

## Chapter 10: Singapore's System for Managing Foreign Manpower

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**ABSTRACT:** *This paper examines Singapore's system for managing the recruitment and use of foreign manpower which currently forms more than one third of its total workforce. As background, some data are presented on the numbers and selected characteristics of these foreign workers. This is followed by an overview of Singapore's foreign manpower policy and the main drivers of this policy. The management of foreign workers involves a series of work passes with different benefits and obligations depending on worker qualifications and skills. Levies, dependency ceilings and source country restrictions have also been introduced to reduce Singapore's reliance on low-cost, low-skilled foreign workers. Despite these restrictions, the size of the foreign workforce in Singapore has grown significantly because of economic growth and the need for the country to augment its potentially diminishing population and workforce. The paper also discusses issues that have arisen from the utilisation of foreign manpower, and ways that have been proposed to solve these issues. Some sticking points still remain. The paper ends with recommendations for information sharing and the effective implementation of policies by all stakeholders.*

### 1. INTRODUCTION

Singapore ranks as one of the countries with the highest proportions of foreigners in its population and among its workforce in the world. Foreigners (not counting those who have become citizens and permanent residents) make up over one third of its workforce, and over one quarter of its five million population in 2009. Over the years, the country has developed a rather elaborate system for managing the inflow and utilisation of foreigners to augment its potentially diminishing population and workforce.

This paper examines Singapore's system of managing its foreign manpower. It includes four main sections: 1) an overview of foreign workers in Singapore; 2) a review of Singapore's foreign manpower policy; 3) a discussion of the regulatory framework, processes and enforcement; and 4) an assessment of the issues that have arisen. The paper ends with a section on conclusions and recommendations.

### 2. OVERVIEW OF FOREIGN WORKERS IN SINGAPORE

Foreigners accounted for a substantial 35.2% of Singapore's workforce of 2.99 million in December 2009<sup>3</sup>. Over the last ten years (1999- 2009) the proportion of foreigners in Singapore's workforce increased from 30.1% to 35.2% (Table 1). Over this decade the absolute number of foreigners working in the country grew from 621,000 to more than one million. These figures do not include the growing number of foreigners who have obtained permanent resident (PR) status and citizenship in Singapore and are considered part of the local or resident workforce

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<sup>3</sup> Ministry of Manpower. Labour Market Report 2009 (released in Singapore on 15 March 2010). <http://www.mom.gov.sg/Home/MRSD/Documents/GLM/qlt1mr094.pdf> (accessed 16 March 2010).

**Table 1 Employment Trends by Residential Status 1998-2009 (as at end-Dec each year)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total	2,022.7	2,062.6	2,171.1	2,171.0	2,148.1	2,135.2	2,206.6	2,319.9	2,495.9	2,730.8	2,952.4	2,990.0
Local	1,399.6	1,441.3	1,499.7	1,501.0	1,520.4	1,535.3	1,585.2	1,648.7	1,739.6	1,830.0	1,894.7	1,936.5
Foreign	623.2	621.4	671.5	670.1	627.8	599.9	621.4	671.2	756.3	900.8	1,057.7	1,053.5
Foreign as % of Total	30.8	30.1	30.9	30.9	29.2	28.1	28.2	28.9	30.3	33.0	35.8	35.2

Notes: Numbers are in thousands. Locals comprise Singapore citizens and Permanent Residents.

Source: Figures for 2008 and earlier calculated from Employment Change, Labor Market 2008. Figures for 2009 are obtained from Labor Market 2009. Both sources are published by the Ministry of Manpower.

Nearly half of Singapore's foreign workforce in 2009 can be found in the services sector and about a quarter each in manufacturing and construction. Foreigners dominate the construction sector, with more than six of ten workers in the construction sector being a foreigner. In comparison, about half of the manufacturing workforce and about a quarter of service workers are foreigners.

Detailed information on the foreign workforce is not readily available in the public domain. This is because such information is considered highly sensitive. Reportedly, the vast majority of foreign workers are Work Permit (WP) holders, generally the less skilled with basic monthly salaries not exceeding S\$1,800. Numbering 856,000 persons, these WP holders constitute 81% of the foreign workforce. The remaining 197,000 or 19% are Employment Pass (EP) holders, generally professionals and highly qualified workers, and mid-level skilled workers on S Passes<sup>1</sup>. Reflecting the government's policy to recruit higher quality foreign workers, the proportions of EP and S Pass holders have increased slightly over the years with a corresponding decline in WP holders (more below).

Information on the occupational distribution of the foreign workforce is available only for 2000 based on the results of the 2000 Census of Population. Estimates from that census show that most foreigners (75%) work in three unskilled and semi-skilled occupations: cleaners, laborers and related workers; plant and machine operators and assemblers; and production, craftsmen and related workers categories (Table 2). About 12% of foreigners are senior officials, managers and professionals, while another 5% are associate professionals and technicians. Compared to the resident workforce, foreigners are more likely to work in less skilled occupations. It is likely that some of the foreigners at the top of the occupational spectrum have taken up permanent residency or citizenship and are not counted among the foreign workforce.

Given its geographical proximity, shared history and culture, Malaysia has traditionally been the primary source of migrant foreign workers in Singapore. However, in recent years the source countries for Singapore's foreign workforce have expanded to other countries in the Southeast Asian region, North and South Asia, and elsewhere. Estimates of the size of foreign population groups by nationality vary widely, depending on the source, and are probably not very reliable.

While there are illegal foreign workers in Singapore, the issue of illegal immigration is not as serious in Singapore as in some neighboring countries. The reason for this is that Singapore is a very small country with a relatively long coastline. Apprehensions of illegal workers can be made at border checkpoints or along the coastline. As a result of these factors, as well as strict enforcement by Singapore authorities, the number of illegal immigrants in Singapore has declined from more than 10,000 in 2001 to 1,800 in 2009<sup>2</sup>. Singapore also has some problems with over-stayers, that is, foreign workers who entered the country legally but did not leave the country after the expiration of their permits. In recent years, the number of over-stayers in Singapore has also declined, from 12,000 in the 1990s to 3,700 in 2009<sup>3</sup>.

Illegal deployment is an issue that can be distinguished from illegal immigration. It refers to the deployment of foreigners to jobs, sectors and employers other than the ones stated in the work pass. There are also workers who contravene the conditions of their social visit passes by working illegally. Within the country, the food and beverage and construction sectors appear to be the main users of illegal workers and immigrants. According to a recent report, "over the past three years,

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<sup>1</sup> Zakir Hussain, "Foreign worker levy should be raised", *The Straits Times* 2 February 2010, accessed 2 February 2010.

<sup>2</sup> Immigration and Checkpoints Authority Press Release 17 February 2005; Immigration and Checkpoints Authority Statistics 2009.

<sup>3</sup> Teh Joo Lin, "Broken dreams, tough life for overstayers", *The Straits Times* 2 August 2010.

**Table 2 Foreign and Resident Workforce (aged 15 and older) by Occupation, 2000**

	Foreign Workforce*		Resident Workforce	
	Number	Per cent	Number	Per cent
Total	612,233	100.0	1,482,579	100.0
Senior Officials and Managers	37,455	6.1	211,835	14.3
Professionals	36,334	5.9	150,265	10.1
Associate Professionals and Technicians	29,699	4.9	283,361	19.1
Clerical Workers	17,884	2.9	213,588	14.4
Sales and Service Workers	28,963	4.7	182,966	12.3
Agricultural and Fishery Workers	292	0.0	1,158	0.1
Production, Craftsmen and Related Workers	159,690	26.1	106,753	7.2
Plant and Machine Operators and Assemblers	66,482	10.9	178,752	12.1
Cleaners, Laborers and Related Workers	234,881	38.4	101,149	6.8
Workers Not Elsewhere Classified	553	0.1	52,752	3.6

Source: Census of Population 2000 Statistical Release

Note: \* computed by taking the difference between total and resident workforce.

about 0.1% of the foreign workforce has been involved in illegal deployment cases each year ... (and) an average of 190 errant employers was convicted for illegal deployment”<sup>1</sup>.

