Asia Research Institute

Working Paper Series

No. 57

Foreign Manpower in Singapore:
Classes, Policies and Management

Md Mizanur Rahman

Asia Research Institute
National University of Singapore

arirmm@nus.edu.sg

February 2006
The **ARI Working Paper Series** is published electronically by the Asia Research Institute of the National University of Singapore.

© Copyright is held by the author or authors of each Working Paper. ARI Working Papers cannot be republished, reprinted, or reproduced in any format without the permission of the paper’s author or authors.

**Note:** The views expressed in each paper are those of the author or authors of the paper. They do not necessarily represent or reflect the views of the Asia Research Institute, its Editorial Committee or of the National University of Singapore.


**Asia Research Institute Editorial Committee**
Geoffrey Wade
Tim Winter
Shen Hsiu-Hua
Manjit Kaur

**Asia Research Institute**
National University of Singapore
Shaw Foundation Building, Block AS7, Level 4
5 Arts Link, Singapore 117570
Tel: (65) 6874 3810
Fax: (65) 6779 1428
Website: [www.ari.nus.edu.sg](http://www.ari.nus.edu.sg)
Email: [arisec@nus.edu.sg](mailto:arisec@nus.edu.sg)

**The Asia Research Institute (ARI)** was established as a university-level institute in July 2001 as one of the strategic initiatives of the National University of Singapore (NUS). The mission of the Institute is to provide a world-class focus and resource for research on the Asian region, located at one of its communications hubs. ARI engages the social sciences broadly defined, and especially interdisciplinary frontiers between and beyond disciplines. Through frequent provision of short-term research appointments it seeks to be a place of encounters between the region and the world. Within NUS it works particularly with the Faculty of Arts and Social Sciences, Business, Law and Design, to support conferences, lectures, and graduate study at the highest level.
Foreign Manpower in Singapore: Classes, Policies and Management

Since its political independence in 1965, Singapore’s economic growth has attracted a new wave of non-resident foreign manpower, ranging from skilled professional and managerial workers at the high-end, to low-skilled migrant workers in the low-end position. The non-resident population holds passes for short-term stays in Singapore, including the employment pass, work permit, dependent pass, long-term social visit pass etc. The percentage of the non-resident population has increased remarkably over the last four decades to supplement the local labor force. The non-resident population increased from 2.9 percent in 1970 to 5.5 percent in 1980 (Yeoh, 2004: 19). This group made up 10.2 percent of Singapore’s total 1990 population of 3.05 million, but swelled to make up 18.8 per cent of the population of 4.02 million in 2000 (The Business Times, Singapore, 1 September 2000).

Given the steady rise of non-resident foreign manpower, it is almost certain that Singapore will continue to host a large proportion of non-resident foreign manpower in the foreseeable future.

The reason for hiring foreign manpower is related to the gap between a limited pool of local labor and a high rate of employment creation. Hui (2002) reported that Singapore’s economic growth between 1990 and 1998 averaged 7.9 percent per annum. Over this same period, more than 604,000 new jobs were created against an increase of about 300,000 in the domestic labor force (Hui, 2002: 33). Based on this data, Hui (2002) maintains that, without the inflow of foreign manpower to supplement the domestic labor force, the phenomenal growth in employment and GDP over that period would not have been possible. The hiring of foreign manpower with various skills has thus been necessary to meet the excess demand. The contribution of foreign manpower in the Singapore economy is well recognized (see Low, 2002; Pang and Lim, 1982; and

---

1 The number of permanent residents (PRs) has more than doubled in the last 10 years, to 290,118 from 112,132. PRs make up 7.2 per cent of Singapore’s population, compared to 3.7 per cent a decade ago. The number of Singapore citizens grew by just around 350,000 over 10 years, to 2.97 million. In relative terms, this group now accounts for just 74 percent of the total population, down from 86.1 per cent in 1990, “Singapore Population Crosses 4 Million Mark”, The Business Times, Singapore, 1 September, 2000.
Hui, 1997). According to one study, foreign workers contributed a hefty 36.9 percent of Singapore’s economic growth over the past 10 years (Agence France Presse, 31 October 2001).²

There is a lack of published data on the numbers and sources of migrants in Singapore as they are deemed ‘confidential and politically sensitive’ (Low, 2002). However, there is a “greater expression by way of policy and strategy than quantitative empirical evidence” (Low, 2002: 96). While it is not feasible to offer here an individual treatment of all major works, I will provide a brief overview of migration literature in Singapore. I begin with Pang Eng Fong, one of the pioneering migration scholars in Singapore, whose early work dates back to 1976. Pang’s earlier works discussed migration, public policy and social development in Singapore (Pang, 1976; 1979). One of his major works on migration was published with Linda Lim in 1982. They largely focused on foreign labor and economic development in Singapore (Pang and Lim, 1982). Two years later, in response to Pang and Lim (1982), Stahl published detailed empirical findings pertaining to the benefits and costs of foreign labor and other migration related issues in Singapore (Stahl, 1984).

In the migration literature I identify an emphasis on cost-benefit analysis of foreign labor import along with other broader issues, for example the philosophy behind immigration policy, imbalance between labor supply and employment creation, evolution of foreign labor policy and implications of foreign labor (Pang, 1992, 1991, 1994; Hui, 1992, 1997; Low, 1995, 1994; Sullivan, 1992; Toh, 1993; Chew and Chew, 1995; Yap, 1992, 1999, 2001; Chiew, 1995; Wong, 1997; Rodgers, 2000). Since the 1990s, in conjunction with all these relevant issues, a number of other areas of studies have dominated migration scholarship in Singapore. These include: researches on emigration orientation and emigration of Singaporean overseas (Tan, 2005; Tan and Chiew, 1995; Low, 1994; Hui, 1997, 1998), foreign talent (Yeoh and Huang, 2003; Koh, 2003; Low, 2002; Hui, 2002, Poon, 2003), irregular migration (Sullivan et. al., 1992),

foreign construction workers (Ofori, 1997; Ofori and Debrah, 1998; Debrah and Ofori, 2001; Prompiam, 1996), Thai labor migration (Wong, 2000; Pattana, 2005a, 2005b; Wong, 2000), and Bangladeshi labor migration (Rahman, 2003, Rahman and Lian, 2005, Foo, 1999).

