

More of here, less of there

First-time and repeat migrant workers and key features of their recruitment

Section I: Introduction

At TWC2's Cuff Road Project, we see hundreds of workers every month; over 2,000 workers a year. Most are from Bangladesh. In the last two years, two trends have come to our notice, and we felt that it would be timely to conduct a survey to see if our anecdotal experience was supported by numbers.

The first of these two casual observations was that the 'first-time worker' – the man who is here for his first job – has become fewer. More and more of the men we see are 'repeat workers' – those on their second or subsequent jobs.

In our 2015 – 2016 Work History Survey¹, involving 910 valid responses, we found that 56% of Bangladeshis and 68% of Indians were on their first jobs, i.e. 'first-time workers'. We wanted to check through a new survey whether this percentage remained the same or has declined.

The second of two casual observations was that, increasingly, men were reporting that the recruiter was located in Singapore, not in the home country. More specifically, the typical profile of a recruiter was not that of a licensed employment agency, but that of another foreign worker who introduced the subject to his job, in return for a large fee. Such unlicensed informal job brokers are known as 'dalal' in Bangladesh, and it is a term we will use here for want of a better word.

In previous TWC2 studies, we have not asked this question before because it was almost universally the case that the workers – many, perhaps a majority, of whom were first-timers – found their jobs through a home country dalal or agent. Being first-timers, they had no contacts in Singapore. However, given the increasing mentions of Singapore-based dalals, it was time to put a number to this observation.

We also took this opportunity to update ourselves about salary levels and recruitment costs.

¹ Work History Survey: <http://twc2.org.sg/2017/01/15/twc2-survey-starting-salaries-for-migrant-workers-flatlined-for-the-last-10-years/>

Section II: Key findings

The percentage of first-time workers has indeed fallen drastically, according to the results of this survey. They formed about 20% of our 381 respondents, a huge difference from just 3 – 4 years ago when they formed a slight majority.

As for where (which country) the ‘agent’ was located – and here we use the term ‘agent’ to include unlicensed dalals – 33% said Singapore, and another 16.7% said they had two or more agents, one or more of which was Singapore-based. Taken together, about 50% of the respondents in this survey reported that the intermediary (or one of the intermediaries) who took his money for the privilege of job placement was located in Singapore. While from our casework we know that in rare cases, the intermediary was a Singapore-licensed employment agent, in the vast majority of cases, it would be another foreign worker making money on the side by exploiting his contacts with bosses.

Both these findings were consistent with our casual observations from casework. They represent major changes in the foreign worker landscape over a few short years.

The latter change – the increasing role for Singapore-based dalals – does not bode well for Singapore’s reputation as a well-governed place and respect for the law. Unlicensed job brokering is illegal, being in violation of the Employment Agencies Act, and in most cases, the amounts charged are higher than the maxima provided for in legislation. Despite the fact that these ‘crimes’ are taking place within Singapore jurisdiction, instances where perpetrators are caught and punished are few and far between. This trend represents a corruption of the recruitment process within Singapore itself.

There are also implications with respect to money laundering and tax under-inclusion.

Section III: Caveats

It should be noted that this study was not conducted amongst the overall foreign worker population but was drawn from one evening’s attendance at TWC2’s free meals programme. All the respondents were clients of TWC2, men (all were male) who registered with us because they were out of a job.

The most common reason for being out of a job is that they met with an accident at work and were injured. The second most common reason is that they were not paid as promised and are awaiting resolution of their salary claims. A small minority of men are with our meal programme because they reported some possible infringement by their employer and the Ministry of Manpower is investigating the case. Our sample population should be seen in this light.

That having been said, the information that we sought in our survey is generally independent of these variables. Work history, salary levels and recruitment costs are largely unrelated to the incidence of accidents or salary non-payment. Whilst we are not making the claim that this study is representative

of foreign workers in general, it is fair to say that the patterns we discern here in these specific areas of the study are indicative of the situation among foreign workers of Bangladeshi and perhaps Indian origin.

Nationality is an important factor. For multiple reasons, too complex to get into here, foreign workers' experiences differ considerably by nationality. We would limit the scope of our observations and take care to say that this study reflects the experiences of Bangladeshi Work Permit holders since 90% of our respondents were Bangladeshi men of this work pass category. We can also draw some insight into the experiences of Indian workers, since 10% of our sample were Indian. Section VI compares the two national groups.

The great majority of TWC2 clients and survey respondents were construction workers, reflecting the most common occupation of foreign workers from India and Bangladesh. For this reason, we would likewise be careful to say our findings are limited to foreign construction workers (and those in related trades), not foreign workers in general.

Section IV: Method

On the evening of Monday, 22 April 2019, ten volunteers from TWC2's research team descended on the Cuff Road Project – whose team members were distributing meal tokens like any other evening – to interview virtually all the workers who came through the distribution station. We designed the human flow to ensure that every worker would be met by an interviewer, but no worker would be interviewed more than once. This way, we could conduct a survey anonymously without risk of interviewing the same person twice.

The only handful of workers who were not included in the study were those who had not been in regular employment. They numbered fewer than five and were in TWC2's programme for reasons such as overstaying a social visit pass or pursuing a civil claim in the courts.

Altogether, we had 381 responses gathered through a two-hour period. 343 (90%) of the 381 men were from Bangladesh, while 38 (10%) were from India. This reflects the current nationality split at TWC2's Cuff Road Project.

Nationality and gender of respondents

	No. of individuals			Percent
	Male	Female	Total	
Bangladeshi	343	0	343	90.0
Indian	38	0	38	10.0
Total	381	0	381	100.0

Hence, the data from the study should be read in this context, as primarily reflecting the experiences of Work Permit holders, mostly Bangladeshis.