Given the size of Singapore’s foreign workforce today, it is difficult to imagine that the country once aspired to achieve a totally Singaporean workforce. In the early 1990s Singapore’s leaders warned of an over-reliance on cheap unskilled foreign workers and its impact on Singapore society<sup>2</sup>. However, since that time the number and share of foreigners in Singapore’s workforce have grown dramatically, and especially in the last five years. The next section looks at Singapore’s foreign manpower policy, the factors that drive this policy, as well as the process and enforcement aspects.

### 3. SINGAPORE’S FOREIGN MANPOWER POLICY

#### Overview

Singapore adopts a two-pronged policy with regard to migrant foreign workers, one for the less skilled, and another for skilled and professional workers and entrepreneurs/investors. The country has always welcomed the latter category of foreigners (skilled and professional migrants), whom it believed could make an important economic contribution to the country. Skilled migrants are allowed, and in fact encouraged, to sink their roots in Singapore and become permanent citizens. On the other hand, the lower skilled are viewed as guest workers who are allowed to work in the country under stringent conditions and expected to be repatriated after their jobs have been completed or their contracts terminated. Unskilled workers cannot bring their families or sink their roots into the country -- or at least not until they have upgraded their skills to a level that qualify them for permanent resident status<sup>3</sup>.

Migrant workers were initially thought of as a temporary solution to a situation of labor shortages in Singapore and as a kind of buffer that could ameliorate the impact of changes in labor demand due to economic cycles<sup>4</sup>. As elsewhere, however, migrant workers have become a permanent feature of the Singapore landscape, with the recognition from the mid-1980s onwards that foreigners, both professionals and the less qualified, were needed to augment the domestic workforce. The Economic Committee appointed by the government in 1985 to study the causes of Singapore’s first recession recognised that it was unrealistic for Singapore to be rid of unskilled workers and recommended that they be allowed in on a “revolving” basis while efforts should be made to retain skilled workers.<sup>5</sup> The view since then, as articulated by various government ministers and committees, has been that any manpower constraint would hobble economic growth and cause businesses to relocate elsewhere, thereby dampening job opportunities and lowering the standard of living for Singaporeans<sup>6</sup>. As economic growth became more volatile in the first half of the 2000s decade (Figure 1), Singapore’s leaders have decided to take advantage of all opportunities for growth and thus have allowed a sharp increase in the number of migrant workers.

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<sup>1</sup> Hawazi Daipi, “Illegal employment of foreign workers”, Oral answers to questions, 26 April 2010.

<sup>2</sup> Pang Eng Fong, Tan Chwee Huat, and Cheng Soo May, “The Management of People” in *Management of Success; the moulding of modern Singapore*, ed. Kernal Singh Sandhu and Paul Wheatley (Singapore: ISEAS, 1989), 128-143.

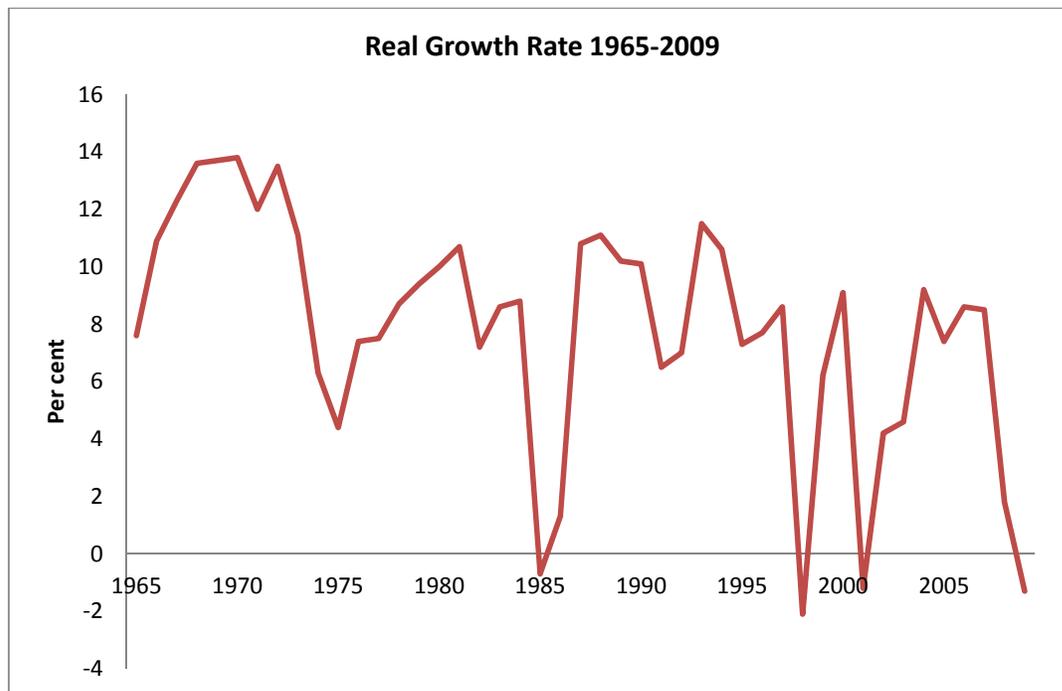
<sup>3</sup> Examples of former Work Permit holders who have achieved citizenship include a former Malaysian who has little formal education but has since become a stylist to local and international stars, and a former Indian and former Bangladeshi who upgraded their skills while in Singapore. The number of foreigners who have similarly achieved status change is not known.

<sup>4</sup> Pang and Lim 1982; Pang, Tan and Cheng 1989; Hui, Weng Tat, “Foreign Manpower Policy in Singapore” in *Singapore Economy in the 21<sup>st</sup> Century; Issues and Strategies*, ed. Koh Ai Tee, Lim Kim Lian, Hui Weng Tat, Bhanoji Rao and Chng Meng Kng (Singapore: McGraw-Hill Education), 29-50.

<sup>5</sup> Ministry of Trade and Industry, Report of the Economic Committee, *The Singapore Economy: New Directions*, February 1986,

<sup>6</sup> The most recent iteration of this is Prime Minister Lee Hsien Loong’s National Day Rally speech delivered on 29 August 2010.

**Figure 1: Singapore's Economic Growth Rate**



Source: Singapore Department of Statistics. Time Series on GDP at 2005 Market Prices and Real Economic Growth Rate

However, in more recent years there has been a growing recognition that the rate of growth of the foreign population in Singapore is not sustainable. The current view, following the recommendation of the Economic Strategies Committee (ESC) appointed in the aftermath of the 2008-2009 recession, is to maintain the share of the foreign workforce at about one third of the total workforce and to not let this share grow significantly over the long term<sup>7</sup>. This one-third share is not an absolute limit so that businesses have the flexibility to hire more foreigners when needed to take advantage of growth opportunities (see below). The new foreign workers are also supposed to be of a higher quality than those in the past<sup>8</sup>. Employers are urged to invest in training their foreign workers along with their local employees so as to raise their productivity levels<sup>9</sup>.