In addition, a variety of issues related to international migration in Singapore like comparative study on migration policies (Ruppert, 1999; Seol, 2005; Yoo, 2004; Ruhs, 2002; Chan and Abdullah, 1999), Chinese-Malaysian transmigration (Lam and Yeoh, 2004; Lian, 1995; Lam, Yeoh, and Law, 2002), and the relationships between foreign manpower policy and population policy (Wong, 1997) have been discussed. Since the mid-1990s, with the feminization of migration in Asia, scholars like Brenda Yeoh, Shirlena Huang and others have addressed the different aspects of gender migration in Singapore and beyond (Yeoh and Khoo, 1998; Yeoh, Huang and Katie, 2000; Yeoh et al. 1999; Yeoh, Huang and Devasahayam, 2004; Huang and Yeoh, 2003; Ogaya, 2004; Wong, 1996; Poon, 2003; Kobayashi, 2004; Tisa, 2005; Bell, 2001; Noor, 2005). Moreover, there are some further studies, which are not immediately associated with foreign manpower but broadly linked to immigration matters like multiculturalism, national identity, nation-building and citizenship which further contribute to the enrichment of our understanding of immigration in Singapore (Yeoh and Kong, 1996; Yeoh, 2004; Kong, 1999; Lam and Yeoh, 2004; Lian, 1995; Chiew, 1983; Hill and Lian, 1995; Ooi, Tan and Soh, 2003; Lai, 1995).

The existing literature covers a wide range of issues about migration in Singapore. However, despite the abundance of research on migration, we are not sufficiently aware of foreign manpower management in Singapore. The management of foreign manpower is vital for any labor-importing country, as failure to ensure efficacy in labor migration policies and program goals often generates a whole range of unintended consequences like xenophobia, politicization of migration, irregular migration, and eventually, cessation of labor migration programs. This paper describes foreign manpower policy and highlights the importance of careful and comprehensive policy and transparent
management for Singapore. The discussion is divided into five sections. The first explains briefly the nature of labor migration policies; the second elaborates on the administrative and legal frameworks; the third describes classes and policies of foreign worker passes; the fourth illustrates some of the salient features of foreign worker policy; and finally, the fifth provides conclusions.

NATURE OF LABOR MIGRATION POLICIES

Broadly, international labor migration policies can be divided into supply-driven systems and demand-driven systems (Yoo et al., 2004). While supply-driven systems are widely employed in the developed countries to invite foreigners to live and work permanently, demand-driven systems are used in comparatively developed (or developing) economies to hire foreign workers of all skill levels and employ them temporarily to fulfill short-term manpower needs. In the supply-driven systems, potential migrants introduce themselves in the host countries’ screening processes on the basis of some objective criteria and the host countries select the best-quality foreign workforce from the pool of potential migrants. Traditional immigrant countries like Canada, Australia and New Zealand follow a supply-driven policy to attract foreign manpower. Foreigners with more than a certain level of points are allowed to immigrate and work in the host country and obtain a residency permit. As the supply-driven system is skilled-biased, developing countries lose skilled manpower permanently, contributing to the debate of brain-drain. In this system, we observe several inconsistencies. For example, the residency permit does not come with definite employment; it simply entitles them to work in the host countries. The supply-driven system hardly recognizes the demand for unskilled labor and, therefore, it excludes unskilled labor migrants from competition.
On the other hand, in the demand-driven system, employers from the host countries play a vital role in the overall process of introducing foreign workers of skilled and unskilled categories to the host governments for approval (Yoo et al., 2004). Employers usually use recruiting agencies to find the required competent individuals from overseas. Once the employers obtain approval from the governments, they bring in the foreign workers for employment under their responsibility. Singapore together with other major labor-importing countries is pursuing this demand-driven system to meet the short-term foreign manpower needs. The demand-driven system is based on “the logic that employers are in the ideal position to make the best decisions on the economic contribution of foreign labor” (Yoo et al., 2004). Broadly, the demand-driven system serves both parties – employers and migrants. On the one hand, it is efficient in satisfying the needs of employers and therefore is capable of generating higher benefits for the host country. On the other hand, it is economically beneficial for the migrants as well as their home countries because it spawns the inflow of foreign exchange for the less-developed source countries. What is important here is that the cash goes directly from comparatively developed host countries to the poor migrant households in source countries. More importantly, it opens up the opportunity for even low skilled migrants from developing economies to earn skills and relevant working experiences from relatively developed economies and the possibility of using their skills and experiences upon return.

ADMINISTRATIVE AND LEGAL FRAMEWORKS

The hiring of foreign manpower for short-term contracts requires effective governance through the harmonization of demand, expectations, objectives, and implementation. Marmora (1999:238) suggests that one of the important conditions of good migration governance is ‘efficacy’ in the achievement of migration policies and program goals. He suggests that three fundamental tools support efficacy: awareness of the migration process, setting realistic objectives, and finally, administrative efficiency. Awareness of
the migration process involves analysis of migration patterns, causes, features and consequences. Marmora maintains that realism implies harmonization among the goals of strategies, actions, norms, and available means of enforcement, while administrative efficiency ensures execution of international migration policies and programs. Singapore has developed a transparent administration and formulated comprehensive legislation to ensure efficacy in the management of migration.

