

Summary

Whilst the construction industry provides an important source of employment globally, particularly amongst low-income and low-skilled migrants from rural areas, it is arguably one of the most precarious forms of work. Apart from its poor image as being 'dirty, dangerous and difficult', flexible labour market policies and the prevalence of outsourcing in the industry have made construction work increasingly temporary and insecure. This policy brief summarises findings from a research study that examines the pre-departure and employment experiences of Bangladeshi migrants working in Singapore's construction industry, with a focus on areas of risk and vulnerability that impact the outcomes of their migration experiences. Key issues and challenges include: migrant indebtedness stemming from exorbitant pre-departure fees; low wages; workers' weak bargaining power in the workplace; and lapses in workplace safety enforcement. The brief concludes with recommendations for reducing the costs of migration, whilst increasing the protection of migrant construction workers in vulnerable situations.

Migration for construction work in Singapore: An overview

The construction industry is Singapore's largest employer of foreign labour, where 65.6 percent (or 319,100 out of 486,200) of employees are non-citizen workers from countries such as Bangladesh, India, PRC China, and Thailand (MOM 2014). Official statistics reveal that the number of Bangladeshi workers in Singapore has risen steadily over the years, often in tandem with periods of construction boom (BMET 2014). In 2013 alone, for example, a total of 60,057 Bangladeshi nationals were deployed to Singapore—an unprecedented number, which placed the country as the second largest recipient of Bangladeshi workers after Oman.

Even as migration for construction work provides an opportunity for income generation to improve standards of living back home for Bangladeshi migrants and their families, the rising costs of migration, high risks of accidents, and flexible hiring practices in the industry, have made this venture particularly precarious. Apart from having to pay exorbitant agent fees to access skills training, testing, and job placement services, Bangladeshi migrants face additional challenges at the workplace, such as job insecurity, low wages, having weak bargaining power, as well as various occupational hazards tied to the "3D" (dirty, dangerous, and difficult) nature of construction work.

This policy brief draws from a mixed-methods research project that examines the pre-departure and employment experiences of Bangladeshi construction workers in Singapore to highlight key issues and challenges they face, whilst making recommendations for increasing their protection in precarious work situations. Specifically, it sheds light on how migrants' vulnerability to precarious employment remains closely tied to conditions of pre-departure training and recruitment. As such, policy interventions aimed at reducing workers' vulnerability to unsafe and/or exploitative working conditions should seek to address these issues both at source and destination.

Research methodology

The study combined qualitative and quantitative methods through the use of bilingual questionnaires (n=205) and in-depth follow-up interviews (n=30) amongst Bangladeshi construction workers in Singapore. Fieldwork was conducted between January and July 2014, and respondents were recruited through a mixture of stratified and snowball sampling with reference to the following variables: type of visa (i.e. work permit, S Pass^a, or Special Pass); marital status; and type of employer (i.e. main contractor, subcontractor, or labour-only subcontractor). Sampling sites included areas where Bangladeshi migrant workers tended to congregate on weekends (i.e. the Little India enclave and Boon Lay area); workers' dormitories; a safety training school for construction workers; as well as areas close to major construction sites.

^a S Pass holders are mid-skilled workers with a fixed monthly salary of at least SGD 2,200 (USD 1,650), whilst Work Permit holders are typically basic-/semi-skilled workers (with no minimum wage) employed in the construction, manufacturing, marine, process, or service sector. Special Passes are issued by Singapore's Ministry of Manpower to workers who have employment and/or work injury claims filed with the Ministry. The visa legalises their stay in Singapore, whilst their cases are being processed and investigated.

Issues with securing a job in Singapore

The costs of migration have risen substantially for Bangladeshi migrants over the years, in large part due to the increasing formalisation of the migration industry. In response to policy changes in Singapore that signal a deliberate shift towards hiring skilled workers in the construction sector, a host of training centres have sprung up amongst major migrant-sending districts in Bangladesh to provide mandatory skills training and testing, as well as job placement services for prospective migrants bound for Singapore. Inasmuch as these centres provide essential services to help migrants secure a job in Singapore, their commercial nature has fuelled exorbitant pre-departure fees, which has largely exacerbated conditions of precarity for migrants and their families.