### **Drivers underlying Singapore's foreign manpower policy**

Economics has always been the main driver of Singapore's foreign manpower policy. This is still the case today. As mentioned above, since the early 2000s, the government's strategy has been to maximise growth in good economic times. This growth has been fuelled mainly by increasing the workforce through importing more foreign workers, because domestic population growth in Singapore has slowed due to low, below-replacement fertility. Although probably unfair, this growth strategy has been referred to by critics as a "maximise growth at any cost" strategy. Notably, even during the global economic crisis in 2008-2009 and growing complaints of competition and the rising cost of living, Singapore's leaders continued to maintain that the country needed to remain open to

<sup>7</sup> Economic Strategies Committee, Report of the Economic Strategies Committee, High Skilled People, Innovative Economy, Distinctive Global City, February 2010, p 7, para 30. Available online at <http://www.esc.gov.sg/attachments/ESC%20Report.pdf>.

<sup>8</sup> Janice Heng, "Foreign worker influx is good", The Straits Times 21 July 2010.

<sup>9</sup> Economic Strategies Committee 2010.

foreigners to remain globally competitive.<sup>10</sup> The social impact concerns raised earlier appeared to have taken a backseat.

Nevertheless, in an apparent acknowledgement of the disquiet felt among Singaporeans about the large foreign presence in the country, Prime Minister Lee Hsien Loong, announced in August 2009 that the government would slow the pace of its intake of foreign workers. This was the first such announcement since the 1980s. In recent years Singaporeans have complained about the negative aspects of the influx of foreign migrant workers, including competition for jobs, housing and school places, as well as the lack of basic English skills among frontline service personnel. As mentioned above, while the move now is to slow down the pace of the intake of foreign workers, foreign workers will continue to make up about 30% of the workforce. In the meantime, the government has also sharpened differences in the educational and healthcare subsidies and other benefits available to citizens and permanent residents. This is in addition to the differentiation already made between citizens and permanent residents on the one hand, and foreigners on the other. Specifically, the cost of services provided to permanent residents has been raised in what has been dubbed a “citizens first” policy.

Demography is another factor that has driven Singapore’s foreign manpower policy. While too rapid population growth, in particular, the high fertility level, was considered detrimental to Singapore’s development effort at the time of independence, the country has experienced more than thirty years of below-replacement and declining fertility rates. The cumulative impact of these forces is among the most important factors accounting for Singapore’s aggressive drive to increase immigration to “top up” its population and augment its workforce. While Singaporeans have been provided with financial and other support measures to form families and have more children, this effort has yielded little positive results. Since 2003 the total fertility rate in Singapore has been below 1.3 births per woman.<sup>11</sup> Migrant workers and new immigrants are justified as necessary to make up for the shortfall of births and for continued economic growth and prosperity. Without immigration, Singapore’s population is projected to begin declining in 2020<sup>12</sup>.

Another aspect of Singapore’s demography is the multi-ethnic composition of its population, comprising Chinese, Malays, Indians and “Others”. This is the result of its history of immigration<sup>13</sup>. In order not to upset the existing ethnic balance, migrant workers were initially restricted to sources that reflected the ethnic origins of the original population. However, with globalisation and the growing need for talent, this focus on ethnicity has been relaxed somewhat, and the proportions of Indians and “Others” among the resident population have increased<sup>14</sup>. Issues of ethnicity remain a sensitive issue in Singapore as seen by the fact that Malay community leaders have recently expressed concern about the declining share of Malays in the resident population<sup>15</sup>. This decline, it may be noted, is partly due to recent fertility declines among Malays to below the replacement level.

## **Regulatory Framework**

The management of the recruitment and use of foreign manpower in Singapore is governed by the Immigration Act, the Employment of Foreign Manpower Act (EFMA) and the Employment

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<sup>10</sup> Aaron Low, “Does restricting foreign talent help Singaporeans?”, *The Straits Times* 28 February 2009; Peh Shing Huei, “Foreign talent vital to S’pore’s progress”, *The Straits Times* 8 March 2009; Chuang Pek Meng, “S’pore needs skilled foreigners to grow and must continue welcoming them: SM”, *Business Times* 23 October 2008; Kor Kian Beng, “S’pore has to be open to globalisation”, *The Straits Times* 18 October 2008).

<sup>11</sup> Yap, Mui Teng, “Ultra-low fertility in Singapore: Some observations”, in *Ultra-low Fertility in Pacific Asia: Trends, causes and policy issues*, ed. Gavin Jones, Paulin Tay Straughan and Angelique Chan. Abingdon, Oxon: Routledge, 2009, 160-180.

<sup>12</sup> Wong Kan Seng, DPM’s Speech on Population at the Committee of Supply, 5 February 2009.

<sup>13</sup> For a description, see P. Arumainathan, Report on the Census of Population 1970, vol 1, Singapore: Department of Statistics, chapter 5, 31-40.

<sup>14</sup> Singapore Department of Statistics. Census of Population 2010 Advance Census Release. August 2010. Available at <http://www.singstat.gov.sg/pubn/census2010.html>.

<sup>15</sup> Zakir Hussain, “Malay leaders worry about numbers”, *The Straits Times*, 2 September 2010.

Agencies (EA) Act. These three acts regulate the entry and exit of foreigners and spell out the rights and obligations of employers and migrant workers and those of the employment agencies involved in the recruitment of migrant workers<sup>16</sup>.

Immigration control is the purview of the Immigration and Checkpoints Authority (ICA), which is a division of the Ministry of Home Affairs (MHA). Immigration permits are issued by ICA which also conducts checks on immigration offenders, that is those who have entered the country without the relevant passes and permits or who have overstayed their immigration permit. The ICA works closely with two other divisions in the MHA, the Singapore Police Force (SPF) and the Police Coast Guard (PCG) in its enforcement of Singapore's immigration laws. It also works closely with the Ministry of Manpower (MOM) in the detection and prosecution of the illegal immigrants and over-stayers and those who employ or harbour immigration offenders.

The Immigration Act provides that if an immigration offender is found at a work place, the "occupier" of the work place shall be presumed to have permitted the immigration offender to enter or remain there and to have knowledge that he is an immigration offender. The Act provides for penalties including heavy fines and/or imprisonment for anyone who knowingly shelters an immigration offender. Landlords and employers are required to check the authenticity of their potential tenants and employees' passes. Housing agents are also liable for their roles as intermediaries.

Regulation of the employment of foreigners in Singapore, including the rights and obligations of employers, intermediaries and the migrant workers themselves, falls under the Ministry of Manpower (MOM). MOM issues work passes and enforces the regulations spelled out in the EFMA and its schedules of work pass conditions, including overseeing the wellbeing of migrant workers while they are in Singapore. It also regulates employment agencies involved in the recruitment of foreign workers into the country, as set out in the Employment Agencies Act and its schedule of rules and licensing conditions. MOM also works with other agencies in Singapore including the housing, physical planning and environmental authorities, the labor movement, non-governmental welfare organisations, and embassies of the sending countries in carrying out its work.

Work passes are a key instrument for regulating the employment of foreigners in Singapore. The EFMA requires foreigners who wish to work in Singapore to possess work passes issued by MOM's Work Pass Division (Table 3, next page). The three main types of work passes are the Employment Pass (EP), Work Permit (WP) and S Pass.

### **Employment Pass (EP)**

EPs are issued to foreign professionals, specialists, middle management and highly qualified foreigners. They may be issued with P1, P2 or Q1 Passes, depending on their basic monthly salary, qualifications, skills and experience (Table 4).