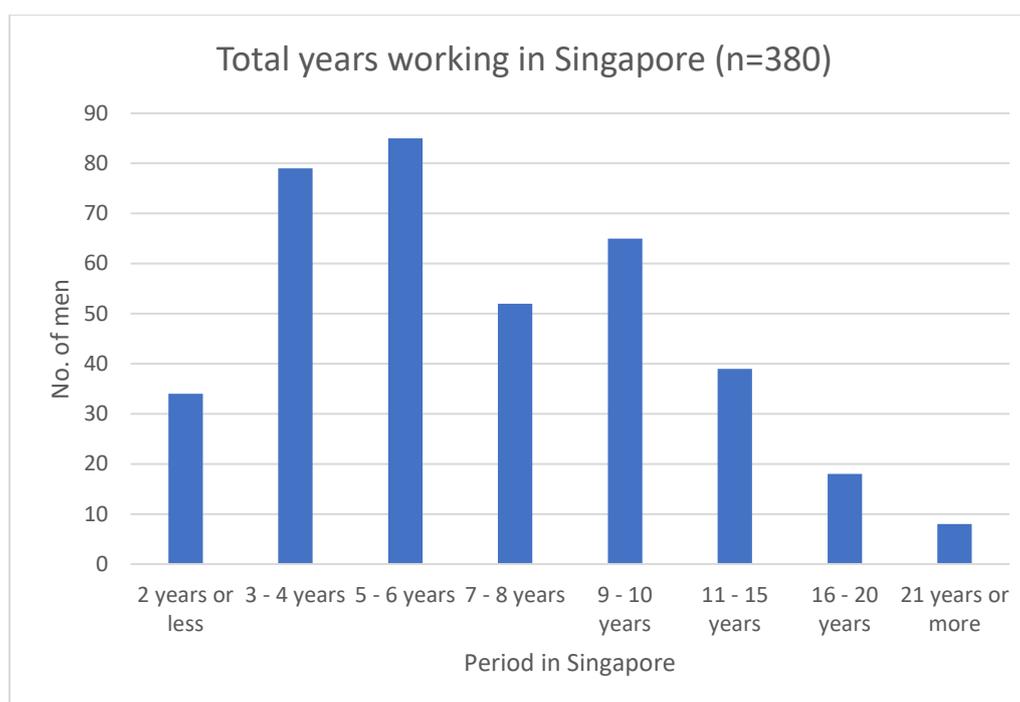
Ten TWC2 volunteers interviewed 381 workers in a single session

The questions focussed on key elements of recruitment and pre-employment information. However, to better assess the data we received, we had to begin with a sense of how ‘experienced’ the worker was, where ‘experience’ was measured in the number of years in Singapore and the number of employers he had worked for.

Section V: Analysis of responses

Q1: In total, how many years have you worked in Singapore?

The average duration was 7.3 years, and the median was 6 years. The spread of the responses are graphed here:



The graph above is based on the results shown below.

In total, how long have you worked in Singapore?

Work period in years	No. of men	Percent
2 years or less	34	8.9
3 - 4 years	79	20.8
5 - 6 years	85	22.4
7 - 8 years	52	13.7
9 - 10 years	65	17.1
11 - 15 years	39	10.3
16 - 20 years	18	4.7
21 years or more	8	2.1
Valid responses	380	100.0
Unclear response or no response	1	
Total	381	

Our findings from this survey in respect of this question are very different from the situation only a few years ago. In the Work History Survey² that we conducted in 2015 – 2016 we found that the average duration workers had been in Singapore was just four years.

Two major factors could have caused this change. As found in our 2016 survey of newly arrived Bangladeshi construction workers³, their recruitment cost had climbed to an absurd high of about S\$15,000 (Singapore dollars). This was for jobs that typically paid \$400 - \$500 a month, and whose Work Permits often had expiry dates only a year away⁴. Our gut feel then was that this was not sustainable. This escalation in costs for first-time workers could be related to the levelling off, followed by softening, of demand for foreign construction workers in Singapore in the same period⁵ and major retrenchments from the shipyards. As jobs became scarcer, prices went up.

Repeat workers did not seem to be as badly affected by this hike in recruitment cost. Experience and contacts mitigated the pressure of recruitment fees.

Then around 2017, the Building Construction Authority and the Ministry of Manpower instituted the 'R1' skills incentive, wherein employers would enjoy a reduced foreign worker levy for each foreign construction worker on their payroll with at least six years' experience and who is paid at least \$1,600 a month. Construction companies must have at least 10% of their foreign workforce as R1 workers.

Between the attraction of a lower levy and the mandatory 10% requirement, employers began preferring workers who had six years under their belts.

It is also possible to become an R1 worker through additional skills training without having to meet the six-year experience threshold, but TWC2's observation through our casework is that few workers get to R1 through the training route. Most are so classified simply because they have worked six years in the trade.

At the same time, however, some employers were not really prepared to pay \$1,600 in basic monthly salary, so a number of mischievous tricks were contrived to underpay R1 employees. We reported on them in a June 2017 article⁶. However, since actual salaries would be too complex a matter to cover in a survey, for a later question in this study, we simply asked for the promised salary. This should insulate our data from whatever shenanigans that employers got up to.

² Work History Survey: <http://twc2.org.sg/2017/01/15/twc2-survey-starting-salaries-for-migrant-workers-flatlined-for-the-last-10-years/>

³ See <http://twc2.org.sg/2017/02/05/average-recruitment-cost-hit-15000-in-2015-for-first-time-bangladeshi-construction-workers/>

⁴ Work Permits may be renewed at the employer's discretion with the employee's agreement, but the worker has no right to renewal. In fact, the worker does not even have a right to the job for a full year since employers can terminate employment at will under Singapore law.

⁵ Ministry of Manpower's website <https://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers> accessed 5 May 2019, (accessed 5 May 2019) reveals that Work Permit holders in the construction sector declined from a peak of 326,000 in Dec 2015 to 315,500 in Dec 2016, 284,900 in Dec 2017 and 280,500 in Dec 2018.

