
Arrivals and change in vocation of Bangladeshi workers

A small study of Bangladeshi workers' year of first arrival, frequency of change of employer and type of work.

Fieldwork done in August and September 2018, report written in September 2018.

KEY FINDINGS

- There has been a major reduction in first-time arrivals of Bangladeshi workers after 2015.
- The average worker spends only about 2 years with one employer.
- There is considerable “job-type churn”, by which we mean doing a different type of work when moving to another employer.

INTRODUCTION

This study grew out of a casual observation that the Bangladeshi workers seen at TWC2's Cuff Road Project (our free meals programme for unemployed foreign workers) seem older than those we used to see five to ten years ago. There was no way we could check this observation empirically since we do not have baseline data from that period, but nonetheless, we felt it might be useful to collect some data now so that a comparative study can be done perhaps five years later.

Not being a pressing issue of social justice, we decided on a relatively small-scale study, involving about 100 respondents – enough to give us a sense of the landscape, and to indicate what further research angles may be worth pursuing.

We also decided to piggy-back onto this study additional questions about how many employers our respondents have worked for since they first came to Singapore and whether the type of work they did at the various companies were similar or different from each other. We wanted to see if by chance these questions might yield interesting observations and if they corroborated earlier studies that we have done.

METHOD

The study was based on a convenience sample of 106 respondents from among those registered with TWC2's Cuff Road Project. The interviews were conducted face-to-face and recorded electronically by our volunteers through August and September 2018.

Since the study grew out of a casual observation about Bangladeshi workers, so the study was limited to male Bangladeshi nationals. Workers of other nationalities, even if they were with our meal programme, were excluded from the study. We generally do not have female Bangladeshis at the Cuff Road Project. There were thus no female respondents.

All the workers we interviewed had lost their most recent jobs either due to injury from a workplace accident -- an overwhelming majority of them -- or were no longer in work due to salary non-payment. The latter formed a tiny minority of the sample. These were circumstances outside their control and, we believe, independent of their work history. We thus think that these factors do not skew the findings.

We collected respondents' FIN numbers during the survey merely to ensure that no respondent was interviewed twice; otherwise the FIN number plays no part in the results, which are anonymized.

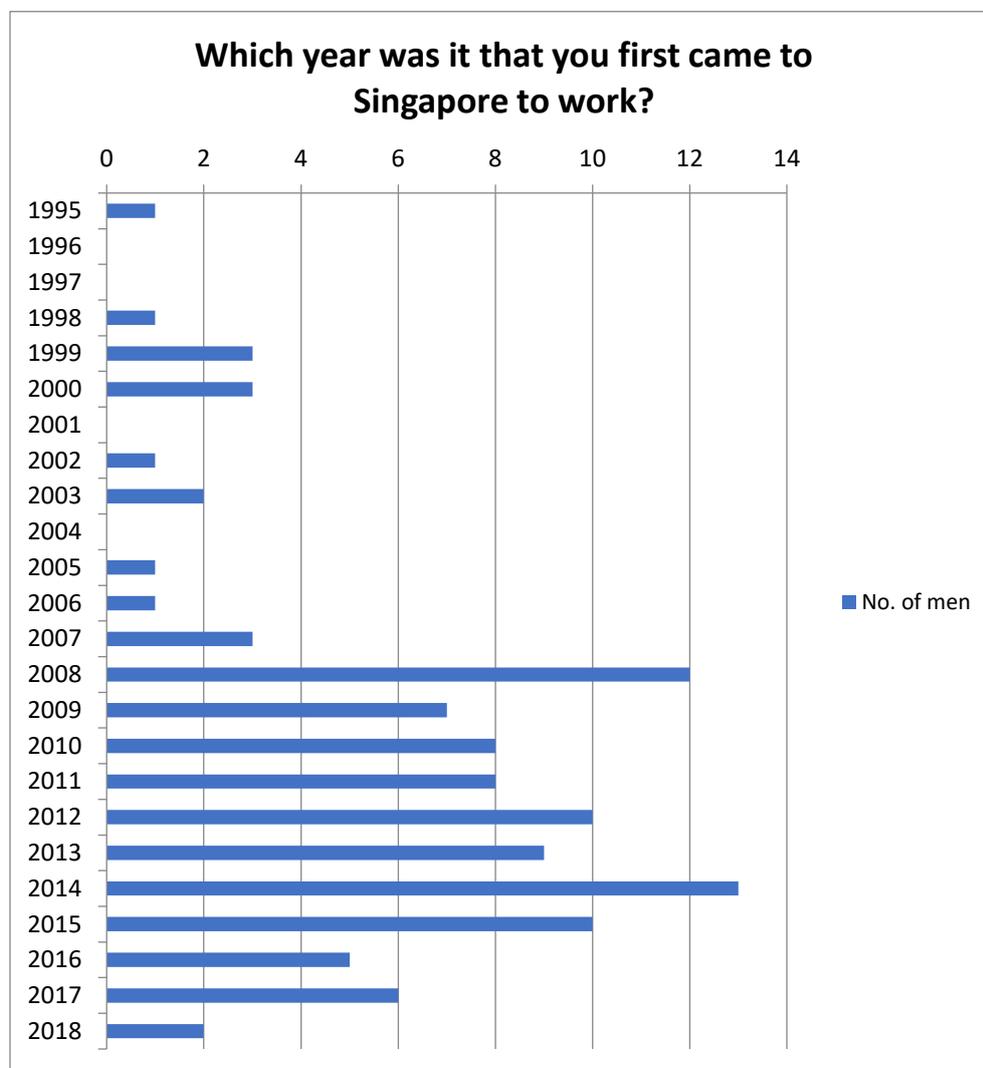
The questions (in English) were relatively simple and it was not hard for workers to understand them and reply. Interviews were also conducted by experienced volunteers, familiar with speech patterns of Bangladeshi workers. We have no reason to believe that miscomprehension was a significant factor. In any case, we generally used the same vocabulary as the workers themselves, in particular, a very specific use of the words "company" and "job".