The Ministry of Manpower (MOM, www.mom.gov.sg) manages foreign manpower in Singapore. The Ministry is responsible for devising and implementing foreign manpower policy in Singapore. Within the Ministry of Manpower, there are two divisions in charge of foreign manpower issues in Singapore. They are the Work Pass Division and the Foreign Manpower Management Division. The objectives of the Work Pass Division are to develop an efficient, effective and dynamic foreign manpower admission framework that caters to the needs of the Singapore economy. The Work Pass Division facilitates and regulates the employment of foreign nationals by administering three types of Work Passes discussed in the next section. The Work Pass Division comprises the Work Permit Department and Employment Pass Department. The Work Permit Department serves the low-skilled foreign manpower by providing R passes while the Employment Pass Department serves highly skilled foreign manpower by providing P, Q and S Passes.

On the other hand, the Foreign Manpower Management Division (FMMD) is in charge of the welfare of foreign workers during their working stint in Singapore. The FMMD works closely with the other departments within the Ministry, in particular the Foreign Manpower Employment Division, Occupational Safety and Health Division, Labour Relations Division and Corporate Communications Department. The core functions of FMMD include: (i) management and protection of foreign manpower, (ii) professionalism of the employment agency industry and (iii) strengthening of the enforcement capabilities. The Foreign Manpower Management Division is structured

---

3 Information regarding different departments and their responsibilities is compiled from the Ministry of Manpower Website, accessed on January 3, 2006 2:30am. www.mom.gov.sg
around four departments. First, the Employment Inspectorate Department seeks to foster effective management of foreign manpower through policing in partnership with other enforcement agencies and the business community. Second, the Policy and Regulations Department focuses on drafting and implementing policies for the division, in the management of foreign manpower. Third, the Well-Being Management Department focuses on the management and protection of foreign manpower. Finally the Corporate Management Department supports the entire division in the area of office management.

Singapore’s policy towards solicited migrants has always been positive, but towards unsolicited migrants its policies are aimed at reducing their arrival to a minimum and controlling and preventing unwanted flows. The government has introduced several legislations for the effective management of foreign manpower since the 1980s. Some relevant legislation is Employment of Foreign Workers Act (Chapter 91), Immigration Act (Chapter 133), Employment Agencies Act, Employment of Foreign Workers (levy order), Employment of Foreign Workers (Fees) regulation, Work Permit (exemption) (consolidation) notification, Employment of foreign workers (security measures at work place) notification. While this legislation provides the legal framework for regulating the import, management and repatriation of foreign manpower, the administrative structure ensures execution of foreign worker polices and programs. By so doing, they both contribute to the efficient management of foreign manpower in Singapore.

CLASSES AND POLICIES OF FOREIGN WORK PASSES

Singapore’s foreign labor management relies on implementing immigration regulations through the form of work passes, and the government adjusts the work pass schemes depending on market demand. Prior to September 1998, foreigners working in Singapore were divided into two main categories: employment-pass holders (EP) who were skilled professional and managerial workers and work-permit holders (WP) who were low-skilled migrant workers. However, the work pass system that came into effect in 1998 provides a three-tiered migration scheme: Class P, Class Q, and Class R. The
three major classes are each divided into two sub-categories, for a total of six classification levels (e.g. P1 and P2, Q1 and Q2, and R1 and R2). However, with effect from July 2004, a new category of work pass, namely S Pass\(^4\), was introduced to replace the Q2 pass. Presently, the work passes comprise the Employment Pass (EP), the S Pass, and the Work Permit (WP). Presently, there are around 620,000 foreign workers in Singapore (\textit{The Sunday Times}, Singapore November 13, 2005). Of the 620,000 foreign workers, 540,000 are work permit holders and the remaining 80,000 are employment pass holders.\(^5\)

**Employment Pass / S-Pass for Highly-Skilled Foreign Manpower**

Singapore has always adopted an open door policy for skilled and professional foreign manpower (Table 1). The professional and managerial workers who come to Singapore are offered an employment pass to work. They are the primary source of permanent residents or future citizens of Singapore. P Passes are issued to foreigners who hold professional qualifications and are seeking to work in a professional, managerial, or administrative capacity. They are also issued on a case-by-case basis to investors and entrepreneurs who can contribute to the economy of Singapore as well as to persons of exceptional ability in the arts, sciences, and business. There are two categories of P Passes: P1 and P2. The P1 Pass is issued if the applicant’s monthly basic salary is more than SG$ 7,000. The P2 Pass is issued if the applicant’s monthly basic salary is between SG$ 3,500 and SG$ 7,000. The Q1 Pass is for those foreigners whose monthly salary is more than SG$ 2,500 but less than SG$ 3,500 and possess an acceptable degree, professional qualifications or special skills. The S-Pass is for foreigners whose monthly

\(^4\) “Under the current work pass system, professionals, managers and executives can work in Singapore on the P and Q Employment Pass (EP). Semi-Skilled or Unskilled workers can come in on the R1 and R2 Work Permit (WP). The large gap between EP and WP means that is difficult for some companies to bring in middle level manpower, resulting in an unfilled demand in some industrial sectors for such middle level skill-sets, which local manpower has not been able to sufficiently meet. With an S Pass, employers will have access to middle level talents such as specialized workers and technicians from any country. However, a skilled levy of SG$ 50 per month is imposed on the company for each S Pass holder they employ.” Retrieved from Ministry of Manpower Website, in June 2004 \texttt{www.mom.gov.sg}

\(^5\) “No Fee subsidies for foreigners at polyclinics from next year”, \textit{The Sunday Times}, November 13, 2005.
basic salary is at least SG$ 1,800. The S Pass is issued taking into account multiple
criteria including salary, educational qualifications, skills, and job type and work
experience.

