 - 2015
Number	1,195	458
Ratio	26.1	10.0

\* non-domestic

We did not. As detailed in Table 55a on page 21, our survey found only 332 who first arrived in the period 2006 - 2010 (see Table 55a above), compared to 458 workers who first arrived in the period 2011 - 2015, giving a ratio of 7.2 to 10.

If all who came in 2006 - 2010 were still here, our survey should have found 1,195 workers who first came in the period 2006 - 2010 for the 458 workers whom we found to have come in the period 2011 - 2015, in keeping with the 26.1 : 10 ratio.

## Seeing the missing

The 'ratio method' of inferring missing workers may be easier to grasp if we used an analogy:

Say a new farmer wants to build up his stock of chickens. He buys 1,000 white hens through the month of January. Then he buys 500 brown hens in February.

At the end of February, he draws a sample of chickens. We would expect to see 2 whites for every brown in his sample.

But if he sees more browns than whites, then he can rightly fear that many whites have since gone missing.

Keep an eye on the fox.



Thus, 863 respondents (hypothetical 1,195 minus actual 332) from that period are 'missing' from our survey. They constitute 72% of those who should have been here since 2006 - 2010. Another way to put it is this: 72% of those who joined our workforce in 2006 - 2010 have since left.

To lose nearly three-quarters of the workforce that had come just five to ten years ago indicates a substantial degree of turnover.

The possibility exists that these missing workers are still in Singapore but that our survey missed them. This could be because our survey was conducted in specific locations where the stereotypical foreign workers are



observed to congregate on Sundays. If workers from the 2006-2010 cohort have adjusted their social behaviour, they might no longer appear foreign nor would they spend their Sundays in the ten surveyed locations. With **assimilation**, they might be in shopping malls similar to how Singaporeans spend their free time.

In the author's view, this possibility is very unlikely. Firstly, the earlier discussion on salary trends indicated that even those who had been in Singapore since the 2006 – 2010 period were not paid much more than new workers. Their spending power was not much greater than newer workers, and therefore the palaces of consumption that attract Singaporeans would not be too meaningful to them. Secondly, TWC2 has observed from casework that the ten-year worker does not look all that different from a new worker. He exhibits similar social preferences. He might be a little older and speak better English, but especially in a group, he and his friends would still stand out from among Singaporeans.

Moreover, we are not referring to a small number of missing workers. As shown on the previous page, there were 863 missing respondents for the 790 we met in the survey. If these workers, estimated to number 160,000, really were in Singapore, but not at the ten locations we surveyed, they would be numerous enough to make their preferred locations visible. We would then have known to include those locations in our survey.

Another, and bigger, caveat needs to be highlighted. Statistics issued by the Ministry of Manpower (MOM) include **Malaysians** whereas our survey excluded them. Malaysians work in Singapore under rather different regulatory and customary conditions compared with those from India, China, Bangladesh and Myanmar – the subjects of our survey. Since MOM does not publish data regarding nationalities, it remains impossible to extract comparable data for only these nationalities. This is particularly serious since in 2014, Kevin Teoh, a senior official of MOM, mentioned, almost in passing, that in fact the Malaysians were the largest nationality group among holders.



*Malaysians board a bus back to Johor Baru at the end of a workday.*

Teoh revealed the hitherto hidden detail that there were 370,000 Malaysian work permit holders in Singapore at that point in time. By subtraction from other figures, there would have been about 400,000 non-domestic work permit holders of other nationalities – in 2014.