As with all work passes, employers are required to apply for EPs on behalf of the foreigners they wish to employ and the passes issued are specific to the employer and the foreigner. Should the EP holder change job, the new employer will have to apply for a new pass on his/her behalf. An EP holder must leave the country upon expiration of his/her contract or EP unless issued with a Personalised Employment Pass (PEP) which allows the holder to remain in Singapore for up to six months to look for a job. PEP applicants must have been P or Q1 Pass holders with some years of work experience in Singapore or foreigners with salaries that qualify for a P1 Pass. PEPs are valid for five years and are non-renewable. PEP holders enjoy the privileges provided by their previously held status and are subject to a minimum annual salary requirement of S\$30,000 (i.e. at least S\$2,500 per

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<sup>16</sup> Selected categories of migrant workers are also covered by legislations that govern the employment of local workers, such as the Employment Act and the Workmen's Compensation Act.

month, the minimum salary that qualifies them for an EP). The purpose of the PEP is to facilitate Singapore's quest to attract and retain foreign talent.

There is no ceiling on the number of EP holders that a company may employ, nor is there any restriction on the source countries that they may come from. Employers are also not required to pay a foreign worker levy for the EP holders they employ.

### **Work Permit (WP)**

Foreigners who command monthly salaries of no more than S\$1,800 (generally the low-skilled and mid-skilled workers) can be brought in to Singapore to work under the WP or R Pass<sup>17</sup>. Access to such workers is, however, restricted to sectors that have difficulties recruiting Singaporean workers, specifically, the construction, manufacturing, marine, process and services sectors (Table 5). Dependency ceilings, specifying the ratio of foreign to local workers that a firm may employ, vary by sector depending largely on the difficulty of attracting local workers. There is also source country restriction for better integration of the foreigners (Table 6).

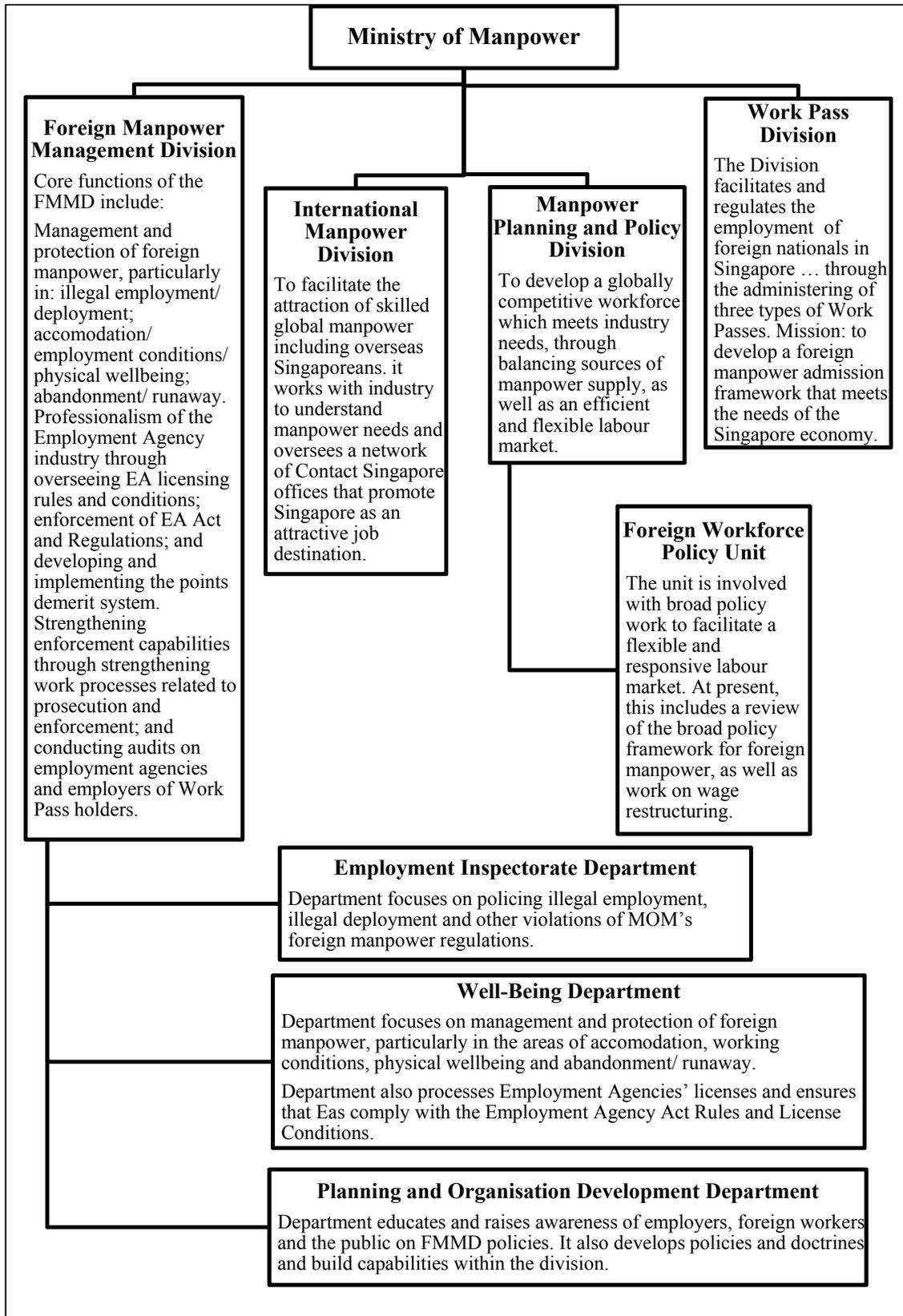
Employers are required to pay a foreign worker levy for each WP holder hired. The levy acts as a price mechanism to regulate the demand for such workers who, because of their willingness to accept lower wages, could out-compete local workers in terms of cost to employers. The levy payable depends on the worker's skills level and the industry sector where he/she is deployed. From July 2010, the levy will be raised in stages (Table 7) to encourage companies to reduce reliance on such workers and invest instead in boosting skills and productivity<sup>18</sup>.

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<sup>17</sup> The current salary ceiling was adopted in 2004 when the S Pass was introduced.

<sup>18</sup> Tharman Shanmugaratnam, "Budget Speech 2010 Towards an Advanced Economy: Superior Skills, Quality Jobs, Higher Incomes", Accessed [http://www.mof.gov.sg/budget\\_2010/speech\\_toc/download/FY2010\\_Budget\\_Statement.pdf](http://www.mof.gov.sg/budget_2010/speech_toc/download/FY2010_Budget_Statement.pdf) 050510.

**Table 3: Divisions in Ministry of Manpower involved in Foreign Manpower Matters**



Source: MOM website.

**Table 4 Types of Passes, Eligibility and Benefits**

Type of Pass	Criterion and Restrictions	Salary Range(1)	Dependent Pass	Long Term Social Visit Pass
<b><u>1. P Pass</u></b>				
a. P1 Pass	<ul style="list-style-type: none"> <li>▪ For professionals, managers, executives and specialists.</li> </ul>	Basic salary >\$7000	Eligible	Eligible
b. P2 Pass	<ul style="list-style-type: none"> <li>▪ For professionals, managers, executives and specialists.</li> </ul>	Basic salary >\$3500	Eligible	Eligible
<b><u>2. Q Pass</u></b>				
a. Q1 Pass	<ul style="list-style-type: none"> <li>▪ For those who possess recognize qualifications or skills and years of experience.</li> </ul>	Basic salary >\$2500	Eligible	Not eligible
<b><u>3. S Pass</u></b>	<ul style="list-style-type: none"> <li>• For middle level skilled manpower.</li> </ul>	Basic salary $\geq$ \$1800	Basic salary $\geq$ \$2500 eligible	Not eligible
<b><u>4. R Pass (Work Permit)</u></b>				
a. R Pass	<ul style="list-style-type: none"> <li>▪ Foreign workers who do not qualify for S Passes</li> <li>• Source country restrictions apply</li> <li>• Companies employing R pass holders subject to levy &amp; dependency ceiling.</li> </ul>	Basic salary $\leq$ \$1800	Children of WP Holders who wish to study in Singapore national schools must pass a qualifying test.	Not eligible
b. R Pass (FDW)	<ul style="list-style-type: none"> <li>• For FDWs who wish to work in Singapore households.</li> </ul>		Not eligible	Not eligible

Source: Ministry of Manpower website [www.mom.gov.sg](http://www.mom.gov.sg)

(1) With effect from 1 July 2011, the minimum salaries will be raised to S\$8000 for P1 Pass, S\$4000 for P2 Pass, S\$2800 for Q1 Pass and S\$2000 for S Pass.