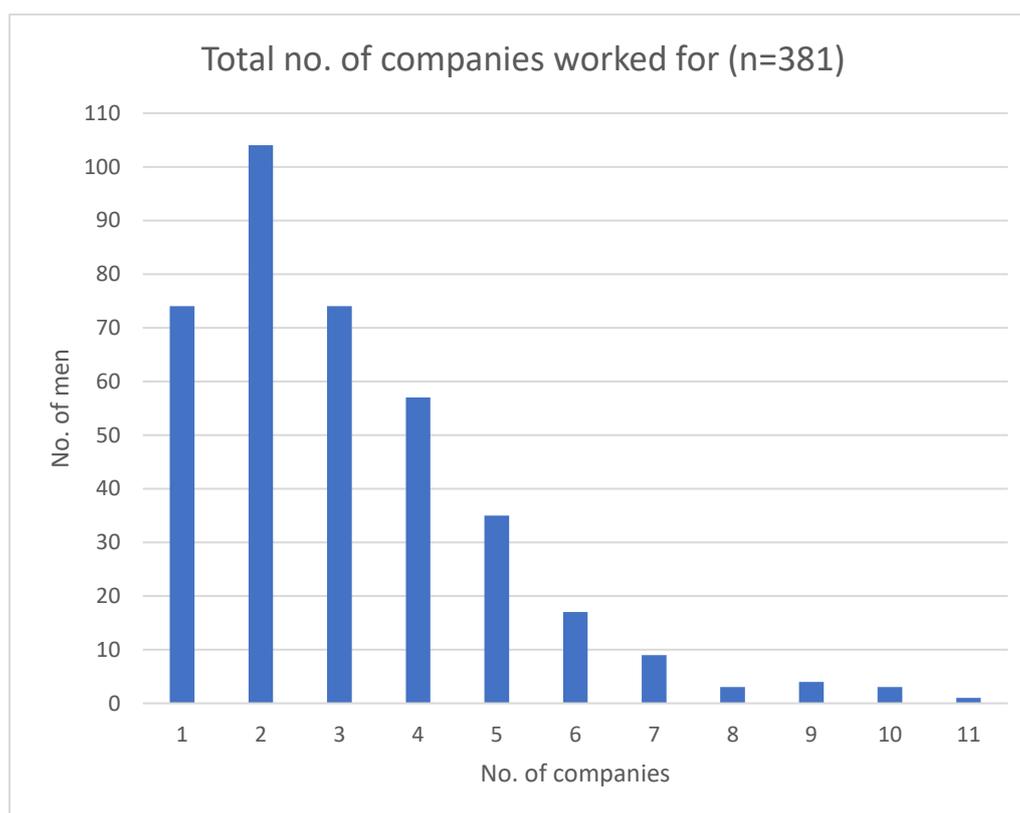
⁶ See The Everglory scam: <http://twc2.org.sg/2017/06/25/the-everglory-scam-productivity-incentive-shot-to-pieces/>

Between these two factors – unaffordable recruitment cost for first-time workers and employer preference for workers with more than six years’ experience – a major reduction in the number of first-time workers in Singapore should come as no surprise. The preference for repeat workers shows up in this study’s result where the average duration of working in Singapore, now at 7.3 years, nearly doubled that found in the Work History Survey of four years ago.

Q2. In total, how many companies have you worked for in Singapore?

The average number of employers that our workers have gone through was 3.1. The responses ranged from one to a high of eleven. The median number of employers was 3.

74 men (19.4%) were on their first jobs. 104 more (27.3%) had had two employers. The man who had been through eleven employers had worked a total of ten years in Singapore; he was changing jobs about once a year. This made him quite unusual. The average guy, with average duration of stay 7.3 years and an average of 3 jobs, stayed with an employer for an average of two-and-a-half years.



The figures for the above graph are on the next page:

In total, how many companies have you worked for in Singapore?

No. of companies	No. of men	Percent
1	74	19.4
2	104	27.3
3	74	19.4
4	57	15.0
5	35	9.2
6	17	4.5
7	9	2.4
8	3	0.8
9	4	1.0
10	3	0.8
11	1	0.3
Valid responses	381	100.0
Unclear responses or no response	0	
Total	381	

To find only 19.4% of respondents on their first jobs ('first-time workers') was not a surprise, but nonetheless it is a very different situation from 2015 – 2016 when we found 61% of respondents on their first jobs in the Work History Survey.

Q3. For the most recent job, did you come directly from your home country, or were you transferred to this job?

The responses we obtained for this question were less sure-footed than those we obtained for the earlier questions. The difficulty seemed to lie with the word 'transfer'. Some workers might not have grasped the very specific meaning that was intended: to move to another job locally without having to be repatriated from the previous job.

We later realised that some workers could be confused by the situation they found themselves in, which was that of being seconded to another contractor's worksite by their formal employer⁷. They might have seen this as a 'transfer' when, technically, it was not, because they remained with the same employer even though the place of work was under another company's control.

Questions about transfer workers' experiences may need to be revisited through another study.

Nonetheless, the data is still useful once we isolate the unreliable responses. Over 90% of the men clearly answered that they came to their most recent job from their home country. Only a shade under 10% said they were 'transferred' to their most recent job – a figure we believe to be an over-estimate

⁷ The 'formal employer' would be the employer stated on an individual's Work Permit and the party responsible for obligations such as salaries, accommodation and medical treatment under the law.

for reasons stated above. 10% may seem like a low figure but our casework suggests that transfers are so difficult to get, even such a figure is too optimistic.

Did you come from your home country for this job or were you transferred to this job?

How came to the job?	No. of men	Percent
Came directly from home country	338	90.9
Transferred from another company	34	9.1
Valid responses	372	100.0
Unclear response or no response	9	
Total	381	

We had hoped in this study to see if workers who transferred to a new job locally enjoyed lower recruitment cost (in questions further down) but since the number who claimed they had been ‘transferred’ are doubtful and cannot be relied upon, we are unable to proceed with this part of the analysis.

Q4. When you started this job, did you get an IP letter stating your salary?

Since 2011, prospective foreign workers entering Singapore for employment had to receive a copy of the ‘In-principle Approval for Work Permit’ before they embarked on the journey. This document, which is referred to as ‘IP letter’ or ‘IPA’ is generated by the Ministry of Manpower. It serves to assure the prospective worker that the employment will be legitimate and that a Work Permit should be available to him soon after arrival. It also serves to allow him entry into Singapore without need for the usual visa.

The IPA states the basic salary, fixed allowances and deductions. These figures are not decided by the ministry but declared by the respective employer while submitting an application for a Work Permit. Since they are shown on the IPA, the worker in the home country should be able to see exactly what the employer has declared to the authorities regarding his remuneration. In 2017, the High Court ruled that the salary details on the IPA would be binding unless other contractual documents say otherwise. Usually, workers from Bangladesh and India do not have other contract documents, so the salary details stated on the IPA are very important pieces of information.

From our casework, we realise that some workers do not appreciate the importance of the IPA. They do not anticipate that it would be key evidence in the event that, months after starting work, they are shortpaid. We have also noticed several instances where employers did not provide genuine IPAs to workers. Precisely because the worker has a right to the salary stated on the IPA, unscrupulous

employers might want to avoid letting him see what figures have been declared to the ministry. Thus, the significance of the question in our survey: We wanted to know how many respondents received (or can recall receiving) an IPA before commencing their most recent job.