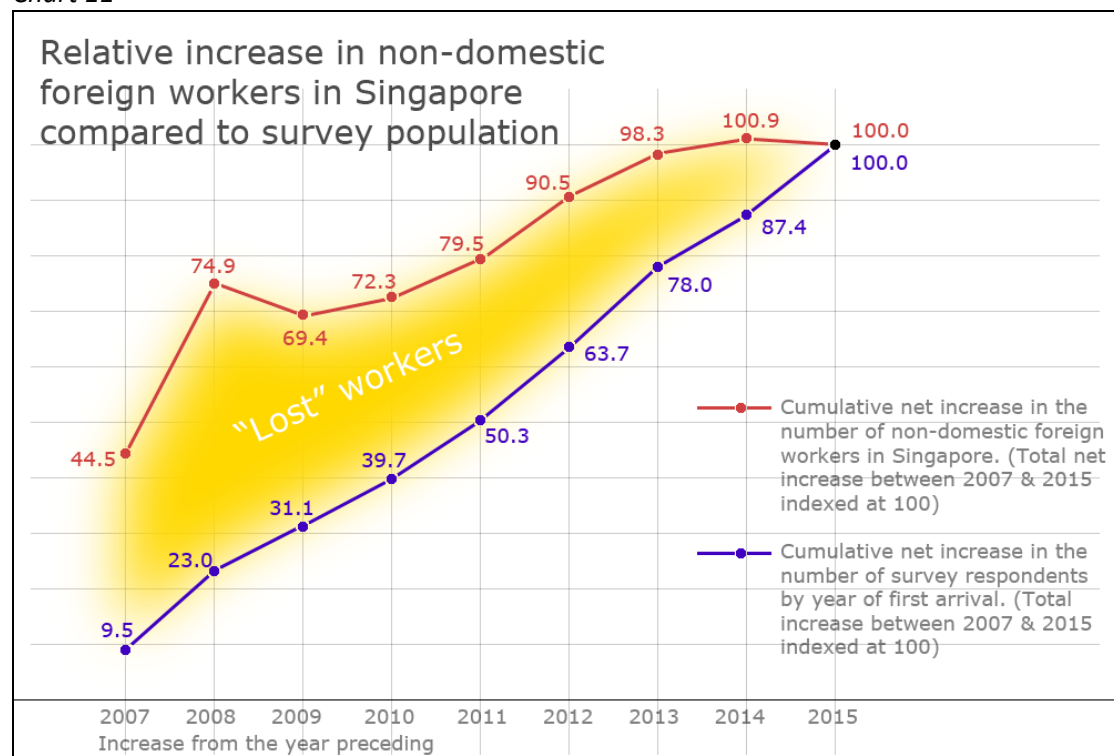
MOM has not revealed how many Malaysian work permit holders there were in other years, or today. We are therefore unable to see a clearer picture of the surge in terms of just Bangladeshis, Indians and Chinese.

Perhaps the surge of 2006 – 2010 consisted mainly of Malaysians? Perhaps they are still around, but our survey, which by design excluded Malaysians, didn't pick up their numbers?

If the author were to hazard a guess, the surge did not comprise Malaysians in the main. Firstly, Malaysia has long been a source country; it is unlikely that there is still a huge reservoir of untapped labour there that could account for an influx of hundreds of thousands over a five-year period. Secondly, the population of Malaysia is small compared to China, India and Bangladesh, and its GDP per capita is closer to Singapore's than those three big countries'. Malaysia is therefore unlikely to have been the source of workers for the surge during 2006 – 2010. That surge almost surely comprised Bangladeshi, Indian and Chinese workers.

Another way to visualise the missing or "lost" workers can be seen in Chart 10. It is the space between a graph of the increase in non-domestic foreign workers in Singapore (red upper line), and the graph of the number of survey respondents cumulatively by year of arrival (blue lower line).

Chart 11



The absence from our survey of so many from the 2006 – 2010 cohort, as well as many more who had been among the net increase in MOM's numbers in 2011, 2012 and 2013, can be said to indicate a loss of skills and experience.

## Estimating percentage workers in construction nationally


On page 38, it was mentioned that finding 74.7% of our respondents in the construction sector initially gave rise to a concern that construction workers were over-represented in our survey. However, a closer look at published data from MOM indicates that this is probably not so.

Table 84 takes off from where Table 82 (page 42) left off, with an additional column showing the number of work permit holders in the construction sector each year. These figures were ultimately sourced from MOM though the immediate sources might be stated as TOC or TWC2, as explained in the notes to Table 82.

By subtraction, we obtain the number of non-domestic, non-construction workers.