Employers are also required to post an S\$5,000 security deposit for each non-Malaysian foreign worker hired. The deposit will be refunded upon the cancellation of the Work Permit and repatriation of the foreign worker. From January 2010, only half of the security deposit would be forfeited if the employer had made “reasonable” effort in locating their foreign workers who have absconded. Foreigners without a Work Permit are prohibited from entering or remaining at the work place and will be repatriated upon settlement of all outstanding wages or monies. The “occupier” of the work place is presumed to know about the presence of such persons and subject to penalty for contravention. In fact any foreigner found on any premises (including dormitories) is presumed to be employed by the occupier of the premises unless proven otherwise. This is to stem the problem of illegal employment.

Under the conditions of the WP, the foreign worker may only work for the employer specified in the permit. Moreover, the worker may not be deployed in jobs or sectors other than that specified in the Work Permit. This is to prevent exploitation of the foreign worker. Any breach of these conditions constitutes illegal employment. Employer responsibility also includes providing safe working conditions and prompt payment of salary, and in general making sure that the provisions of the Employment Act<sup>19</sup> are complied with. However, foreign domestic workers (FDWs), like their local counterparts, are not covered by the Act.

Employers are also responsible for their WP holders’ upkeep and well-being, including providing appropriate medical care and accommodation. Medical insurance coverage has been raised from \$5,000 when it was first introduced in 2008 to \$15,000 in January 2010. WP holders are also entitled to compensation for injuries sustained in the course of their job under the Workmen’s Compensation Act. Employers are also to maintain a register of the addresses of their foreign workers and report changes to MOM.

WP holders are not allowed to bring their family with them on Dependant’s or Long Term Visit passes. However, the children of WP holders are allowed to study in Singapore national schools if they pass the qualifying tests. The conditions of Work Permit also prohibit marriage between WP holders and Singapore citizens or permanent residents without the prior approval of the Controller of Work Permits. Failure to do so would result in repatriation and a non-permanent ban on re-entering Singapore. Foreign domestic workers may not become pregnant or deliver a child while employed in Singapore.

### **S Pass**

S Passes are issued to foreigners classified as mid-level skilled workers. Based on a points system, applicants are assessed according to a range of factors such as their qualifications, skills, employment type, work experience, and a basic monthly salary of at least S\$1,800. In 2009, the educational qualification for eligibility for an S Pass was raised from upper secondary or a diploma to a degree or diploma in line with the government’s policy to raise the quality of the workforce and also as a response to concerns that a liberal S Pass policy could take away job opportunities for qualified Singaporeans who were facing prospects of retrenchment and job loss<sup>20</sup>.

There is a quota on the number of S Pass holders that a company may employ, which is currently at 25% of total workforce. The S Passes granted are part of the quota of the company’s total WPs. Employers pay a foreign worker levy though at a much lower rate than for WP holders they employ. They must also purchase medical insurance for their S Pass employees.

S Pass applicants with fixed monthly salaries of more than S\$2,500 a month (the equivalent of a Q Pass) may apply for Dependant’s Passes for their family members.

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<sup>19</sup> The Employment Act covers the basic terms and working conditions of all employees in Singapore except those employed in managerial, executive or confidential positions earning above S\$2,500 per month, seamen and domestic workers.

<sup>20</sup> Aaron Low, “Stricter criteria for semi-skilled foreigners”, *The Straits Times* 14 February 2009.

S Pass holders who earn less than this amount are not allowed to bring their dependants with them. The children of S Pass holders may, as with the children of R Pass holders, study in mainstream public schools in Singapore if they passed the relevant tests.

### **Other Passes**

In addition to the above, a range of other passes also allow foreigners to work in Singapore for various durations. The *EntrePass* is issued to foreign entrepreneurs interested in setting up businesses in Singapore and intending to be involved in the daily operation of the business. EntrePasses fall into two categories, namely P and Q Passes, and holders are accorded privileges similar to those of EP holders. *Short Term Employment Passes* allow the entry of foreigners who are working on certain projects or assignments. *Student Pass* holders are permitted to work without the need to apply for a work pass, but within certain stipulations. Foreign students from selected schools or academic institutions are permitted to take on full-time employment during their school vacation or part-time employment during the school term. Those awaiting their examination results may also take up employment provided they are able to attain permission from the Controller of Work Permits to do so. *Dependent's Pass* holders are allowed to work so long as a Letter of Consent has been granted by the Ministry of Manpower, but dependants of S Pass holders are required to apply for work passes. *Long Term Social Visit Pass* holders are only allowed to work if they are similarly successful in obtaining the relevant work passes.

The procedures for acquiring work passes are as follows. In general, an employer, either on his own or with the assistance of an employment agency, identifies suitable candidates, and then makes an application to MOM's Work Pass Division. If the application is approved, an In-Principle Approval letter would be issued. The issuance of the actual work pass takes place only after requirements, such as the furnishing of the security deposit and proof of medical insurance by employers, and the foreign worker passing of the requisite tests (including medical examination by a doctor in Singapore), have been completed. Failure to pass the tests could result in repatriation.

Enforcement of Singapore's foreign workers regulations post-entry is carried out by the FMMD (see Table 3, page 232). Its Enforcement Inspectorate works with other enforcement agencies in policing violations of MOM's foreign manpower regulations<sup>21</sup>. It carries out checks on illegal employment, illegal deployment of foreign workers to jobs or employers other than the one stated on their Work Permits and other violations of the Ministry's regulations. The Well-Being Department focuses on the management and protection of foreign manpower in the areas of accommodation, working conditions, physical well-being as well as abandonment and abscondment. The FMMD works closely with other divisions in MOM such as Occupational Safety and Health Division, Labor Relations and Workplaces Division to ensure that worker safety and other workplace conditions are met. The department also processes Employment Agencies' licences and ensures that these comply with the Employment Agency Act and its accompanying rules and conditions.

Regulation of employment agencies which are an integral part of the management of the deployment of foreigners in Singapore fall under MOM's FMMD (see Table 3, page 232). These agencies are subject to the Employment Agencies (EA) Act and its subsidiary legislation which require that they be licensed and furnish a security deposit with the government. Violation of the Employment Agency licensing conditions could result in the revocation of the license and forfeiture of the security deposit. From April 2011, fines and prison terms for errant and unlicensed employment agencies will be raised. It will also be an offence for employers to use the services of unlicensed agencies and for licensed agencies to make employment-related applications on behalf of unlicensed ones. A newly created Commissioner for Employment Agencies will have the power to suspend and reinstate EAs. Measures are also introduced to improve the professionalism and accountability of EAs. EAs placing foreign workers and foreign domestic workers FDWs will also be subject to certain minimum service standards pertaining to their relationship with employers. Beyond

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<sup>21</sup> MOM website.

these, MOM encourages EAs to evolve and adopt higher standards and best practices and it will work with the industry to develop a new accreditation scheme. MOM will remove the caps on fees charged to employers. The agency fees charged to workers, however, may not exceed one month's salary for each year of contract, subject to a maximum of two months' salary. EAs will have to refund 50% of the fees charged to the worker if the contract is terminated by the employers within six months; no refund will be made if the worker absconds or terminates the contract prematurely. EAs will be required to issue receipts to workers for all monetary transactions.