About 75% of respondents answered in the affirmative; they said they received an IPA that included salary details. A somewhat worrying 20% said they did not. Another 5% couldn't remember – which indicated that they might not have understood the importance of this document, or else they would remember.

When you started with this company, did you receive an IP letter stating your salary?

Did you receive an IP letter stating your salary?	All respondents		Only those who came directly from home country	
	No. of men	Percent	No. of men	Percent
Yes, I received an IP letter stating salary	279	74.6	252	75.4
Didn't get IP letter	74	19.8	62	18.6
Not sure; cannot remember	21	5.6	20	6.0
Valid responses	374	100.0	334	100.0
Unclear response or no response	7		4	
Total	381		338	

** the worker's most recent employer*

Given our uncertainty about what those who replied affirmatively to the earlier question about 'transfer' meant, we can look exclusively at the 338 who said they came directly from their home country for the most recent job. For them too, 75% said they received an IPA that stated the salary, as can be seen from the two right-most columns of the above table.

Q5. Can you remember the salary in the IP letter?

Just because they remembered that they received an IPA, it does not mean that they necessarily paid attention to the salary stated on it. Workers might instead rely on verbal promises of salary which may differ from what was stated on the document. Verbal promises are very difficult to enforce, whereas the IPA salary is in black and white with High Court case law giving it weight.

Thus, we had an additional question asking the 279 men who said they received an IPA before commencement of the job whether they could recall the salary stated on it.

Of these 279 men, 248 (89.5%) said they could recall what was stated on it. We would have liked to be able to check their answers against their actual documents to ascertain if their recall was good, but doing so would contradict the anonymous nature of the survey.

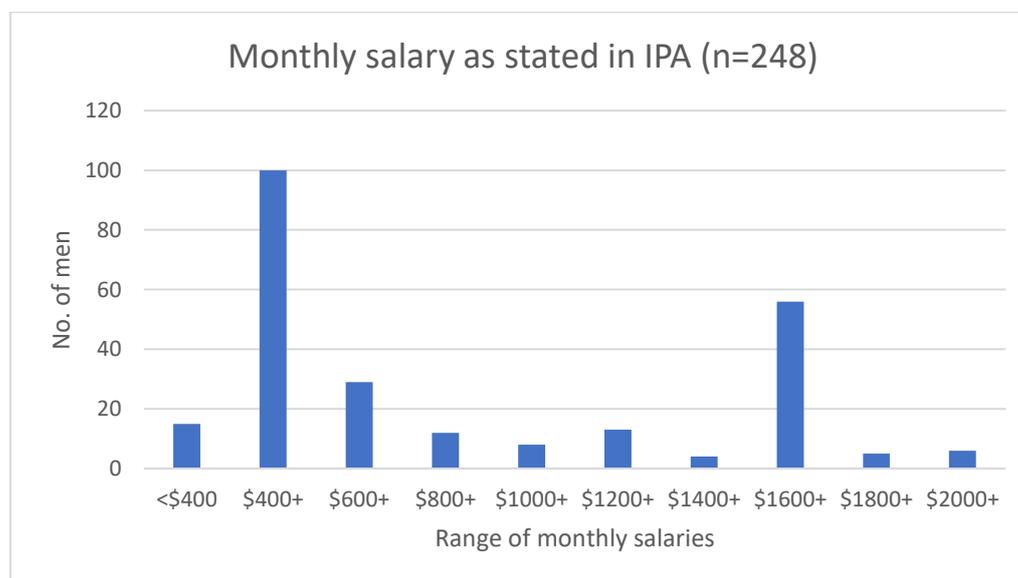
Can you remember the salary in the IP letter?

Can you remember the salary in the IP letter?	No. of men	Percent
Can remember	248	89.5
Cannot remember or unsure	29	10.5
Valid responses	277	100.0
No response recorded	2	
Total	279	

89.5% is quite a high percentage. We are assured that in the main, workers paid attention to these important details on their IPAs.

Q6. How much was the salary written in the IP letter?

Hoping to get a sense of where promised salaries are at the moment, we asked the 248 men who said they could remember what was stated in the IPA what that stated salary was.



The source numbers are on the next page. The currency used is the Singapore dollar.

How much was the salary written in the IP letter?

Monthly salary	No. of men	Percent
Less than \$400	15	6.0
\$400 - \$599	100	40.3
\$600 - \$799	29	11.7
\$800 - \$999	12	4.8
\$1,000 - \$1,199	8	3.2
\$1,200 - \$1,399	13	5.2
\$1,400 - \$1,599	4	1.6
\$1,600 - \$1,799	56	22.6
\$1,800 - \$1,999	5	2.0
\$2,000 - \$2,700	6	2.4
Valid responses	248	100.0
Unclear response or no response	0	
Total	248	