Table 84

**Foreign workforce numbers**



includes Malaysians

Year	Source	Number of work permit holders	Less domestic workers	Non-domestic workers	Less construction workers	Non-domestic, non-construction workers
2006	TOC	580,000	160,000	420,000	n.a.	n.a.
Dec 2007	TWC2	757,100	183,200	573,900	180,000	393,900
Dec 2008	TWC2	870,000	191,400	678,600	229,900	448,700
Dec 2009	TWC2	856,300	196,000	660,300	245,700	414,600
Dec 2010	TWC2	871,200	201,400	669,800	248,100	421,700
Dec 2011	TWC2	908,600	206,300	702,300	264,500	437,800
	MOM	901,000	206,300	694,700	264,400	430,300
Jun 2012	TWC2	931,200	208,400	722,800	277,600	445,200
Dec 2012	MOM	942,800	209,600	733,200	293,300	439,900
Dec 2013	MOM	974,400	214,500	759,900	318,900	441,000
Dec 2014	MOM	991,300	222,500	768,800	322,700	446,100
Dec 2015	MOM	997,100	231,500	765,600	326,000	439,600

*The darkened columns had been discussed earlier in Table 82.*

It is important to bear in mind, however, that the foreign workforce numbers include Malaysians. Without published annual statistics by nationality, it is not possible to tease out the Malaysians from all these numbers. The only exception was in 2014 when a senior MOM official mentioned that there were 370,000 Malaysian work permit holders in Singapore. We can assume that virtually none of them were domestic workers.

So, focussing on the figures of 2014, we have the numbers as shown on the right. Line E makes an assumption that 5% of construction workers are Malaysian. This is based on the author's observation of construction sites. The Malaysian could be a safety supervisor, an operator of a backhoe or quantity surveyor, for example. There are certainly Malaysians in more senior positions too, but they are unlikely to be at work permit grade and therefore would not be in the work permit statistics from MOM.

As the estimates indicate, about 77% of non-Malaysian, non-domestic work permit holders are in construction. Our survey's figure of 74.7% of respondents in construction is consistent with this national estimate.

### Estimates for 2014

A	Non-domestic work permit holders	768,800
B	Malaysians	370,000
C	By subtraction, Non-Malaysians	398,800
D	Construction workers	322,700
E	Assume that 5% of construction workers are Malaysian	16,135
F	By subtraction, non-Malaysian construction workers	306,565
G	% of non-Malaysian workers who are construction workers (F divided by C)	76.9

## Worker retention: structural issues and tactical responses

MOM appears to be aware of the problem of churn. Its recent moves in adjusting **levy rates** to more strongly favour experienced and better-certified workers testify to this. However, there will be a practical limit to how high levy rates for lower-skilled workers can be raised without causing all sorts of externalities, such as tipping companies into the red, depressing salaries to such an extent that workers protest, or encouraging employers to resort to other practices such as increasing deductions, or trying to get away with non-payment of salaries, which in turn leads to a heavier conflict management workload at MOM itself.

The positive impact of measures such as levy rate adjustments on encouraging upgrading and retention is contradicted by another side of foreign manpower management policy: the freedom of employers to **hire from a massive pool** of jobless workers in the two countries with the largest populations on earth, namely China and India, as well as from countries such as Bangladesh, Myanmar and the Philippines, with populations ranging from 50 to 150 million each. Market forces will act strongly against administrative measures.

There will continue to be a strong tendency to reduce payroll costs by replacing experienced workers with new ones, at least within the band of lower-skilled quotas permitted by MOM. This effect is aggravated by the current rule that **work passes should be tied to employers**, with workers disallowed from switching employers while here. If an employer chooses to terminate employment for a worker, that worker has to be repatriated, a move that represents a loss to Singapore.

MOM has instituted a **slight reform** of this rule. It is now allowing construction companies to hire an "existing" construction worker between 40 and 21 days before the worker's work permit expires.<sup>9</sup> This concession is, in practical terms, extremely limited. The window period

<sup>9</sup> <http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/hiring-existing-worker>, accessed 12 June 2016

is very short, and an existing worker may not be granted time off to attend interviews for new jobs.

Moreover, there are plenty of instances when a worker, experienced and skilled as he may be, loses his job some months before his work permit expires, e.g. in situations when the employer is in financial difficulties or if a project has ended. Such a worker, who is not yet close to the expiry of his work permit, is outside the "40-to-21 days" rule and will not benefit from it.