Recruitment of skilled and professional foreign manpower is relatively easy and direct.
Once employers find suitable candidates for their jobs, they apply to the Ministry of
Manpower for an employment pass on behalf of the prospective employee. The Passes
are offered on the basis of the objective criteria discussed above. In addition to these
regular work passes, there are also some special passes that fall under the employment
pass category, for example, Short-Term Employment Pass (STEP), Training Visit Pass
(TVP), EntrePass (Employment Pass for Entrepreneurs), Dependent Pass (DP) or Letter
of Consent (LOC) and Long-Term Social Visit Pass (LTSVP). An Employment Pass
holder (P1, P2 and Q1) is eligible to apply for Dependent’s Passes for his / her spouse,
and unmarried or legally adopted children under 21 years of age. An Employment Pass
holder (P1, P2) may also apply for Long-Term Social Visit Pass (LTSVP) for his / her
parents, parents-in-law, step-children, spouse, handicapped children, and daughters
(unmarried) aged above 21.

Employment pass holders can only work for the specified company, but there is no limit
to the number of extensions which can be granted and no other limits to their personal
freedom (Wong, 1997). Employment Pass-holders are permitted to marry locals or
bring their immediate ‘dependents’ to Singapore. Hui (1992) argues that Singapore’s
immigration policy towards skilled and professional foreign manpower may be regarded
as liberal. The economic motivation for this liberal policy is to “capitalize on the
benefits of savings in human capital investments and to facilitate technology transfers”
(Hui, 1998:208-209). The professional and managerial workers are usually referred to
as ‘foreign talent’ in both government and public discourse (Yeoh, 2004: 8) and the
latest State strategy has been to make Singapore a ‘talent capital’ where industries can
find the skills and expertise for their activities (MOM, 1999:18 cited in Low, 2002: 110).
The International Manpower Division of MOM is engaged in attracting international
talent as well as Singaporean talent working or studying overseas through the international network of “Contact Singapore” (http://www.contactsingapore.org.sg)

Work Permit for Low Skilled Foreign Manpower

Before 1968, no unskilled workers were permitted to enter Singapore for work (Low, 1994). After 1968, unskilled foreign labor flowed into Singapore in significant numbers as a result of rapidly growing wage employment opportunities (Stahl 1986:37). Hui (1999) identifies three contributory factors for the sustained demand for low-skilled foreign manpower in Singapore: (i) tight domestic labor supply, (ii) increasingly more qualified workforce (one in three hold post-secondary qualifications), and finally (iii) a general aversion to jobs that are considered dirty, dangerous and demeaning by most Singaporeans. The government’s policy on low-skilled workers is comparatively restrictive and it has remained committed to ensuring that “low-skilled foreign manpower is managed as a temporary and controlled phenomenon” (Yeoh, 2004: 19). In other words, the low-skilled foreign workers are “relegated to the most transient of categories – subject to the ‘use and discard’ philosophy” (Yeoh et al. 2000: 151).

In 1981, it was announced that foreign workers would be phased out by 1991 (Hui, 1992). However, it was soon realized that “reliance on foreign labour was indispensable for sustained economic growth” (Hui, 1992). Presently, the emphasis has shifted from complete independence from foreign workers to issues like monitoring inflow, increasing productivity, and fine-tuning restrictions to moderate demand (Hui, 1997). Low-skilled foreign workers who wish to work in Singapore are offered work permits. Such low-skilled foreign workers’ monthly salary must not be more than SG $ 1,800. Within this category of pass, there are two sub-groups: R1 and R2. The R1 Pass is issued to skilled foreign workers who possess at least an SPM qualification or its equivalent, or a National Technical Certificate Grade 3 (Practical) or other suitable qualifications (Table 2). The R2 Pass is issued to unskilled foreign workers. Foreign workers are required to carry their work permit cards for identification at all times.
Foreign workers who fail to carry their work permit cards are liable to have their work permits cancelled, and be repatriated and barred from employment in Singapore. Employers are not allowed to retain their workers' work permit cards and those who do so may be debarred from employing foreign workers⁶.

---

### Table 1  
**Management of Skilled and Professional Foreign Manpower:  
EP and S Passes**

<table>
<thead>
<tr>
<th>Type of Passes</th>
<th>Qualifications and Nature of Employment</th>
<th>Range of Salary</th>
<th>Dependent’s passes</th>
<th>Long-Term Passes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1 Pass</td>
<td>For foreigners who hold acceptable degrees, professional qualifications or specialist skills and are seeking professional, administrative, executive or managerial jobs.</td>
<td>More than SG $ 7,000</td>
<td>Yes</td>
<td>Yes</td>
<td>I. P, Q and S pass holders are eligible to apply for Permanent residency. Permanent residents are seen as future citizens of Singapore.</td>
</tr>
<tr>
<td>P2 Pass</td>
<td>For foreigners who possess acceptable degrees, professional qualifications or specialist skills</td>
<td>More than SG$ 3,500 and up to SG$ 7,000</td>
<td>Yes</td>
<td>Yes</td>
<td>II. No restrictions on nationality, maximum duration of employment in Singapore, and maximum age of employment (subject to prevailing retirement age) of P, Q, S Pass holders</td>
</tr>
<tr>
<td>Q1 Pass</td>
<td>For foreigners who possess acceptable degrees, professional qualifications or specialist skills</td>
<td>More than SG$ 2,500 but less than 3,500</td>
<td>Yes</td>
<td>No</td>
<td>III. There are a 5 percent cap on the number of S Pass holders in each company based on the company’s number of local workers and work permit holders</td>
</tr>
<tr>
<td>S Pass</td>
<td>Multiple criteria including salary, educational qualifications, skills, job type and work experience.</td>
<td>More than SG$ 1,800</td>
<td>Yes (if monthly basic salary is equal or more than SG$ 2,500)</td>
<td>No</td>
<td>IV. S Pass Holders need to pay levy SG$ 50 per month</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>V. P, Q, S Passes are granted for specific employer and prior permission is needed for the change of employer</td>
</tr>
</tbody>
</table>