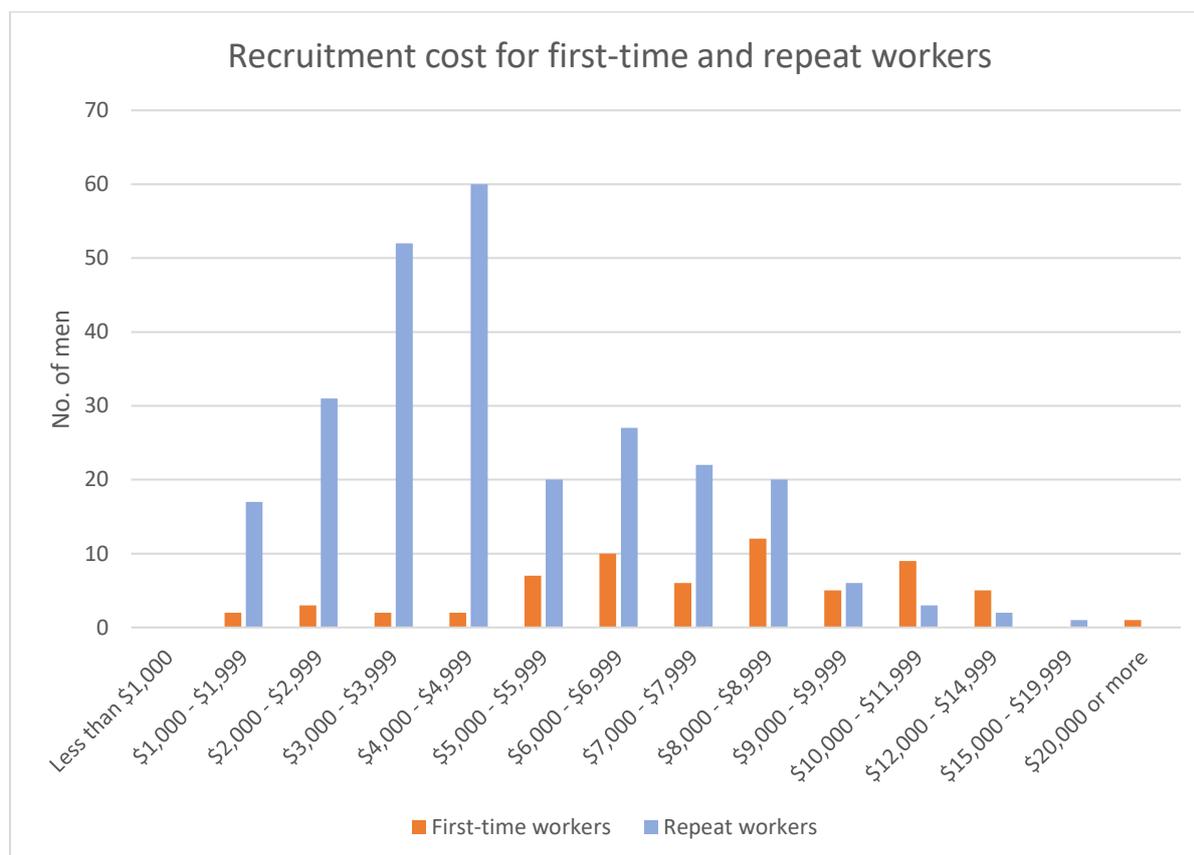
The lowest salary reported was \$200 a month, the highest \$2,700. The average of the 248 responses was \$925, but this was pulled up by the handful with high salaries. The median was only \$620 a month, which means that half the respondents earned less than \$620 a month.

Q7. How much agent money did you pay to get this job?

The next question asked how much the respondent had paid to obtain the most recent job. To make sense of the data, it is necessary to consider those on their first jobs ('first-time workers') separately from those on their second or subsequent jobs ('repeat workers'). Repeat workers are savvier about costs and earnings and may also have some useful contacts in Singapore for getting jobs. Most importantly, first-time workers, especially those in construction, have to undergo basic skills training, which can add as much as \$5,000 to the total recruitment cost. Repeat workers do not have to go through training and certification all over again unless they are moving from one trade to another.

Our interviewers would have prompted the respondents to include training cost, if any, to the total recruitment cost.

The following chart shows first-time and repeat workers separately.



Here are the numbers, in Singapore dollars:

How much did you pay in 'agent money' to get the job?

	All men	First-timers	Repeat workers
Less than \$1,000	0	0	0
\$1,000 - \$1,999	19	2	17
\$2,000 - \$2,999	34	3	31
\$3,000 - \$3,999	54	2	52
\$4,000 - \$4,999	62	2	60
\$5,000 - \$5,999	27	7	20
\$6,000 - \$6,999	37	10	27
\$7,000 - \$7,999	28	6	22
\$8,000 - \$8,999	32	12	20
\$9,000 - \$9,999	11	5	6
\$10,000 - \$11,999	12	9	3
\$12,000 - \$14,999	7	5	2
\$15,000 - \$19,999	1	0	1
\$20,000 or more	1	1	0
Paid agent money	325	64	261
No agent money paid	38	7	31
Unclear answer	18	3	15
Total	381	74	307

	All men	First-timers	Repeat workers
Average amount paid (\$)	5,299	7,606	4,733
Median amount paid (\$)	4,500	7,750	4,000
Lowest amount paid (\$)	1,000	1,500	1,000
Highest amount paid (\$)	20,000	20,000	15,323

As expected, there was a notable difference between first-timers and repeat workers. For first-timers, the average paid was \$7,606 and the median was \$7,750. For repeat workers, the average was \$4,733 and the median was \$4,000. Repeat workers were paying about 45% less than first timers.

In Section VI, we will show that there are differences between what Bangladeshi workers paid compared to Indian workers.

There were a handful of outliers among the repeat workers. These were the six men who said they paid more than \$10,000 for their jobs. The highest amount paid was \$15,323 – a figure derived from conversion from the amount in Bangladeshi currency that he gave us as his response. A closer look at his other answers puts it in better context. He was only on his second job but he came three years ago, coincident with the peak in recruitment costs. Moreover, the job was one which paid a relatively high basic salary of \$1,700 per month. He might have reckoned that the high recruitment cost for this job was justifiable in light of the salary.

Overall, only six repeat workers paid over \$10,000; they made up 2% of the 307 repeat workers in our survey. In contrast, 20% of the 74 first-timers in our survey paid over \$10,000.

There is one result which, on the face of it, looks implausible – and it is. Seven first-time workers said they did not pay any agent money. Given our understanding of recruitment patterns, this is virtually impossible. However, we’ve seen such responses from surveys done before, but we’ve also learnt that such answers tend to pop up when we rely on relatively inexperienced interviewers, as some of our volunteers in this study were. Experienced interviewers would know not to take the initial response at face value and to probe further, upon which they would typically discover that what the man meant was that whilst he himself paid no ‘agent money’, someone else in the family, e.g. his brother or uncle, paid for him.

We’re not too concerned about these 7 men’s answers. We exclude them from the analysis rather than let them skew the findings.

Q8. Was your agent in your home country or in Singapore?

One trend that TWC2 has noticed is the emergence of the ‘Singapore-based dalal’. This is the foreign worker working here who exploits his good relationship with his boss and other employers to recruit additional workers needed by these employers. Such an intermediary role is illegal under the

Employment Agencies Act, but it can be very lucrative. The Singapore-based dalal needs only to undercut the home country-based dalal by a little to get business without incurring any significant cost.

It should be noted that the question we actually asked in the survey was simply about the country location of the 'agent'. It's entirely possible that if the respondent said the agent was based in Singapore, he was referring to a properly licensed Singapore employment agency. TWC2's casework experience, however, tells us that such a situation would be rare. Almost always, when a worker says his agent was Singapore-based, further probing would reveal this person to be a foreign worker acting as a dalal.

Arguably, the survey could have asked the worker to be more specific in describing this Singapore-based person he relied on as his agent, and divine from there whether this person might be licensed or not – and we would still have to guess because a migrant worker would be unlikely to know for sure – but doing so would add a layer of complication to the survey. In any case, our aggregate data can prove our anecdotal observation.