More crucially, the question may not be whether workers are allowed to switch employers within a tight window period, it may be whether employers want to hire existing workers. Anecdotal observations suggest that there is a strong belief that those who have worked in Singapore previously are more "troublesome", perhaps because they are more familiar with their rights. This is in addition to the fact that they are likely to expect slightly higher pay. MOM's small rule change to date is unlikely to make much of a dent in employer behaviour – behaviour that is contrary to Singapore's larger interest in productivity.

Policy-making without paying attention to **recruitment costs** is blinkered too. Consider those workers who did not get their work permits renewed, nor get a new job offer within the 40-to-21 day period. They would have to go home. They might be experienced workers, socially adjusted to Singapore, and it might do Singapore good to attract them back for a new job. But if agents' fees for a second job are sky-high (particularly if the workers were also burdened with debt from a first job whose sunk cost they failed to recover), they might simply be unable to raise the money, especially having lost the credibility of those who loaned money for the first attempt. Or even if they managed to recover cost in the earlier job and were able to raise the money for a second, they might think twice before sinking so much into another uncertain job. They would have become wiser to the risks, having seen friends and co-workers affected by injury or premature repatriation.

Particularly as recruitment costs are rising rapidly we cannot long ignore this factor. It undermines retention and re-hiring. TWC2 is embarking on new studies to map trends in

### **New to Singapore, but have they worked in other countries before?**

It may be argued that just because a worker is new to Singapore, it does not necessarily mean he is inexperienced in his trade. He could have worked in other countries before coming here, and therefore that churn by itself does not have to mean importing inexperience at the expense of experience.

This survey did not ask respondents whether they have worked in other countries before. Even at the design stage it was felt that given TWC2's knowledge, gleaned from speaking with thousands of workers casually over years of casework, that virtually all new workers have never worked in another country before, it would have added very little value to include this question in the survey. On the other hand, adding this question came with the downside of adding to the survey's length.

Another indication that a great majority of first-time workers have not worked before in other countries can be seen from their ages. Chapter 4 showed that Indians and Bangladeshis still in their first jobs have mean ages of 28 and 30 respectively. With a mean period in Singapore of more than 4 years (first-time workers), the typical "new" worker would have arrived here in his mid-twenties.

Chinese workers are older. It is well recognised that they are more experienced and skilled, thus their higher salaries. But the experience is gained from working in China, seldom in other countries.

Moreover, the value of longer stays in Singapore cannot be fully compensated by stays in other countries. Earlier in this report, we have discussed the value of socialisation and acquisition of English.



recruitment costs, but anecdotal reports suggest that they have risen 50% or more in the last five years.

There should be no hesitation to consider more radical changes to the regulatory regime. Specifically, there is a need to address the question of wide-open sourcing, with its tendency to high recruitment costs profiting only buccaneer job agents.

## A better sourcing model

An idea that has been floated before, but with no sign of ever having been taken seriously by policy-makers is described here. Essentially, the principle applied is that of a degree of nationalisation, it being a necessary antidote to the widespread abuses (particularly financial gouging) that result from market failure under the present system.



1. The Singapore government sets up a number of vocational training institutes meant to train potential foreign workers. These institutes can either be located in the source countries, or in Singapore.
2. The courses available span the gamut of skills needed. There are courses for entry-level workers as well as upgrading courses.
3. Interested individuals from source countries can apply to train at these institutes. Admission should be determined by school qualification and aptitude, with perhaps an English language test component. Unlike the present model where potential workers are trained at "training centres" run by private parties in source countries, which profiteer through charging exorbitant course fees, Singapore-run institutes should only charge fees necessary to recover costs.
4. Trainees who successfully complete a basic course can apply for jobs in Singapore. A nation-wide jobs portal for qualified foreign workers can be set up allowing efficient matching of interested workers (with certification by the said institutes) and employers.
5. Should an individual succeed in securing a job offer, he can get entry into Singapore to start work. If the training institute is located in Singapore, the trainee, already on a student pass, is then eligible for conversion to a work pass if he can find a job.