**Source:** Compiled from information found in the Ministry of Manpower website, [www.mom.gov.sg](http://www.mom.gov.sg) accessed on 9 January 2006 at 2:05 AM
<table>
<thead>
<tr>
<th>Permit/Worker</th>
<th>Education/Skill</th>
<th>Duration</th>
<th>Sector*</th>
<th>Dependency Ceiling*</th>
<th>Monthly Levy (SG$)*</th>
<th>Sources (usually)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 Pass For Skilled Workers</td>
<td>SPM, NTC3, for Construct. BSC, SEC</td>
<td>Up to 15 years (construct.)</td>
<td>Manufacturing</td>
<td>Up to 40% of the total workforce</td>
<td>Skilled 100 Unskilled 240</td>
<td>PRC, Malaysia, NAS,</td>
<td>(i) R – Pass holders salary will be below SG$ 1,800 (ii) Security bond SG$ 5,000 for NTS, PRC and NAS Workers (including maids). (iii) No marriage allowed (iv) No reunion of family (v) For unskilled workers, opportunity for skill upgrade in Singapore</td>
</tr>
<tr>
<td>R 2 Pass For Unskilled Workers</td>
<td>BSC For NTS Workers (construction)</td>
<td>Up to 4 years (construct.)</td>
<td>Construction</td>
<td>1 local full-time worker to 4 foreign workers</td>
<td>Skilled 100 Unskilled 470</td>
<td>NAS, NTS, Malaysia, PRC</td>
<td></td>
</tr>
<tr>
<td>R2 Pass for Domestic Maids</td>
<td>8 years of schooling, MOM-stipulated test in Singapore</td>
<td>Issued usually for 2 years and extendable</td>
<td>Marine</td>
<td>1 local full-time worker to 3 foreign workers</td>
<td>Skilled 100 Unskilled 295</td>
<td>NTS, NAS, Malaysia</td>
<td></td>
</tr>
<tr>
<td>R2 Pass for Domestic Maids</td>
<td></td>
<td></td>
<td>Process</td>
<td>1 local full-time worker to 3 foreign workers</td>
<td>Skilled 100 Unskilled 295</td>
<td>---</td>
<td>(vi) For Domestic Maids, Safety awareness course for maids, Employers orientation course for employers, accident insurance for maids $ 10,000, 6 monthly Medical Test</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Service</td>
<td>Up to 30 % of the total workforce</td>
<td>Skilled 100 Unskilled 240</td>
<td>Malaysia, NAS,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Above 30% to 40% of the total workforce</td>
<td>Skilled / Unskilled 500</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Harbour Craft</td>
<td>1 local full-time worker to 9 foreign workers No of crews (shown on MPA harbour craft License)×2 The lower quota will apply</td>
<td>Certified crew 100</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-certified crew 240</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Domestic</td>
<td>Not Applicable</td>
<td>295 / 200 (marriage parenthood package)</td>
<td>NTS, Malaysia Indonesia but no PRC &amp; NAS</td>
<td></td>
</tr>
</tbody>
</table>


Note: Some sub-headings follow Ruppert, 1999
FEATURES OF LOW-SKILLED FOREIGN MANPOWER POLICY

In the following discussion I will illustrate some of the basic features of low-skilled foreign worker policy in Singapore.

1. Selection of Migrant Workers

Singapore places priority on personal traits, especially skills and age, when hiring low-skilled foreign workers including domestic workers. Singapore has always encouraged the import of skilled migrant workers even in the bottom-rung jobs, and, therefore, favored skilled migrant workers over unskilled ones. The BSC (Basic Skills Certificate) and SEC (Skills Evaluation Certificate) schemes were implemented in 1998 to raise the skill level of the construction workforce. The BSC and SEC are certificates issued to non-traditional source (NTS) workers who have passed the required skill tests in their home country. The scheme sets a minimum skill standard (BSC) as an entry criterion for workers from NTS countries. If a worker has obtained the SEC, he is placed on a low levy and can work up to 15 years. On the contrary, if the worker has obtained only the BSC, he will not be allowed to work for more than an accumulated period of 4 years (A Guide on Work Permits – Construction Section). A work permit holder (male migrant) must be at least 16 year old.

In the case of foreign domestic maids, they must be at least 23 (up to 50) years old. In addition, they have to produce recognized educational certificates as documentary proof that they have had a minimum of 8 years of formal education. With effect from 1 April 2005, all first-time foreign domestic workers are required to pass a written test within 3 working days of their arrival in Singapore. Foreign domestic workers who fail to pass the test within 3 working days are not issued a work permit and must be repatriated (Foreign Domestic Worker Entry Test). Until recently, skills upgrading was available for male unskilled workers in different sectors. Further, the government has recently introduced skills upgrading opportunities for foreign domestic workers in the area of elderly care, while the Foreign Domestic Worker Association for Skills Training (FAST) is conducting an elementary course on elderly care for foreign domestic workers.
workers. FAST, an organization supported by the Ministry of Manpower, was formed in March 2005 to provide skills training for foreign domestic workers.\(^7\)

2. Source Countries

From 1968 until the late 1970s, unskilled foreign workers were recruited mainly from neighboring Malaysia, which is referred to as a traditional source country for Singapore. Owing to its geopolitical location and historical and ethnic links, Singapore privileges Malaysian nationals in the recruitment of foreign workers. In the late 1970s, it was difficult to recruit unskilled labour from Malaysia. As a result, administrative measures were taken in 1978 to facilitate the limited importation of unskilled labor from Non-Traditional Source countries (NTS) like Bangladesh, India, the Philippines, Sri Lanka, Myanmar, Pakistan, and Thailand (Wong, 1997; 143). In addition, Singapore hires low-skilled foreign workers from two other sources: North Asian sources (NAS) and PRC (People’s Republic of China). North Asian Sources (NAS) includes Hong Kong, Macao, Taiwan and South Korea. Presently, the four sources – traditional, nontraditional, North Asian, and PRC sources – provide the low-skilled labor for Singapore.