It's like this: Our sample contains 62 individuals who met these criteria:

- Repeat worker, i.e. on his second, third or subsequent job;
- Said his one agent was located in Singapore;
- Gave us a clear response regarding his IPA salary;
- Gave us a clear response regarding how much he paid as 'agent money'.

These 62 repeat workers had an average salary of \$979 a month. They paid an average of \$4,158 in placement fees – more than four times their average monthly salary. (Their median salary was even lower, at \$785 a month).

Under the law⁸, a licensed employment agency can only charge, as maximum, the equivalent of two months' salary for a Work Permit of two years' duration, and the equivalent of one month's salary for a Permit of one year's duration. Unless licensed agencies were widely flouting the law – we do not think so and there is no evidence for it – there is no way these workers could be going through licensed agencies and have paid the reported amounts.

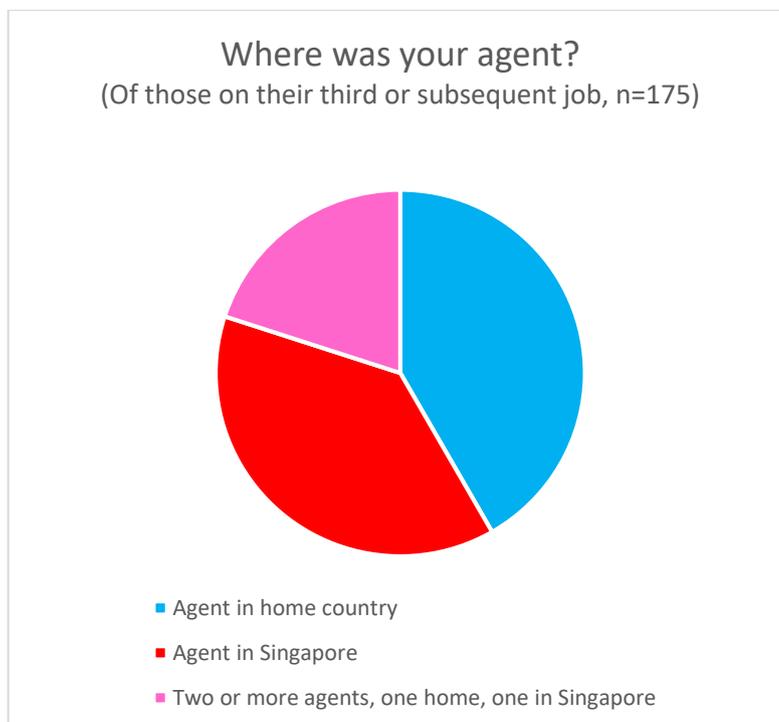
Therefore, the subset data we have is consistent with our anecdotal observations that, in the main, when workers speak of Singapore-based agents, they are referring to unlicensed dalals.

⁸ Employment Agencies Act



There is increasing use of Singapore-based intermediaries as the worker moves to subsequent jobs, as can be seen from the way the red segments of the pie charts expand accordingly.

Based on our casework, we have come across instances when the Singapore-based dalal shares with the boss a part of the fee he received from the job-seeker. Known as a ‘kickback’, this is also against the law⁹. However, since the parties involved are usually careful to transact in cash, the vast majority of cases cannot be brought to court for lack of evidence.



The overall size of each pie approximates the sample size of each subset

⁹ Subsidiary legislation under the Employment of Foreign Manpower Act

Here are the actual numbers:

Was your agent in India/Bangladesh or in Singapore?

Number of men:

	Those still on first job	Those on second job	Those on third or later job	All respondents
Agent in home country	47	48	73	168
Agent in Singapore	13	31	67	111
Two or more agents, one home, one in Singapore	7	14	35	56
Valid responses	67	93	175	335
Not sure or cannot remember	5	7	21	33
Don't understand question or unclear answer	2	4	7	13
TOTAL	74	104	203	381

In percentage terms:

	Those still on first job	Those on second job	Those on third or later job	All respondents
Agent in home country	70.1	51.6	41.7	50.1
Agent in Singapore	19.4	33.3	38.3	33.1
Two or more agents, one home, one in Singapore	10.4	15.1	20.0	16.7
Valid responses	100.0	100.0	100.0	100.0

Overall, 33% said their agent or dalal was in Singapore, and another 16.7% said they had two or more agents, one or more of which was here. Taken together, about 50% of respondents reported that someone in Singapore had a role in brokering the job for them, and as mentioned in the foregoing, it would almost surely be another foreign worker acting illegally as an agent.

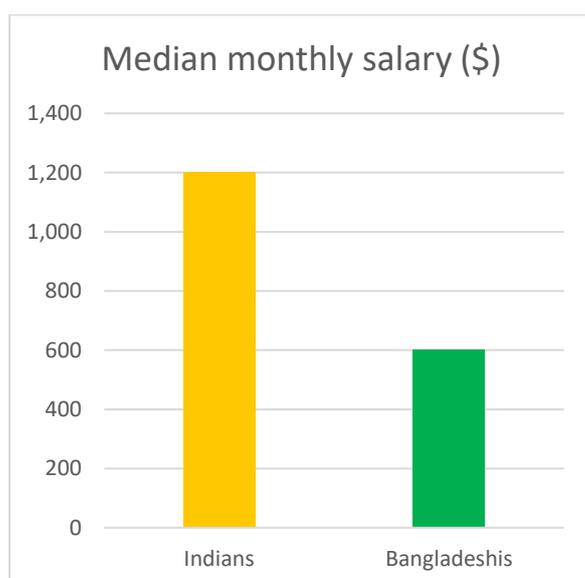
This already high percentage gets even higher when we look at the subgroup comprising 175 men on their third or subsequent jobs and who gave us intelligible responses. Having worked here before, they had developed contacts among other workers in Singapore, among whom could be found illegal dalals. A striking 58.3% (a majority) of those from this subgroup used a Singapore-based agent/dalal wholly or partially.

As retention rates increase, as shown in the data above about declining numbers of first-time workers and increases in repeat workers, this problem of Singapore-based dalals and dealing in the shadows within our domestic jurisdiction will likely get more pervasive.

Section VI: Comparison between Indians and Bangladeshis

We have known for a long time that Indian Work Permit holders earn slightly more than Bangladeshi Work Permit holders. Chinese nationals earn even more, but this study did not encompass them.