The word "company" is used to mean a period of employment with an employer. Thus if a worker said he had worked for two companies, it meant that he had had two successive periods of employment, with different employers. The employer could be a private limited company or a sole proprietorship or a partnership.

The word "job" is used to mean the type of work, as in "a welding job", a "foundation piling job", or a "glass installation job". Consequently, if a worker said he had worked in two different jobs, it meant that he was doing a different type of work in the second period of employment compared to the first.

FINDINGS

Which year was it that you first came to Singapore to work?



The data reveal an expected pattern and an unexpected one.

The expected pattern was that more men came in the recent decade than in the years before that. We didn't encounter many who had been in Singapore for more than ten years.

Most of the men work in construction; it is heavy physical work that gets harder with age. Thus, it would not be unexpected for men to leave the trade after some years. Moreover, unless they've been unlucky, a typical worker would likely have been able to build up a nest egg after a decade or so and might choose to go home for good.

This pattern is also consistent with the fact that the number of foreign construction workers increased 31% from 245,700 at end-2009 to 321,200 in 2014¹. We do not have data for the years before 2009, but from an external article², we note that “No. of foreign workers” (which includes domestic workers and non-construction workers) increased 76.8% from 615,700 in 2000 to 1,088,600 in 2010.

The unexpected pattern is in the way the bars in the chart do not keep rising after 2015. In fact, there is a remarkable fall-off in new arrivals after that year. We use the terms ‘new arrivals’ and ‘first-time arrivals’ interchangeably.

This is related to another finding: that only 23 respondents (21.7%) have had only one employer. This contrasts strongly with a finding from a 2015/2016 survey³ in which we found that 61% were with their first employer. There appears to have been a major change in the landscape in the last two to three years. Repeat-arrival workers are now a lot more common than first-time workers.

There is no information from this study that explains the drop in first-time arrivals. However, we can think of three likely possibilities which are not mutually exclusive. In fact, they may reinforce each other.

(a) Now unaffordable for first-time workers

One strong possibility is that recruitment costs for first-time workers have climbed so high that they have become unaffordable. When we speak of recruitment cost, we include not just the agent fee and airfare, but also the training cost, if any. An earlier study⁴ by TWC2 found that the average recruitment cost of first-time Bangladeshi construction workers hit \$15,000 in 2015. By contrast, a 2011 study found an average of around \$7,200.⁵

This situation does not seem to have abated. In September 2018, we came across a worker who paid a total of \$18,000 (including training).

When assessing affordability, we need to take a glance at exchange rates too. The exchange rate between the Bangladeshi taka and the Singapore dollar in 2011 was not much different from that prevailing through 2015: around 55 to 60 taka per dollar. Currently (2018) it is around 61 taka to a Singapore dollar.