While low-skilled workers from Malaysia are allowed to work in all sectors, non-traditional source workers are generally allowed to work only in the construction, shipbuilding and harbour craft industries. Low-skilled migrants from the NAS and PRC source are allowed to work in construction and almost all other non-construction sectors. The preference for low-skilled workers from traditional source, NAS and PRC over NTS probably derives from a cultural consideration. There exists a fear among the policy-makers that the presence of a large foreign worker population, whose culture and work ethos are distinctly different from those of the local workforce, may create social problems. In addition, Singapore presently hosts around 140,000 foreign domestic workers (Yeoh et al. 2004: 11). The approved sources for foreign domestic workers are Malaysia, the Philippines, Indonesia, Thailand, Myanmar, Sri Lanka, India and Bangladesh. PRC and NAS nationals are not permitted to work in the domestic service sector. The exclusion of PRC and NAS nationals is probably due to the perceived fear of family disruption. Given their cultural and physical resemblances it is commonly assumed that hiring of

\(^7\) *Foreign Manpower News Alert*, No. 44 (20 December 2005).
domestic maids from PRC and NAS source may be a contributing factor for family disruption in Singapore.

3. Foreign Worker Levy Scheme

In the 1980s, Singapore devised a new immigration policy to control the inflow of foreign workers using a price mechanism referred to as a levy (Chew 1995; Chew and Chew, 1992; Fong, 1992, 1993). The levy puts a price on the employment of a foreign worker. The levy is paid monthly by the employer for each foreign worker including domestic worker employed and it is payable for the period the temporary work permit is valid. It serves to moderate demand for foreign workers and to narrow the wage gap between local and foreign workers. The levy was first introduced in 1980 when a flat rate levy of SG$ 230 was imposed on non-Malaysian workers employed in the construction sector (Hui, 1992). The levy scheme was enlarged in 1982 to encompass all NTS workers and Malaysian block permit construction workers (Toh, 1993: 5). Singapore has imposed a two-tier levy since 1992 (Low, 1994: 254). In this two-tier system, the levy for a skilled worker is lower than that of an unskilled worker which restates Singapore’s priority for comparatively skilled workers even at the low-skilled foreign manpower category.

4. Dependency Ceiling

Singapore introduced the dependency ceiling as an instrument to regulate the employment of foreign workers in 1987 (Toh, 1993: 6). The dependency ceiling stipulates the proportion of foreign workers a firm can hire. Currently, all sectors except domestic service sectors have a dependency ceiling. This prevents employers from relying too heavily on foreign workers at the expense of local employment. The ceiling has varied with economic conditions. For instance, in November 1988, to discourage employers from depending too heavily on foreign workers, the government reduced the maximum percentage of foreign workers in a firm from 50 percent to 40 percent (Pang, 1994). With effect from 1 July 2005, the government has increased the manufacturing sector dependency ceiling from 50 percent to 60 percent and the services sector dependency ceiling from 30 percent to 40 percent\(^8\) (Table 1). Foreign workers hired above the

existing dependency ceiling pay a higher levy, which is currently SG$ 500. The higher levy of SG$ 500 is aimed at ensuring that companies make judicious use of foreign workers and also narrows the wage gap between local and foreign workers.\(^9\)

5. Recruitment

As discussed earlier, Singapore has adopted a demand-driven system in hiring low-skilled foreign workers in which the process of introducing foreign workers begins when employers in Singapore request permission to employ foreign workers. In accordance with the Employment Agencies Act, Singapore allows licensed employment agencies to import and manage foreign workers on behalf of employers.\(^10\) In addition to residency status in Singapore and the possession of the Certificate of Employment Agencies (CEA), the applicants for licensed employment agencies must furnish a security deposit of SG$ 20,000 in the form of a banker’s guarantee and must not have any previous court convictions records (particularly under the Women’s Charter, Children and Young Persons Act, Penal Code, Employment Agencies Act and Employment of Foreign Workers Act). These strict measures help to ensure transparency in the recruitment process. There are around 1300 licensed recruiting agents to serve the employers in Singapore\(^11\).

6. Man-Year Entitlements

The Man-Year Entitlement (MYE) allocation system is a work permit allocation system for construction workers from the non-traditional sources and the People’s Republic of China. The allocation formula has been used since April 1998, and each year, there have been cutbacks. The number of foreign workers permitted to work in any construction project is determined by the Man-Year Entitlement allocation formula. In general, when a project is higher in value, the contractor can hire more foreign workers. For example, if his entitlement is 100 ‘man years’, then he may have 100 men on one-year contracts, or 50 men on two-year contracts (14 March 2002, *The Straits Times*). The main contractor is allocated “man-years” for a project. He can then

---


\(^10\) Compiled from Ministry of Manpower, Singapore website: [www.mom.gov.sg](http://www.mom.gov.sg)

distribute the MYEs to his sub-contractors. MYEs are then converted into one or two-year work permits. The system is designed to give the main contractors better control over allocation of foreign workers and greater responsibilities towards foreign worker management by their subcontractors.\footnote{Compiled from Ministry of Manpower Website, accessed on 5 January 2006, 1:55 AM http://www.mom.gov.sg/FAQs/WorkPermit/ForBusinessEmployers/ManYearEntitlement(MYE)/BackgroundandRationale.htm}