Since our study comprised 38 Indians in the sample, it is possible to make a comparison between their profile and that of the 343 Bangladeshis.



The pay gap seems to have increased. The Indian respondents were reporting a median monthly salary double that of the Bangladeshis. However, as the sample size of Indians in our study is small – and smaller still (only 27) once we exclude unclear answers from analysis – this result needs replication before we can be confident that that gap is as large as shown here.

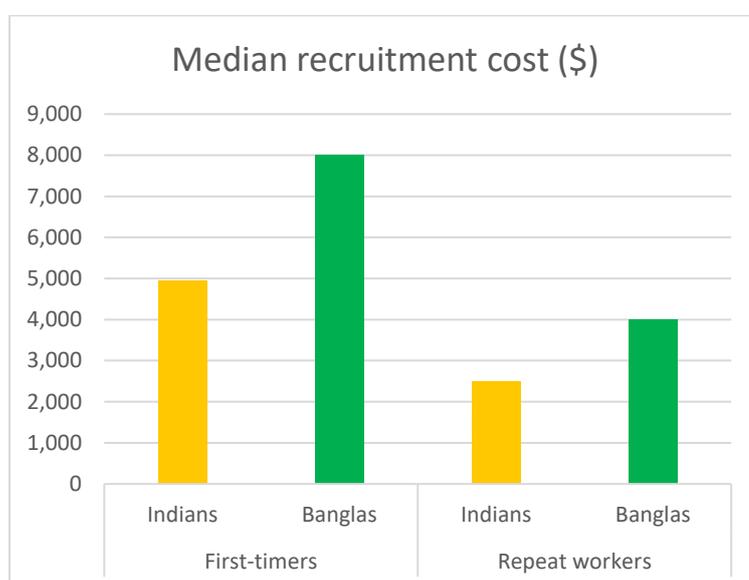
The supporting numbers are here:

Monthly salary stated on the IPA

	Indians	Bangladeshis
No. of valid responses	27	221
Average salary (\$)	1,224	888
Median salary (\$)	1,200	600
Lowest salary (\$)	429	200
Highest salary (\$)	2,600	2,700

The number of valid responses does not equal the number of Indians and Bangladeshis in our survey because some of them provided unclear replies.

The gap turns the opposite way with respect to recruitment cost, with Bangladeshis paying more than Indians. When asked how much they paid in ‘agent money’, this pattern emerged:



Here are the numbers:

Agent money paid, by nationality

	First-timers		Repeat workers		All respondents	
	Indians	Banglas	Indians	Banglas	Indians	Banglas
Did pay agent money	8	56	19	242	27	298
No agent money paid	2	5	6	25	8	30
No. of valid responses	10	61	25	267	35	328
Of those who paid:						
Average amount paid (\$)	5,485	7,909	2,626	4,898	3,473	5,464
Median amount paid (\$)	4,951	8,000	2,500	4,000	2,600	5,000
Lowest amount paid (\$)	1,569	1,500	1,500	1,000	1,500	1,000
Highest amount paid (\$)	14,706	20,000	4,500	15,323	14,706	20,000

The number of valid responses does not equal the number of Indians and Bangladeshis in our survey because some of them provided unclear replies.

First-time Bangladeshi workers paid about 50% more than first-time Indian workers. Repeat Bangladeshi workers paid nearly twice as much as repeat Indian workers.

These numbers, in fact, partly explain why our sample – and TWC2’s client base – has far more Bangladeshis than Indians, even though our sense is that in Singapore as a whole, the number of Indian migrant workers is not much different from that of Bangladeshi migrant workers¹⁰. The Bangladeshis are a more vulnerable migrant worker group because, as our data shows, they are investing

¹⁰ The government does not release data pertaining to nationality of foreign workers in Singapore; we have only our casual observations to go by.

considerably more in agent fees for jobs that pay rather less in salary. When something goes wrong, e.g. an accident or loss of the job, they find themselves in much deeper trouble, and their cases may take longer to resolve. Thus, they come to TWC2 in greater numbers and may stay longer with us too, being unable to write off their sunk cost and move on with their lives.

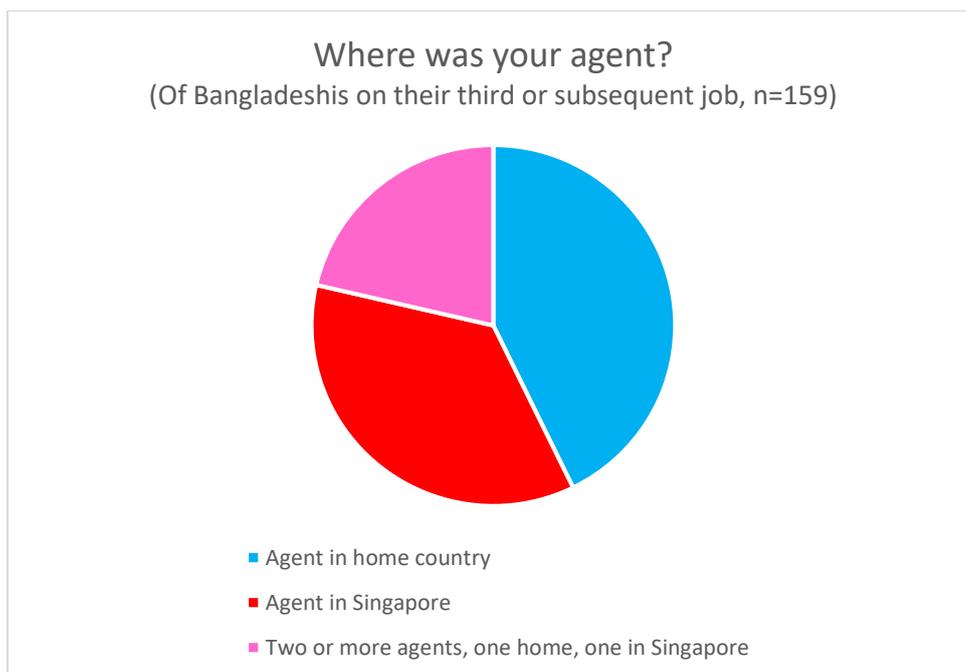


As to the question about using Singapore-based agents, we only have a pie chart for Indians on their third or subsequent job. The numbers of respondents in the other sub-groups (on first job, on second job) are too small. Even in the subgroup of three or more jobs, there were only 16 respondents.