### Issues and Assessment

Overall, Singapore's foreign manpower policy has evolved, from one of using foreign manpower, particularly lower-skilled and unskilled foreign workers, as a stop-gap measure to acknowledgement of their place as an integral part of the Singapore workforce. Unfortunately, few studies have been done examining the contribution that these foreign workers have made to GDP growth in Singapore. However, many commentators, including economists, have acknowledged that foreign labor has enabled Singapore to grow beyond its potential<sup>22</sup>.

One question that is frequently asked is whether the deployment of low-cost migrant workers has depressed the wages of lower-income Singaporeans. According to the economist Manu Bhaskaran, "(T)he problem is not that one group of people is seeing slower growth of income compared to another group. What is worrying is (that) there is a group of people in Singapore, and quite a large one, whose real income has actually fallen in the last few years. And this is much more worrying than just saying the (income) gap has widened"<sup>23</sup>. For its part, the government has argued that migrants have helped Singapore grow and created more jobs for Singaporeans, and that Singaporeans' wages grew over the period 2006-2008 when the foreign workforce was growing most rapidly<sup>24</sup>.

It is too early to assess the effectiveness of the recently announced drive to reduce dependency on migrant workers, particularly the low-skilled ones, and to increase productivity with higher quality locals and foreigners. This drive is perhaps as much a political move as an economic one following the growing discomfort of Singaporeans regarding the influx of foreigners into their country. According to a paper published by DBS (Development Bank of Singapore) Research Group, a key determinant will be the elasticity of demand for such labor. The group was of the opinion that "it is not easy to replace low skilled foreign workers with higher skilled local workers (since) these are jobs which Singaporeans shun in the first place", although it also added that "some level of substitution is possible in the mid-skilled category"<sup>25</sup>.

There is an apparent "mismatch" or difference in expectations on the parts of Singaporean employers and workers. Employers charge that local workers are too picky and turn their backs on jobs requiring shift and weekend work and that they avoid working in the retail sector because they believe that this sector is only for those who cannot find jobs elsewhere. Employers also claim that local workers have turned down job offers when the wages offered were below what was deemed a "living wage." While professing to prefer local workers if they are available, employers have also noted that foreigners are more willing to put in extra hours and have better service attitudes<sup>26</sup>.

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<sup>22</sup> See, for example, Hui Weng Tat, "Foreign Manpower Policy in Singapore", in *Singapore Economy in the 21<sup>st</sup> Century: Issues and Strategies*, ed. Koh Ai Tee et al. (Singapore: McGraw-Hill, 2002), 29-50; Tan Kong Yam and his colleagues at the Ministry of Trade and Industry estimated that foreign talent contributed 37% and foreign workers about 4% to quarterly GDP growth over the period 1990-2000 (see Has foreign talent contributed to Singapore's economic growth? An empirical assessment, 2002).

<sup>23</sup> Manu Bhaskaran, "Singapore Economy: Medium-Term Outlook" in *Singapore Perspectives 2007; A New Singapore* ed. by Tan Tarn How, Singapore: IPS and World Scientific, 2007, p 40.

<sup>24</sup> Tharman Shanmugaratnam, Budget Debate Roundup Speech 2010, paraC7 p 18, [http://www.mof.gov.sg/budget\\_2010/download/FY2010\\_Budget\\_Debate\\_Round\\_Up\\_Speech.pdf](http://www.mof.gov.sg/budget_2010/download/FY2010_Budget_Debate_Round_Up_Speech.pdf), accessed 14 April 2010.

<sup>25</sup> DBS Research Group, Singapore: The economics of the Foreign Worker Levy Hike, 17 March 2010.

<sup>26</sup> Cassandra Chew, "Foreign workers not cheaper", *The Straits Times* 5 September 2010, accessed 4 September 2010 (US).

Because of its low birth rate, there are also real limits to expanding the domestic supply of labor in Singapore. Delaying retirement has been proposed as one way to increase the domestic labor supply. In this regard, the government has said that it will introduce re-employment legislation in 2012 to require employers to offer opportunities for re-employment to their staff who have reached the current retirement age of 62 years. The extension will be to age 65 in the first instance, with possible future extension to age 67. More employers have reportedly already begun offering re-employment to their older workers ahead of the proposed legislation<sup>27</sup>. Attracting the return of women who have left the workforce for domestic responsibilities has also been suggested. However, encouraging the return of women to the workplace seems to be left to the National Trades Union movement, in particular its Women's Development Secretariat. Programs have been instituted to equip women to return to the workforce. However, these programs lack the legislative support of the initiative on older workers. A question that may be asked is whether these older workers and women are substitutes for the foreign workers hired. They are unlikely, for example, to be able to replace migrant workers in the construction and marine sectors.

In Singapore levies and dependency ceilings have been used to control the number of foreign workers (Table 5 and Table 6 next page). However, these levies and dependency ceilings have had to be revised upwards many times over the years, suggesting that either they have not been effective or not set at sufficiently high levels. The use of levies has been argued as affording greater flexibility than the use of dependency ceilings alone, because employers who need more foreign workers are able to get them by paying the higher levy. This is also preferred to a tender system which provides less certainty to employers. It is seen as a better way to allocate labor<sup>28</sup>.

As noted earlier, the management of foreign manpower in Singapore involves multiple government agencies besides the Ministry of Manpower. As is the practice with other multi-dimensional national issues, an inter-ministerial committee was set up in 2009 to oversee foreign worker issues. It is not possible to know the relationship between agencies or how issues are resolved because such information is not publicly available. Discussions are typically carried out behind closed doors and not publicly accessible. Generally, it can be assumed that they work towards cohesion and social harmony for the economic prosperity of the nation. An example of co-operation is the arrangement between MOM and ICA whereby migrant workers with outstanding issues who are being forcibly sent home by their employers will be able to inform immigration officers at the point of departure of their situation. In such instances, the worker will not be sent home but will instead be referred to MOM for assistance<sup>29</sup>.

The recent influx of foreigners and the apparent inadequacy of infrastructure to meet the needs of the population (resulting in complaints of overcrowding and rising costs) appear to signal a lack of coordination between agencies. However, it has also been argued that the influx had not been anticipated and thus was not provided for in physical planning<sup>30</sup>. This was due partly to the speed with which the government has had to respond to the heightened demand for workers during the years of high economic growth. Another reason given was that the government decided to take advantage of the surge in applications for permanent residency in the aftermath of the 2008-2009 economic crisis to augment the population, arguing that it has not always been easy to attract immigrants.

Over the years, the government has made various responses to the concerns of the Singaporean public. It has acted on the concerns raised over municipal and law and order issues arising mainly from the weekend gatherings of foreign workers at certain locations by raising police and voluntary vigilance and encouraging responsible behaviour. In response to residents' concerns about locating a foreign workers' dormitory in a middle class residential neighbourhood, the

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<sup>27</sup> Amanda Lee, "64% rehiring older workers", *The Straits Times* 6 August 2010.

<sup>28</sup> Alicia Wong, "Quota cut and thrust", *Today* online 3 March 2010.

<sup>29</sup> Hawazi Daipi, Parliament 13 February 2009.

<sup>30</sup> Zaini Hassan, "Take rational approach to problems: SM Goh", *The Straits Times* 7 September 2010.