6. The work pass issued to him should be in his own name and not be linked to the employer.
7. While the worker is in Singapore, he can change job at any time so long as the new job is within the same sector.
8. The work pass is renewable if, at time of expiry, the individual can demonstrate that he is still in employment.
9. If a worker has gone home, he can still apply for a new job in Singapore so long as he has a certificate from one such institute. He will be allowed entry into Singapore if he has secured a job.

In this model, the profiteering middlemen are largely cut out through a requirement that job matching can only take place through the central jobs portal. As part of their training courses, trainees can also be taught sufficient computer skills to navigate the portal on their own and not rely on middlemen.

*A privately-run training centre in Bangladesh. The facilities are basic, the corruption endemic (exam slots are auctioned to the highest bidders!), and price gouging (trainees pay around \$5,000 for a three-month course) outrageous. The entire model of worker sourcing that it represents is seriously flawed.*



The total number of foreigners working in Singapore is still controllable through application of existing mechanisms determining the quota.

The benefit of reducing financial stress on workers will be immense. Limiting the available labour pool to only those who have passed tests conducted by Singapore-run institutes will also increase workers' bargaining power, with positive effects on their pay and work conditions. With more disposable income, upgrading courses become realistic possibilities for them. The new model goes much further in ensuring credible training standards and promoting retention.

The key issues surfaced by this survey – depressed salaries and a slow churn – are inextricably linked to the current sourcing model for foreign labour. Addressing them requires Singapore to review the model at its very core.

## Acknowledgements

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We also wish to thank our own volunteers who gave up two Sundays to assist in managing the project, as well as our staff and interns who spent weeks preparing the logistics of the survey and the two Sundays out in the sun and rain.



*At several locations, the May 2016 survey exercise ended amidst torrential rain. At Chinese Garden, student-interviewers and foreign workers huddled under a borrowed piece of tarpaulin, as they made their way to the MRT station.*

Transient Workers Count Too  
June 2016

# Appendix 1

## Survey form

*Transient Workers Count Too* **Work History Survey** 2015 / 2016

### Preliminary checklist

**P-03 Location of survey**

- ☐ Aljunied
- ☐ Boon Lay
- ☐ Botanic Gardens
- ☐ City Plaza, Paya Lebar
- ☐ Chinese Garden
- ☐ Esplanade, Peninsula Plaza
- ☐ Farrer Park
- ☐ Jurong East
- ☐ Little India
- ☐ Lucky Plaza, Orchard
- ☐ Other

**P-04 Is the worker male?**

- ☐ Yes, he is male (continue survey)
- ☐ No, she is female **End survey (disqualify)**

**P-05 Is the worker currently on a Work Permit (工作准证) ?**

Please note: a Work Permit is not the same as S-Pass (S 准证) or Employment Pass (就业准证)

- ☐ Yes, he is on a Work Permit (continue survey)
- ☐ No, he is not on a Work Permit **End survey (disqualify)**

## Nationality and age

**Q-01 Which country are you from?**

- ☐ Bangladesh
- ☐ Cambodia
- ☐ China
- ☐ India
- ☐ Indonesia
- ☐ Malaysia
- ☐ Myanmar
- ☐ Nepal
- ☐ Philippines
- ☐ Sri Lanka
- ☐ Thailand
- ☐ Vietnam
- ☐ Other country
- ☐ Unclear or no answer

**Q-02 If the above answer was "Other country", please name the country.**

**Q-03 How old are you?**

- ☐ 19 or younger
- ☐ 20 - 24 years old
- ☐ 25 - 29 years old
- ☐ 30 - 34 years old
- ☐ 35 - 39 years old
- ☐ 40 - 49 years old
- ☐ 50 - 59 years old
- ☐ 60 or older
- ☐ Unclear or no answer

## About his present job

**Q-04 In which year did you start your PRESENT job (您在那一年开始您现任的工作) ?**

**Q-05 What sector are you working in (您在从事什么行业) ?**

The 'sector' is started on his Work Permit. He can check it if he is not sure.