The pie chart on the left shows that a majority (11 men out of 16, or 62.5%) used a Singapore-based agent, with one more man (6.3%) using two agents, one of whom was in Singapore.

As mentioned earlier, to avoid a complicated study, we did not fathom whether, in each case, this was a licensed agent or an unlicensed one. Migrant workers are seldom aware of the licence status of people they meet claiming to be agents. It is possible that some of these more experienced workers relied on properly-licensed Singapore employment agents to obtain their most recent job, but it would hardly surprise us if most of them relied on informal dalals, albeit ones based in Singapore.

The bigger pie chart below refers to Bangladeshis similarly on their third or subsequent jobs. The pie is bigger because the sample size is larger.



Interestingly, we found that Bangladeshi workers on their third or subsequent jobs were somewhat less likely to use a Singapore-based agent/dalal, compared to similar Indian workers. However, because the sample size of Indians was small, we would hesitate to read too much into this comparison. Moreover, this question of using local versus home-based agents/dalals cries out for a qualitative study to better understand the dynamics.

Section VII: Conclusions and recommendations

We initiated this study based on two casual observations which we wanted to verify. One was that first-time workers were quite rapidly becoming fewer and the other was that migrant workers were using Singapore-based agents/dalals far more often than we had previously noticed.

Our study confirmed both these observations.

Fewer and fewer first-timers

First-time workers declined from a majority of Indian and Bangladeshi workers in Singapore in 2015 – 2016 to around 20% as found in this 2019 study. We believe market forces and the government's R1 incentive led this change.

In TWC2's opinion, this is likely a good thing. We have argued for a long time that the worker churn we used to see in the past could not be good for skills- and experience-acquisition and for productivity. We now seem to have better retention rates as evidenced from the datapoint we obtained about workers having been here for over 7 years on average compared to what we found in 2015 – 2016, which was only 4 years. Nonetheless, there is still too much circular migration, by which we mean that workers are, generally speaking, still going home after each contract ends, and then have to pay agents (whether in the home country or in Singapore) to get a new job before coming here again.

This industry practice continues to impoverish those who do actual work, while enriching the rent-seekers of this world.



We recorded responses on mobile phones

We would much rather see a situation where workers transit smoothly from one job to another in Singapore without having to go home or having to pay employment agents, licensed or unlicensed. Career security and the ability to save money give workers the confidence to embark on additional training, thus leading to better productivity outcomes for Singapore.

If at all migrant workers have to use (and pay) an employment agent, then it should be a licensed one from which the government can collect the Goods and Services Tax.

We had hoped that we'd be able to get a glimpse of the job-transfer situation from this survey, so that we'd know a bit more about the costs and success rate of transfers. Unfortunately, this part of the survey produced results that appear to have been compromised. This issue will have to await a new study.

IPAs

About 20% of workers said they did not get a copy of the document known as 'In-principle Approval for a Work Permit' (IPA, or IP letter) before commencing work. The real figure may be a little lower as some of our respondents (e.g. those who joined the company a long time ago) might not be recollecting correctly. Even so, this is cause for concern as their salary would in most cases be what was written there. The aim should be 100% receiving an IPA.

Of those who recalled getting an IPA, most were paying attention to the salary details stated in the document but not all of them. There remained about 10% who did not seem to be paying enough heed to it. Continued education through outreach would help.

Recruitment cost

The recruitment cost borne by workers, especially Bangladeshis, remains in the same ballpark as found in previous studies we have conducted over the last eight years, with the possible exception that we didn't see in this survey as many outrageous examples of first-time costs above \$10,000 as we did in 2016 – this was a problem that was anyway unsustainable from a market point of view.

Yet against this background of similar recruitment costs, we found in this study a major difference: For repeat workers, around half involved a Singapore-based agent. That the cost remains so high tells us that (a) licensed agents are unlikely to be involved since they would likely be law-abiding with respect to maximum allowed charges, and (b) there is a growing underground network of illegal agents profiting handsomely.

Singapore-based dalals

While we are moving in the right direction with respect to retention rates, we are moving in the wrong direction with respect to job brokering.

Not only is the dalal practice illegal¹¹ and deprives the State of tax receipts, the indebtedness that results makes workers vulnerable to exploitation and abuse. The growth of the dalal industry in Singapore also raises concerns about money laundering. There is a growing pool of illicit money that can be funnelled to nefarious purposes.

And it's a lot of money. If

- half the construction Work Permit holders (140,000 men, see footnote 5 on page 6)
- paid an average of \$4,158 (see page 15 for average amount paid to Singapore-based agents)
- every 2.5 years (the average elapsed time between changing employers, see page 7, second paragraph under Q2),

there is perhaps \$232 million flowing into dalals' hands each year in Singapore.



Rich pickings from foreign construction workers

Where in the past the Ministry of Manpower could plead jurisdictional impotence since dalals operated in workers' home countries, today about 50% of workers are using Singapore-based agents/dalals to secure new employment, as our study has shown. To say that the matter is mostly out of our jurisdictional hands will no longer wash.

Dalal activity in Singapore must be stamped out.

TWC2 recognises that these transactions tend to be in cash, and therefore securing evidence for prosecution is always going to be very hard. But instead of trying to tackle the issue at a micro level, we can address it at a structural level. Dalals mushroom when there is information asymmetry. Workers looking for jobs have no clue where the jobs are. Those who know or who have contacts

¹¹ See Employment Agencies Act



guard the knowledge and relationships jealously and extract profit from them. It is this simple fact that points us to a solution: We have to challenge information asymmetry with transparency.

It is for this reason that TWC2 argues strongly that Singapore should aim for a centralised job portal where all Work Permit-level jobs must be advertised. It should be a one-stop place where workers can see what's available. More than that: the process of applying for a job and getting it should, as far as technically possible, also take place through the portal. As demonstrated by websites from which one can buy airline tickets or book hotels, it should also be technically feasible for the recruitment transaction (e.g. submission of biodata, offering and agreeing to terms of employment) to be executed through the centralised job portal. That way, there is a record of what was demanded and what was promised. It can also be made very clear that all communication and transactions through the portal, such as advertised claims about job scope and remuneration, and the resulting employment contract, come under Singapore law.

As augured by the title of this study, 'More of here, less of there', Singapore is beginning to retain migrant workers better, but we are also importing some of the worst practices onto our shores. If the first shows that where there is will, there will be a way to solve a problem, there is no reason to feel powerless over the second.

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