**Table 5 Approved Sectors, Levies and Dependency Ceilings by Sector (before July 2010)**

Sector	Dependency Ceiling (DC)	Category of Foreign Worker	Levy Rate (\$)	
			Monthly	Daily
Manufacturing	Up to 40% of the total workforce	Skilled	150	5
		Unskilled	240	8
	Above 40% to 55% of the total workforce	Skilled	150	5
		Unskilled	280	10
	Above 55% to 65% of the total workforce	*Skilled/Unskilled	450	15
	Construction	1 local full-time worker to 7 foreign workers	Skilled	150
****Experienced & exempted from MYE			300	10
Unskilled			470	16
Marine	1 local full-time worker to 5 foreign workers	Skilled	150	5
		Unskilled	295	10
Process	1 local full-time worker to 7 foreign workers	Skilled	150	5
		****Experienced & exempted from MYE	300	10
		Unskilled	300	10
Services	Up to 30% of the total workforce	Skilled	150	5
		Unskilled	240	8
	Above 30% to 40% of the total workforce	*Skilled/Unskilled	280	10
	Above 40% to 50% of the total workforce	*Skilled/Unskilled	450	15
Domestic Worker	NA	Normal rate	265	9
		**Concessionary rate	170	6
S Pass Holder	***25% of the total workforce	Skilled	50	2

**Notes:** \*[Skilled workers](#) belonging to the categories of above 55% to 65% of the total workforce in the Manufacturing Sector and above 30% to 50% of the total workforce in the Service Sector are not eligible for the skilled levy rates.

\*\*An employer of a Foreign Domestic Worker (FDW) is eligible for low levy for each FDW if he/she satisfies Conditions A, B, C or D below at the time of application for levy concession: (A) (i) the employer or spouse has a child/grandchild who is a Singapore Citizen below 12 years old; or (B) (i) the employer or co-residing spouse is a Singapore Citizen who is aged 65 years old or above; or (ii) the employer or spouse is a Singapore Citizen and the other party is a Singapore Permanent Resident aged 65 years old or above, and both are living together at the same registered address as in NRIC; or (C)(i) the employer or spouse has a parent, parent-in-law, grandparent or grandparent-in-law who is a Singapore Citizen aged 65 years old or above, and is living with him/her at the same registered address as in NRIC; or (ii) the employer or spouse is a Singapore Citizen and has a parent, parent-in-law or grandparent or grandparent-in-law who is a Singapore Permanent Resident aged 65 years old or above, and is living with him/her at the same registered address as in NRIC or (D) (i) With effect from 15 September 2007, the FDW levy concession will be extended to FDW's employers with disability or who have family members with disability and require a full-time caregiver's assistance in Activities of Daily Living. For more information on the eligibility criteria and application procedures, please visit the [Centre of Enabled Living \(CEL\)](#) .

For each condition that is satisfied, the employer is eligible for levy concession for one FDW. However, each household is only eligible for levy concession for a total of two FDWs at any one time. \*\*\* For all sectors, S Passes' Dependency Ceiling (DC) of 25% will be counted within the Work Permits' DC.

\*\*\*\* The monthly levy rate of \$300 only applies to [Non-Traditional Sources \(NTS\)](#) or [People's Republic of China \(PRC\)](#) workers in the construction and process industries, who have been exempted from the requirement of Man-Year Entitlements (MYEs). To be exempted from MYE, the foreign worker must have at least two years' working experience in his respective industry and his employer has applied for a Work Permit without any Prior Approval support. Source: Ministry of Manpower website "Foreign Worker Levy Rates"  
[http://www.mom.gov.sg/publish/momportal/en/communities/work\\_pass/work\\_permit/application/requirements/foreign\\_worker\\_levy.html](http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/work_permit/application/requirements/foreign_worker_levy.html)

**Table 6 Foreign Worker Levies and Dependency Ceilings 2010-2012**

Sector	Dependency Ceiling (DC)	Worker Category	Monthly Levy Rate (\$)
Manufacturing	Basic Tier / Tier 1: Up to 35% of total workforce	Skilled	160
		Unskilled	260
	Tier 2: above 35% to 55% of total workforce	Skilled	180
		Unskilled	280
	Tier 3: above 55% to 65% of total workforce	Skilled(1)	450
		Unskilled(1)	450
Construction	1 local full-time worker to 7 foreign workers	Skilled and on MYE(2)	160
		Experienced & exempted from MYE(3)	310
		Unskilled	470
Marine	1 local full-time worker to 5 foreign workers	Skilled	160
		Unskilled	300
Process	1 local full-time to 7 foreign workers	Skilled and on MYE(2)	160
		Experienced and exempted from MYE(3)	310
		Unskilled	300
Services	Basic Tier / Tier 1: Up to 25% of total workforce	Skilled	160
		Unskilled	260
	Tier 2: above 25% to 40% of total workforce	Skilled	300
		Unskilled(1)	300

Sector	Dependency Ceiling (DC)	Worker Category	Monthly Levy Rate (\$)
	Tier 3: above 40% to 50% of total workforce	Skilled	450
		Unskilled	450

Notes:

- (1) Skilled workers belonging to the categories of above 55% to 65% of the total workforce in the Manufacturing sector and above 25% to 50% of the total workforce in the Services sector are not eligible for the skilled levy rates.
- (2) The MYE allocation quota for Construction and Process sectors will be reduced by 5%.
- (3) The monthly levy rate of \$310 only applies to Non-Traditional Sources (NTS) or People's Republic of China (PRC) workers in the Construction and Process industries, who have been exempted from the requirement of Man-Year Entitlements (MYEs). To be exempted from MYE, the foreign workers must have at least two years' working experience in his respective industry and his employer has applied for a Work Permit without any Prior Approval support.

### S Pass Levies

Sector	Dependency Ceiling (DC)	Worker Category	Monthly Levy Rate (\$)
All sectors	Basic Tier / Tier 1: Up to 20% of total workforce(1)	Skilled	100
	Tier 2: above 20% to 25% of total workforce(1)	Skilled	120

Notes: (1) For all sectors, S Passes Dependency Ceiling of 25% will be counted within the Work Permits' Dependency Ceiling. Source: MOM website.

on GDP at 2005 Market Prices and Real Economic Growth Rate (%)

government made some modifications but still proceeded with its plan to convert an unused school into a dormitory. As mentioned, since 2009, the government has also responded to Singaporeans' unhappiness with the influx of foreigners by sharpening the difference in the benefits received by citizens, permanent residents and foreigners. However, it has also to be careful not to make the conditions for foreigners so onerous as to deter their interest in coming to work in Singapore.

There is a strong tripartite relationship between the government, employers and the labor movement in Singapore which to all intents and purposes has served the country well. The scope of this collaboration extends to matters involving foreign manpower. The government has been responsive to business' or employers' need for access to migrant workers, primarily because this could have major economic implications and because of the reliance on foreign investment for Singapore's economic growth. Singapore's attractiveness as a place for investment by foreign MNCs is also due to the ease of access to skilled workers, the result of the foreign talent policy. It is also easy for the foreign MNCs to bring in foreign talent. The government has also helped businesses during economic downturns by lowering the foreign worker levy to reduce their operational cost. The labor movement under the leadership of the National Trades Union Congress (NTUC) has also been responsive to the needs of government and employers. Instead of confrontation, negotiation has been the key. This relationship is perhaps helped by the fact that government ministers and politicians of the ruling party are also leaders of the NTUC. As Members of Parliament, they are able to voice their

concerns and that of their constituents in Parliamentary sessions, although when an issue is put to the vote, this is generally along party line unless the Whip is lifted (but this done so only on rare occasions). An example of the labor movement's collaboration with the Singapore National Employers Federation is the setting up of the Migrant Workers Centre by both these parties to provide support for foreign workers. The latter is a contact point and has a hotline for access to information on foreign workers' rights and how to seek help. It also provides humanitarian support to stranded workers, organises basic training in areas like English and social activities to help fit in.