- ☐ Cleaning 清洁业
- ☐ Construction 建筑业
- ☐ Landscaping 园艺业
- ☐ Manufacturing 制造业
- ☐ Marine 海事业, 造船业
- ☐ Process 过程工业
- ☐ Service 服务业
- ☐ Other 其他
- ☐ Don't know, unclear or no answer

**Q-06 If the above answer was 'Other', describe the sector or job.**

**Q-07 When you STARTED this job, what was your BASIC salary (当你开始这份工作时, 您的基本底薪是多少) ?**

Enter a number. No need to add \$ sign. Basic salary does not include overtime pay.  
If he does not or cannot answer this question, enter a '0'.

**Q-08 Was the above basic salary per day or per month (以上的基本底薪是日薪或是月薪) ?**

Please clarify whether he was giving you his daily rate or monthly rate. If he gives you an hourly rate, multiply by 8 to get a daily rate.

- ☐ Per day
- ☐ Per month
- ☐ Unclear answer or don't know
- ☐ No answer given

**Q-09 What is your BASIC salary now (您的基本底薪现在多少) ?**

Enter a number. No need to add \$ sign. Basic salary does not include overtime pay.  
If he does not or cannot answer this question, enter a '0'.

**Q-10 Was the above basic salary per day or per month  
(以上的基本底薪是日薪或是月薪) ?**

Please clarify whether he was giving you his daily rate or monthly rate. If he gives you an hourly rate, multiply by 8 to get a daily rate.

- ☐ Per day
- ☐ Per month
- ☐ Unclear answer or don't know
- ☐ No answer given

**Q-11 Is your present job (company) your first job in Singapore (您现在这一份工作是您在新加坡的第一份工吗) ?**

- ☐ Yes, this is my first time working here **End survey**
- ☐ No, I have worked for other companies before (continue survey)

## About his first job in Singapore

**Q-12 In total, how many jobs (companies) have you worked in, in Singapore?**

Enter a number, inclusive of the present job

**Q-13 In which year did you START your FIRST job (您在那一年开始您的第一份工作) ?**

If you now discover that he has no previous job, go back to Question Q-11.

**Q-14 Since [first year in Singapore], how many months or years IN TOTAL have you spent back in your home country - home leave and between jobs (自从来新加坡之后, 您总共回国休假了多久? - 这包括回国休假或转换工作的期间) ?**

If he has been back to home country a few times, slowly add up the months/years to get a rough total.

- ☐ Less than 6 months in total
- ☐ 6 - 12 months
- ☐ 1 year or slightly more
- ☐ Around 2 years
- ☐ Around 3 years
- ☐ More than 3 years
- ☐ Unclear or no answer



**Q-15 This question is about your FIRST job in Singapore (这一题是关于您第一份工作). Which sector (行业) was that job in?**

- ☐ Cleaning 清洁业
- ☐ Construction 建筑业
- ☐ Landscaping 园艺业
- ☐ Manufacturing 制造业
- ☐ Marine 海事业, 造船业
- ☐ Process 过程工业
- ☐ Service 服务业
- ☐ Other 其他
- ☐ Don't know, unclear or no answer

**Q-16 If the above answer was 'Other', describe the sector or job.**

**Q-17 When you STARTED your FIRST job in Singapore, what was your BASIC salary (当你在新加坡开始第一份工作时, 您的基本底薪多少)?**

Enter a number. No need to add \$ sign. Basic salary does not include overtime.  
If he does not or cannot answer this question, enter a '0'.

**Q-18 Was the above basic salary per day or per month (以上的基本底薪是日薪或是月薪)?**

Basic salary should not include overtime pay. If he gives you an hourly rate, multiply by 8 to get a daily rate.

- ☐ Per day
- ☐ Per month
- ☐ Unclear answer or don't know
- ☐ No answer given

**Q-19 How long did you work in the FIRST job?**

- ☐ One month or less
- ☐ Just a few months
- ☐ Around 1 year
- ☐ Around 2 years
- ☐ Around 3 years
- ☐ Around 4 years
- ☐ Around 5 years
- ☐ Definitely more than 5 years
- ☐ Can't remember, unclear or no answer

**Q-20 At the END of this FIRST job, what was your BASIC salary (在您结束您的第一份工作时，您的基本底薪是多少)？**

Enter a number. No need to add \$ sign. Basic salary does not include overtime.

If he does not or cannot answer this question, enter a '0'.