¹ TWC2 website: “9800,000 work permit holders as at June 2014”; <http://twc2.org.sg/2014/09/29/980000-work-permit-holders-as-at-june-2014/>, accessed Sept 2018.

² Brenda Yeoh and Weiqing Lin, “Rapid growth in Singapore’s immigrant population brings policy challenges”, April 2012, <https://www.migrationpolicy.org/article/rapid-growth-singapores-immigrant-population-brings-policy-challenges>, accessed Sept 2018.

³ TWC2 website: “Starting salaries for migrant workers flatlined for the last 10 years“, <http://twc2.org.sg/2017/01/15/twc2-survey-starting-salaries-for-migrant-workers-flatlined-for-the-last-10-years/>, accessed Sept 2018

⁴ TWC2 website: “Average recruitment cost hit \$15,000 for first-time Bangladeshi construction workers”, <http://twc2.org.sg/2017/02/05/average-recruitment-cost-hit-15000-in-2015-for-first-time-bangladeshi-construction-workers/>, accessed Sept 2018.

⁵ TWC2 website: “Worse off for working?”, <http://twc2.org.sg/2012/08/12/worse-off-for-working-kickbacks-intermediary-fees-and-migrant-construction-workers-in-singapore/>, accessed Sept 2018.

As mentioned above, recruitment cost includes training cost, if any. In the construction sector, Singapore's Building and Construction Authority requires foreign workers to obtain an SEC(K) basic skills certificate before coming to Singapore. Prospective first-time workers thus have to sign up for a course in Bangladesh and invest several months and several thousand dollars to acquire this certificate. Workers who have completed previous working stints in Singapore do not need to undergo basic skills training again and therefore can avoid this cost. They only need to pay the agent fee and airfare. They may also have some savings from the previous stint, so not only is the cost lower for them, they are more likely to have the means.

Thus, as first-time arrivals fall off, it may be that it is repeat arrivals who continue to take up employment.

(b) Fewer employment opportunities

The second possibility why there seems to have been a dramatic fall-off of first-time workers after 2015 is that the number of construction workers in Singapore declined from end-2016 to end-2017, reflecting economic conditions and state policy opposed to increasing work permit quotas. This followed a few years of levelling off since 2013.⁶ In fact, the demand trend (levelling off and reduction in work opportunities for foreign workers) may itself have contributed to the rise in recruitment cost for Bangladeshis.

Whilst government data refer to foreign construction workers of all nationalities, disaggregated data by nationality is not released. We thus do not know if the levelling off and decline of worker quotas have affected Bangladeshis proportionally or disproportionately.

(c) Policy nudges in favour of retention

The third possibility for explaining the fall-off in first-time arrivals is that policy nudges to retain experienced construction workers are having an effect.

There are two such nudges: the first is explained on a webpage⁷ at the Ministry of Manpower's site, which outlines ways to hire Work Permit holders whose permits are less than 21 days from expiry date. Workers with expiring permits are now able to look for new jobs without going home and some employers may find it easier to hire staff this way. These already-here workers now have a slight advantage over prospective workers in Bangladesh who have never been here before. That said, the available, but sketchy data released by the government indicate that the numbers involved remain small. If at all this nudge has contributed to the reduction in first-time arrivals, its effect cannot be great.

⁶ TWC2 website: "Foreign workforce numbers 2017", <http://twc2.org.sg/2018/05/22/foreign-workforce-numbers-2017/> accessed Sept 2018.