7. Responsibility of Employers

During a foreign worker’s employment in Singapore, the employer is generally responsible for: (i) paying the foreign worker levy, (ii) arranging for the worker to be certified medically fit and free from contagious diseases and drug addition by a Singapore-registered doctor when requested by the Controller of Work Permits, (iii) ensuring that the worker does not engage in any form of free-lancing arrangements or self-employment, (iv) providing basic terms and conditions of employment as stipulated in the Employment Act, (v) resolving all employment-related disputes with the worker amicably, (vi) providing workman’s compensation for the worker, and finally (vii) sending the worker to a safety orientation course if the worker is a construction worker. For a non-Malaysian worker, the employer is also responsible for (i) the up-keep, maintenance and cost of the worker’s eventual repatriation (ii) providing adequate housing (iii) putting up a SG$ 5,000 security bond, and (iv) buying a personal accident insurance for the minimum coverage SG $ 10,000 if the worker is a foreign domestic worker. The employer should also ensure the worker’s welfare and interests are well looked after. These include non-statutory requirements such as proper orientation, medical care, hospitalization expenses and providing for the worker’s social and recreational needs.\footnote{Compiled from the Ministry of Manpower, Singapore, accessed in June 2005 http://www.mom.gov.sg/NR/rdoonlyres/6F8D2FB5-30DA-466C-A2C1-D0C495EA8C6/6131/AGeneralGuideonWorkPermits17Nov05.pdf}

8. Termination of Work Permit

Singapore follows some strict rules to reduce the social and economic costs of using foreign manpower; and violations of these rules may result in the cancellation of work permit and immediate repatriation. The Work Permit Division of the Ministry of Manpower revokes a
worker’s work permit when he or she violates work permit provisions. Those whose work permits are rescinded include: (i) those who change jobs or are engaged in occupations other than that specified in the work permit, (ii) those who engage in or participate in any business or are a self-employed person, (iii) those who desert their workplaces, (iv) those who become pregnant (in case of domestic workers), contract a venereal diseases or have been certified by a Singapore registered doctor as medically unfit, (v) those who marry a Singaporean without the prior approval of the Controller (Yoo, et. al. 2004). The foreign worker is obliged to return his or her work permit and leave Singapore within seven days of the termination of service. However, foreign workers who have pending salary or compensation claims or are required as prosecution witnesses are usually issued special passes by the Ministry for a limited period to allow them to remain in Singapore\(^{14}\). They are also allowed to work during this period.

9. **Institutional Devices to Prevent Irregular Migration**

Unlike other host countries in the region, Singapore is relatively free from irregular labor migrants due to the government’s strong crackdowns on irregular employment. Singapore enacted several pieces of legislation to penalize irregular migrants, users (employers of irregular migrants) and human-smugglers. The Employment of Foreign Workers Act came into effect in 1991 and puts a check on illegal migrants by punishing employers caught employing foreigners illegally (Toh, 1993). Under the Employment of Foreign Workers Act, any person caught employing foreigners without valid permits is liable to be charged in court. A first-time offender faces a minimum fine equivalent to two years of the foreign worker levy and a maximum fine up to four years levy for each foreign worker, or imprisonment of up to one year, or both\(^{15}\). Besides, stepping up enforcement actions, the Ministry has also intensified its efforts to educate employers and foreign workers on employment and immigration rules and regulations so that they can play their part to minimize such offences.\(^{16}\)

\(^{14}\) Retrieved from Ministry of Manpower website, on 31 December 2005 2:39 pm

\(^{15}\) Retrieved from Ministry of Manpower website, on 31 December 2005 2:39 pm

\(^{16}\) Retrieved from Ministry of Manpower website, on 31 December 2005 2:39 pm
CONCLUSION

Singapore’s high growth rate policy has resulted in its labor demand exceeding the supply from the local population. This imbalance has forced the policy-makers to pursue an active foreign worker policy. Singapore has adopted an open policy for skilled and professional foreign manpower in contrast to low-skilled foreign manpower. However, this favor for professionals is common in many classical immigrant countries as well as temporary labor importing countries. Given the fact that low-skilled migrant workers are abandoned by classical immigration countries under the supply-driven labor migration policy this paper has argued that Singapore’s demand-driven system accommodates not only the highly-skilled professionals, but also the low-skilled foreign workers. Although dictated by economic imperatives, Singapore’s foreign worker policy provides these low-skilled migrant workers a place to work as unskilled workers, acquire skills and stay for a long period.

Singapore’s foreign worker policy is comparatively sophisticated and efficiently executed. While many other labor-important countries in Asia are not in position to manage a smooth or uninterrupted flow of foreign workers consistent with the demand in the domestic labor market or to recognize skills that many unskilled migrants acquire over time in their countries, Singapore maintains a smooth flow of foreign workers consistent with the demand in local labor market and provides unskilled workers opportunity to upgrade their skills over time, and then offers them economic incentives (e.g. longer duration of stay, low levy rate etc.). To make migrant workers’ stays safe, Singapore pursues policies to improve the working and living conditions of migrant workers including domestic workers. Singapore sets conditions for employers like providing foreign workers proper living conditions and recreational facilities. Issues like occupational safety, work place violence, or sexual harassment are taken seriously. Migrant workers can take leave to visit their families and many migrants, especially married ones, take this opportunity to see their families. To facilitate transfers of foreign workers earnings back home, Singapore has permitted international companies like Western Union and MoneyGram to operate countrywide. Besides, Singapore has allowed some labor-sending countries to open exchange houses for transfers of remittances from their nationals. The trend in
foreign manpower policy in Singapore is thus one of a move towards liberalization and humanization.