Government agencies have also responded to foreign workers' needs when problems have surfaced, for example, when they protested about salary arrears or when they are found to have been abused. MOM helps foreign workers recover monies owed by employers. Foreign workers may also approach MOM for dispute settlement. However, these cases could be just the tip of the iceberg. Voluntary organisations that serve foreign workers have been concerned about the vulnerability of the low skilled foreigners, and in particular, the foreign domestic workers who are required to live with their employers. In this regard, it may be noted that Singapore's Penal Code has been revised to inflict heavier punishment on abusers of foreign domestic workers (FDWs). Some sticking issues remain unresolved. The issue of rest days for FDWs and their inclusion under the Employment Act remain unsettled. Accreditation bodies for employment agencies engaged in placing FDWs have a standard contract whose terms are to be agreed on between employer and worker. The contract includes agreements on wages, rest days and payment to be paid by the employer in lieu of rest days. However, enforcement of the contract actually depends on the worker making a complaint to the ministry if there is malpractice or abuse. A postage paid envelope addressed to MOM is given to each first-time FDW at their safety awareness course<sup>31</sup>. The FDW, usually with a debt to repay, may be willing to accept lesser conditions or are simply too afraid to risk termination of employment and premature repatriation.

Another area of concern has been with regard to recruitment fees. As mentioned earlier, recruitment or employment agencies are an integral part of the scene, especially at the lower end of the occupational spectrum. These agencies work with counterparts in sending countries who identify potential workers who are interested in seeking employment in Singapore. As mentioned, the Employment Agencies Act sets caps on the amount of fees that Singapore agencies can charge workers and employers. However, the larger component of the placement fee is the charges accruing to recruitment agencies in the home countries. Anecdotal evidence suggests that these fees range from \$2,000-\$10,000, depending on the source country and the number of intermediaries involved<sup>32</sup>. TWC2, a voluntary organisation that assists foreign workers, found in their study of Indonesian FDWs that the recruitment fees charged have risen substantially over the years. This in turn means that foreign workers are taking a longer time to repay their migration "loans." The Singapore government's position on this matter is that it has no jurisdiction over transactions that took place outside its territory<sup>33</sup>. MOM, however, shares information obtained in the course of its investigations with the embassies of sending countries<sup>34</sup>.

The elimination of recruitment malpractices has been adopted by the countries of the Association of Southeast Asian Nations (ASEAN) as an item on the agenda of its Socio-Cultural Community<sup>35</sup>. Dialogues between member countries have begun with a workshop in Singapore in April 2010 with the objectives of allowing participants to share challenges and best practices and to propose recommendations. Among the recommendations at the national level are: enforcement of existing laws against recruitment malpractices, education and information, making available channels for reporting grievances, and encouraging countries to enter into government-to-government memorandum of understanding.

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<sup>31</sup> "Default in payment of foreign domestic workers' salaries". Oral answers to questions. 19 May 2010.

<sup>32</sup> "Job placement for foreign workers (Prevention of exploitation)", Written answers to questions, 23 November 2009.

<sup>33</sup> MOM COS [speech 3], 13 February 2009.

<sup>34</sup> The Indonesian government has reportedly proposed to cap the recruitment fees payable to Indonesian agencies for FDW placements in Singapore at \$1000 ("Jakarta proposes new rules on hiring maids", *The Straits Times* 9 March 2011).

<sup>35</sup> See <http://www.aseansec.org>

As noted above, Singapore is not free of problems of illegal immigration and illegal employment. However, because of strict enforcement, the number of illegal immigrants in Singapore has declined in recent years. Employers are made responsible for illegal immigrants found on their premises. They are assumed to be aware of any foreign illegal immigrants or workers present and penalised accordingly. Construction companies have to fence in their sites and maintain registers at every entry point. Harbours and conveying of immigration offenders are crimes punishable by law, the former including renting of accommodation to illegal immigrants. Illegal immigrants are liable to be caned. Outreach programs to warn prospective migrants of the penalties of illegal immigration have included sending information to source countries. Similarly, there are penalties for illegal employment. An issue that seems to have grown in recent years is the increase in foreigners who have been caught falsifying educational qualifications in their work pass applications in order to qualify for a higher level work pass<sup>36</sup>. Foreigners who do this are likely to be repatriated, and employers who aid in this process are liable to be fined or jailed.

Recently, the Philippines government has tightened its implementation of an existing law requiring Filipinas who are departing the country for domestic work to go through the Philippines Overseas Employment Agency (POEA). The Philippines government also requires that the departing workers have signed contracts indicating that they will receive the monthly salary and number of rest days required by the government. While the Philippines, as the labor-sending country, considers departures without the approval of the agency to be illegal<sup>37</sup>, from the receiving countries' perspectives, however, the workers are legal so long as they have met their own requirements. This example points to the need to harmonise legislation and regulations between labor-sending and receiving countries.

Tighter implementation of Philippine laws on departure for domestic work overseas has resulted in a shortage of such workers in Singapore<sup>38</sup>. This could result in better terms for these workers. However, the Philippines could also face the problem of being replaced in the global marketplace by competitors who are willing to accept less pay. In Singapore, the Association of Employment Agencies has already begun sourcing for domestic helpers from Bangladesh<sup>39</sup>. In recent years, Filipinas have lost their dominance in the domestic work market in Singapore by being replaced by cheaper Indonesians. However, according to maid agencies, the lack of facility in English could prevent Bangladeshi women from making a similar inroad in the Singapore market.

#### 4. CONCLUSION AND RECOMMENDATIONS

Foreigners currently make up over one third of Singapore's work force and over one quarter of its five million population. With such large numbers, it is quite inevitable that there will be aberrations and deviations from the prescribed norms, from rent-seekers taking advantage of unequal access to information to risk-takers who, perhaps out of desperation, try to gain access to work illegally in Singapore.

The reform that seems to be needed most urgently in the foreign manpower system is to ensure that access to true and accurate information is available to all parties involved in the migration process: foreign workers, local employers and employment agencies. In this regard, co-operation between labor-sending and receiving countries is essential. Accurate information on work and migration opportunities should go down even to the most rural areas in labor-sending countries where migrant workers typically come from. This should go some way towards solving the problem of

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<sup>36</sup> "Hundreds with fake degrees nabbed", *The Straits Times* 8 August 2008; "More caught for lying in work pass applications", *The Straits Times* 11 February 2011.

<sup>37</sup> Melissa Sim, "Harder to hire Filipino maids now", *The Straits Times* 18 August 2010.

<sup>38</sup> Melissa Sim, "Harder to hire Filipino maids now", *The Straits Times* 18 August 2010.

<sup>39</sup> Melissa Kok and Kimberly Spykerman, "Maid agencies eye Bangladesh", *The Straits Times* 2 September 2010.

excessive debt burdens borne by poor, unskilled foreign workers who seek to work in Singapore. Implementation of policy agreements in both labor-sending and receiving countries is also important as it would be quite unfruitful if agreements are implemented only at one end.

Singapore has made a start in this area, by issuing information leaflets to foreigners who have received in-principle approval to work in Singapore. Singapore also makes information available on the MOM website regarding the regulatory framework, and procedures and administrative costs involved in obtaining a work pass. This MOM website also includes publications on labor market conditions in Singapore. One publication, for example, lists the jobs in demand in various sectors, the salary available in each sector, as well as the qualifications and experience required. The jobs range from the top professional category offering \$7,000 or more per month, to clerical jobs and low-skilled jobs. This is available for all prospective migrant workers to see. Activists and interested parties should help make this information more available to potential job seekers in labor-sending countries.

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