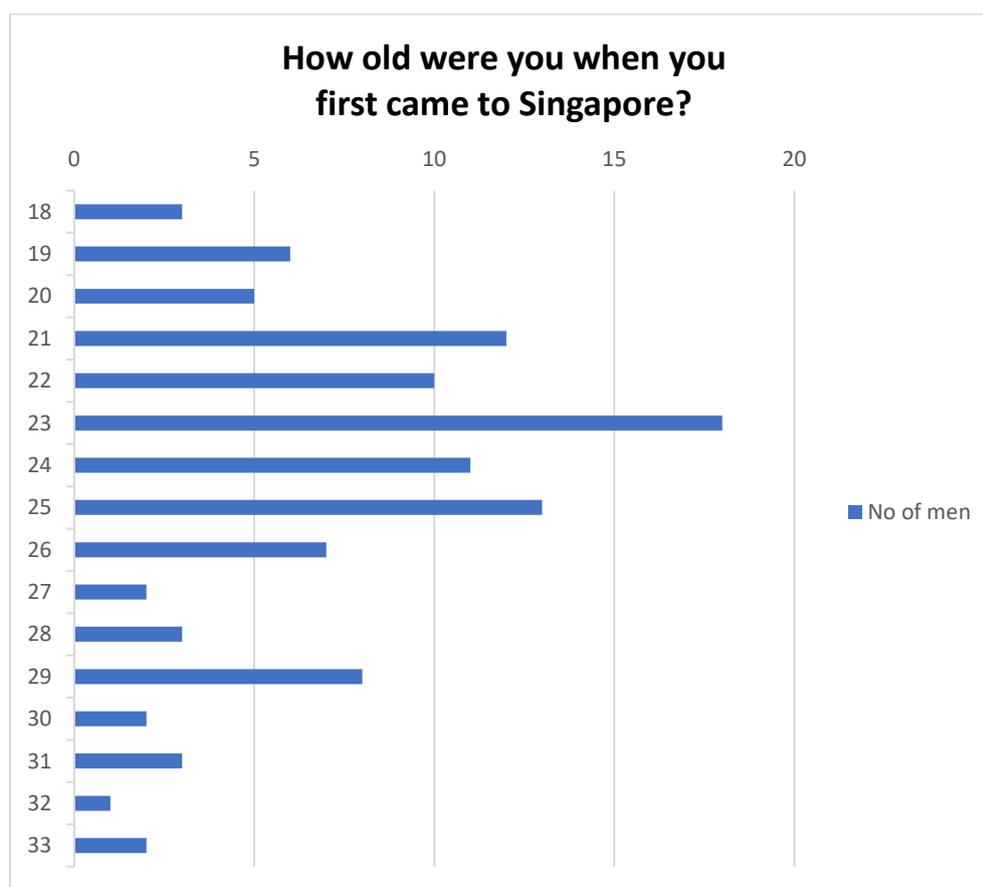
⁷ MOM website: "Work Permit for foreign worker", <https://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/hiring-existing-worker-in-construction-sector>, accessed Sept 2018.

The second is the requirement that at least 10% of a construction company’s Work Permit Holders comprise Higher-skilled (R1) workers. One of the pathways for a worker to be classified as R1 is to have worked at least six years in the construction sector and to command a fixed monthly salary of at least \$1,600. R1 workers also attract a lower levy to be paid by employers. The six-year rule may have created a preference for repeat arrivals.

Unfortunately, we cannot find reliable and consistent data on retention rates and R1 take-up rates; they may not be released by the Ministry of Manpower. We have little information if these policy nudges constitute major factors in the fall-off of first-time workers.

How old were you when you first came to Singapore?

Purely to lay down a baseline for future studies, we asked respondents what age they were when they first came.



The average age was 24 years. Over 80% of the men arrived when they were between 20 and 29 years old.

In these years you've been in Singapore, how many companies have you worked for?

Our sample of 106 men have had employment with a total of 294 employers. The average is 2.8 companies per worker. Naturally the figure varies greatly from one worker to the next, not least because some workers have been here far longer than others. At one extreme, there was one man who had worked 13 years (since 2005) with the same employer. At the other extreme, there were two men who, in the three years between 2015 and 2018, worked for three different employers each. How much they must have paid in recruitment fees during these three years is hard to contemplate.

Year of first arrival	How many companies have you worked for since first coming?						Total number of men
	One	Two	Three	Four	Five	> Five	
1995						1	1
1996							0
1997							0
1998						1	1
1999			1	1	1		3
2000			1	1		1	3
2001							0
2002			1				1
2003					1	1	2
2004							0
2005	1						1
2006	1						1
2007		1		1	1		3
2008		4	4		3	1	12
2009		1	3	2		1	7
2010	1		2	2	2	1	8
2011	3	2	1	2			8
2012	1	1	5	1	2		10
2013	1	5	2	1			9
2014	3	7	3				13
2015	2	6	2				10
2016	2	3					5
2017	6						6
2018	2						2
Total men	23	30	25	11	10	7	106

On average, the men spent about 2.6 years per company, but this figure is certainly an over-estimate because men would likely have spent months back home in Bangladesh between jobs. It would have been too complicated for our interviewees to explain how long they spent back home in Bangladesh between each period of employment, so we chose not to delve into these details. However, we know

anecdotally that typically it takes several months to find a job opening and to raise the necessary funds to pay recruiters. Making a rough adjustment for home-time, we estimate that on average, the men spend about 20 – 24 months on average per employment.