Broadly I identify two criteria for admission of low skilled foreign workers and they are economic and non-economic criteria. By economic criteria, I mean skill, age, education, and working experience and by non-economic criteria I mean mainly ethnic compatibility. While Singapore does not compromise with economic prerequisites for work in Singapore, we find some favour when it comes to ethnic compatibility. Singapore has a preference for admission of low-skilled migrants on ethnic consideration and this is well-evidenced when we see privileges for some source countries in certain sectors of economy like manufacturing, service or marine sectors over other source countries. However, the issue of ethnic compatibility is important in the sense that presence of a large number of foreign workers, whose culture and work ethos are noticeably different from those of the local workforce, may create social problems. We also locate such ethnic considerations in other labor-importing countries, for example Malaysia, South Korea, Japan and the Middle East labor importing countries. Although we find privileges in admission policy on ethnic ground, Singapore treats all migrant workers equally when they are in Singapore. There is no ethnic favor in the area of levy, dependency ceiling, man-year entitlements, responsibility of employers, termination of work permits, and institutional devices to prevent irregular migration.

With the rise of foreign workers, the issue of control of migration has become the major concern for the government. Controlling migration, as Doomernik et al. (2005) suggests, is metaphorically akin to walking a tightrope, because the government has to try and keep domestic population aspirations and economic needs in balance. However, the Singapore experience provides an example where the interaction between foreign worker and macroeconomic policies has been mutually reinforcing, in some ways improving the effectiveness of both (Ruppert, 1999: 19). Good migration management depends on efficacy in achieving the goals of migration policies and programs. The Ministry of Manpower which is in charge of the management of foreign manpower in Singapore attempts to ensure efficacy by increasing public awareness of the migration process, setting realistic goals, and finally, achieving efficient implementation. The harmony at different levels is not usually seen in many other labor-importing countries in Asia, often resulting in various unintended consequences like xenophobia, politicization of migration,
irregular migration, and sometimes temporary suspension of labor migration programs. The Singapore case shows that a proactive policy and transparency in migration management is necessary to reduce the unintended consequences of employing foreign manpower, especially low-skilled foreign manpower. Singapore’s achievement in managing foreign manpower, therefore, sets an example for other users of foreign manpower in the region and beyond.

Acknowledgement

I would like to thank Lian Kwen Fee, Brenda Yeoh and an anonymous referee for their suggestions, comments and encouragement.
REFERENCES

Bell, Daniel A
2001 “Equal Rights for Foreign Resident Worker? The Case of Filipina Domestic Workers in Hong Kong and Singapore, *Dissent*, Fall (2001), No. 4, pp. 26-34.

Chan, Raymond K.H. and Moha Asri Abdullah

Chew Soon Beng and Rosalind Chew

Chiew, Seen Kong

Debrah Yaw A. and George Ofori

Doomernik, Jeroen, Sonia Gsir and Albert Kraler

Foo, Dawn Siu Pin

George, F. J.
Hill, Michael and Lian Kwen Fee

Huang, Shirlena and Brenda S.A. Yeoh

Huff, W.G.

Hui, Weng-Tat


Kobayashi, Yasuko

Koh, Aaron

Kong, Lily
Lai, A. E.
1995  

Lam, Theodora and Brenda S.A. Yeoh
2004  

Lam, Theodora, Brenda S.A. Yeoh, and L. Law
2002  

Lian Kwen Fee
1995  

Low, Linda
1995a  

1995b  

2002  

Marmora, Lelio
1999  

Noor Aisha Abdul Rahman
2005  

Ofori, George
1997  
Ofori, George and Debrah Yaw A.
Construction Industry in Singapore”, Construction Management and Economics,
Vol. 16, pp. 397-408.

Ogaya, Chiho
2004 “Filipino Domestic Workers and the Creation of New Subjectivities”, Asian and

Ong Jin Hui, Chan Kwok Bun and Chew Soon Beng (eds.)

Ooi, G.L., Tan, E.S. and Soh, K.C.

Pang, Eng Fong

1992 “Absorbing Temporary Workers: The Experience of Singapore”, Asian and

1994 “An Eclectic Approach to Turning Points in Migration”, Asian and Pacific

1979 Public Policy on Population, Employment and Immigration, in Peter S. J. Chen
and James T. Fawcett, (eds.), Public Policy and Population Change in Singapore,
The Population Council, New York.

1976 “Migration, Public Policy and Social Development in Singapore”, Mimeographed
paper commissioned by Friedrich Ebert-Stiftung for a project on Migration and
Social Development in ASEAN countries.

Pang, Eng Fong and Linda Lim
Pattana Kitiarsa


Poon, Angelia

Prompiam, Junya

Rahman, Md. Mizanur and Lian Kwen Fee

Rahman Md Mizanur

Rodgers, Ronald A
2000 “Three Classes of Foreigners in the Singapore Workforce: the Unequal Contributions-Relative-to Rewards exchange”, Unpublished Paper, Faculty of Business Administration, National University of Singapore.

Ruhs, Martin
Ruppert, Elizabeth

Seol, Dong-Hoon

Stahl, Charles. W.

Sullivan, Gerard, S. Gunasekaran and Sununta Siengathai

Tan, Ern Ser

Tan, Ern Ser and Chiew Seen Kong

Tisa Ng

Toh, Ruby
Wong, Diana

Yap, Mui-Teng

Yeh, Christine

Yeoh, Brenda S.A.

Yeoh, Brenda S A, Shirlena Huang, Gonzalez Joaquin III

Yeoh, Brenda S A; Huang, Shirlena; Willis, Katie
Yeoh, Brenda S A and Khoo, Louisa-May

Yeoh, Brenda S A and Lily Kong

Yeoh, Brenda S.A., Shirlena Huang and Theresa W. Devasahayam

Yeoh, Brenda S.A and Shirlena Huang

Yoo, Kil-Sang, June J. H. Lee, Kyu-Yong Lee