**Q-21 Was the above basic salary per day or per month (以上的基本底薪是日薪或是月薪)？**

Basic salary should not include overtime pay. If he gives you an hourly rate, multiply by 8 to get a daily rate.

- ☐ Per day
- ☐ Per month
- ☐ Unclear answer or don't know
- ☐ No answer given

## Appendix 2

### News clippings showing levy rates in 2010 and 2011

**LEVY CHANGES**

Employers pay more as % of foreigners goes up\*

Period	Skilled worker	Unskilled worker	Skilled worker	Unskilled worker	Total
Now			40%	55%	
	\$150	\$240	\$150	\$280	\$450
July 1 2010			35%	55%	
	\$160	\$260	\$180	\$280	\$450
July 1 2011			30%	50%	
	\$180	\$280	\$240	\$340	\$450
July 1 2012			25%	50%	
	\$200	\$300	\$300	\$400	\$450

65% Maximum proportion of foreign workers a company can employ

Source: MOM

\*This example applies to the manufacturing sector

# MORE EXPENSIVE

Levies on foreign workers will be increased every six months until July 1, 2013. These are the changes.

How to read the tables:

When the new rates kick in → July 1, 2013  
 % of foreign workers in company → ≤ 87.5% | \$300/\$450  
 Skilled ↑ Unskilled ↓  
 Levy per worker

Now		July 1, 2011		Jan 1, 2012		July 1, 2012		Jan 1, 2013		July 1, 2013	
S PASS											
≤20%	\$110	≤15%	\$120	≤15%	\$160	≤10%	\$200	≤10%	\$250	≤10%	\$300
>20-25%	\$150	>15-25%	\$180	>15-25%	\$250	>10-25%	\$320	>10-25%	\$390	>10-25%	\$450
MANUFACTURING											
≤35%	\$170/\$270	≤30%	\$180/\$280	≤30%	\$190/\$290	≤25%	\$210/\$310	≤25%	\$230/\$330	≤25%	\$250/\$350
>35-55%	\$210/\$310	>30-50%	\$240/\$340	>30-50%	\$270/\$370	>25-50%	\$300/\$400	>25-50%	\$330/\$430	>25-50%	\$350/\$450
>55-65%	\$450	>50-65%	\$450	>50-65%	\$450	>50-65%	\$470	>50-65%	\$500	>50-65%	\$550
SERVICES											
≤25%	\$170/\$270	≤20%	\$180/\$280	≤20%	\$210/\$310	≤15%	\$240/\$340	≤15%	\$270/\$370	≤10%	\$300/\$400
>25-40%	\$300	>20-35%	\$300/\$400	>20-30%	\$330/\$430	>15-25%	\$360/\$460	>15-25%	\$380/\$480	>10-25%	\$400/\$500
>40-50%	\$450	>35-50%	\$450	>30-50%	\$470	>25-50%	\$500	>25-50%	\$550	>25-50%	\$600
CONSTRUCTION											
≤87.5%	\$160/\$470	≤87.5%	\$180/\$230	≤87.5%	\$200/\$300	≤87.5%	\$250/\$350	≤87.5%	\$280/\$400	≤87.5%	\$300/\$450
	\$310		\$380*		\$450*		\$500*		\$550*		\$600*
NOTE: From July 1, these levy rates for the construction sector refer to higher skilled/basic skilled as unskilled construction work permit holders will be phased out.											
PROCESS											
≤87.5%	\$160/\$300	≤87.5%	\$180/\$300	≤87.5%	\$180/\$300	≤87.5%	\$210/\$310	≤87.5%	\$230/\$330	≤87.5%	\$250/\$350
	\$310*		\$380*		\$380*		\$470*		\$500*		\$550*
MARINE											
≤83.3%	\$170/\$300	≤83.3%	\$180/\$300	≤83.3%	\$190/\$300	≤83.3%	\$210/\$310	≤83.3%	\$230/\$330	≤83.3%	\$250/\$350

NOTE: From July 1, these levy rates for the construction sector refer to higher skilled/basic skilled as unskilled construction work permit holders will be phased out.

NOTE: \* Firms in the construction and process industry with a man-year entitlement waiver will pay these higher levy rates.

Source: MINISTRY OF MANPOWER

ST GRAPHICS