This estimate however contradicts a finding from a 2014 study⁸ which found that the average duration in employment with a company was four years though that average too needs to be adjusted downwards for home-time. However, the design of that study was different, which may account for a different finding.

The relatively short period of stay with an employer raises several concerns about skills- and experience-accumulation and about resulting productivity levels, particularly in the construction industry.

Did you do the same type of job at different companies?

Approaching this question about skills- and experience-accumulation from another angle, we asked respondents whether they did the same job (type of work) even when they changed employers. We knew we would face complications trying to pin down these details if a worker had worked for many different employers, so we simplified the question to one asking how many employment periods (“company”) they worked in where they did the same kind of work (“job”).

This dataset had a smaller sample size of 83 respondents. This was because we excluded 23 respondents who had only experienced one employer. The figures can be seen on the next page.

As expected, there was considerable scatter in the results. There was one man who despite working for more than five employers, stayed in the same line of work. On the other hand, 47 out of the 83 respondents had never held the same kind of job again when changing employer. These 47 were the majority, constituting 57% of the 83 respondents. For example, a man we spoke with recently was casting concrete beams for one employer and making furniture for the next.

This is not to say that the ideal would be for workers never to change their line of work. Especially for those who have been in Singapore for several years, moving up a grade to becoming a lifting supervisor or safety coordinator would represent a natural and welcome progression. Nonetheless, our data suggests that “vocation churn” is prevalent.

⁸ TWC2 website: “Starting salaries for migrant workers flatlined for the last 10 years“, <http://twc2.org.sg/2017/01/15/twc2-survey-starting-salaries-for-migrant-workers-flatlined-for-the-last-10-years/> , accessed Sept 2018.

	Number of men:				
Those who have worked for 2 companies:					
Same job in both companies	10				
Different for both	20				
Those who have worked for 3 companies:					
Same job in all 3 companies	9				
Same job in 2 of the 3 companies	3				
Different for all	13				
Those who have worked for 4 companies:					
Same job in all 4 companies	1				
Same job in 3 out of 4 companies	6				
Same job in 2 of 4 companies'	3				
Different for all	1				
Those who have worked for 5 companies:					
Same job in all 5 companies	0				
Same job in 4 of 5 companies	1				
Same job in 3 of 5 companies	4				
Same job in only 2 of 5 companies	2				
Different for all	3				
Those who have worked for more than 5 companies:					
Same job in 5 or more	1				
Same job in 4 companies	1				
Same job in 3 companies	1				
Same job in 2 companies	1				
Different job in all companies	3				
Summary:					
Same job in all companies	10	9	1	0	0
Same job for majority of companies	0	3	6	5	2
Remainder	20	13	4	5	5
Total number of respondents	30	25	11	10	7

Note: In accordance with workers' usage of vocabulary, "job" means type of work

FUTURE LINES OF ENQUIRY

With so few questions and a smallish sample size, this study was not intended to arrive at any substantive conclusion. However, it suggests several possibly useful areas for future research:

1. A closer examination of why first-time arrivals have reduced so much may prove valuable. Such a study will need to include questions about local transfers and R1 classifications to see if these policy nudges are creating employer preferences for experienced workers over new arrivals on a significant scale.
2. A follow-up study of recruitment cost for first-time arrivals compared with repeat arrivals may throw more light on questions of affordability.
3. A larger survey focused on Work Permit renewals may be helpful in getting a better picture of worker retention.
4. The common pattern of doing different jobs at different employers can bear closer examination. We have an earlier study⁹ that shows that about half the construction workers were deployed to jobs unrelated to the skills training and the SEC(K) certificates they acquired before coming to Singapore. Our present finding that 57% of workers never did the same job twice – which we call “vocation churn” – resonates with the earlier study about the (ir)relevance of skills training. Such a waste of training or acquired experience cannot be helpful to the aim of improving productivity.

TRANSIENT WORKERS COUNT TOO

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⁹ TWC2 website: “Half of construction workers deployed outside their skill areas“, <http://twc2.org.sg/2014/04/13/half-of-construction-workers-deployed-outside-their-skill-areas/>, accessed Sept 2018.