1. Indebtedness stemming from exorbitant agent fees

The study found that an overwhelming proportion (97 percent) of Bangladeshi migrants paid money to an agent or training centre in Bangladesh before they left for work in Singapore. The average sum was BDT 393,275 (SGD 6,394/USD 4,987), and most workers (80.5 percent) had to borrow money from several sources, such as relatives (45.4 percent), household members (9.8 percent), and the bank (9.8 percent), to finance these fees. On average, these loans amounted to BDT 258,423 (SGD 4,202/USD 3,278) or 65.7 percent of their total placement fee. Even amongst those who did not have to borrow, many sold family assets such as land or gold to obtain the necessary capital^b. Despite the level of debt incurred by these men, some remained positive that their work in Singapore would allow them to 'give back' all the money they owed.

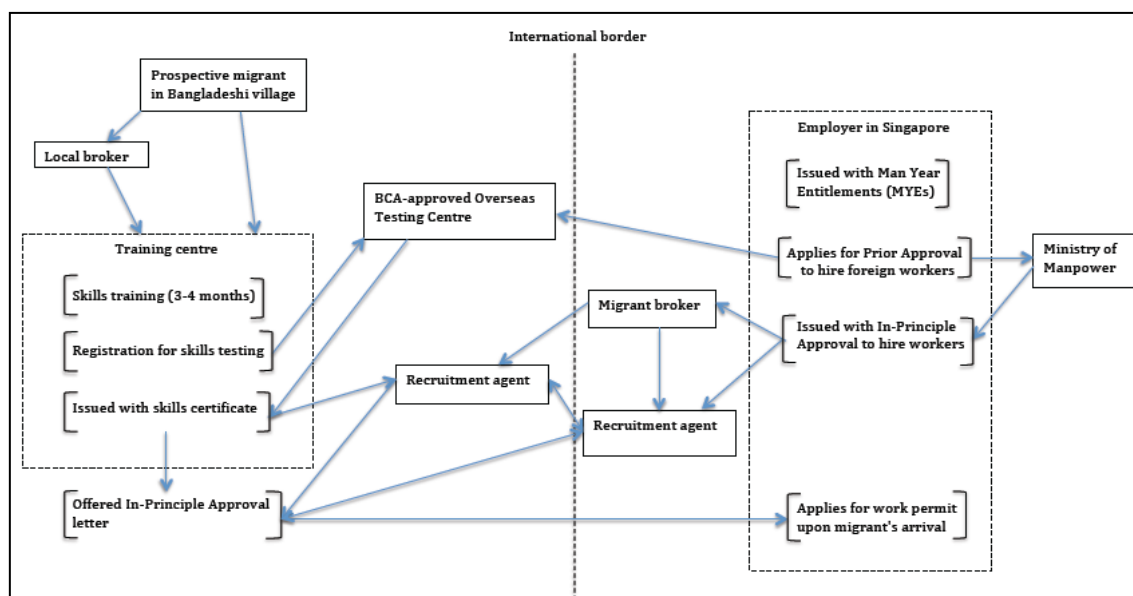
2. Protracted length of debt repayment

Stemming from the sheer cost of migration, many workers found themselves entrapped in a protracted cycle where monthly earnings during the initial year (or more) were predominantly used for debt repayment purposes. In the survey, workers who took on loans (n=154) thought on average that it would take 12 months to repay their loans. In reality, actual debt repayment often took longer than expected. During the time of the survey, 44.6 percent were still struggling to repay their debts, and expected to take 12.4 more months to do so. Amongst those who managed to fully repay their loans, the average time taken was 16.5 months—well over a typical one-year work contract. The study also found that some employers receive kickbacks for contract renewal, which might further delay plans to eventually move out of debt. Although debt repayment took longer than anticipated, the majority (59 percent) of workers reported family life in Bangladesh was now 'easier' or 'much easier', especially for those who had repaid their loans.

3. Unforeseen delays at the training centre

Although skills training courses typically last between three and four months, some workers reported having to stay up to 12 months at the training centre due to a large oversupply of students bidding for limited test slots at various designated overseas testing centres approved by Singapore's Building and Construction Authority (BCA). According to Mizan (23 year-old, Special Pass Holder), out of 500 trained students who wished to find work in Singapore, only 50 test slots were available monthly for students to compete for. These delays often mean that workers are pushed to pay more money to cover food and lodging expenses, whilst incurring extra debt.

Figure 1: Recruitment process for Bangladeshi migrants in Singapore



* Arrows represent exchanges between different actors within the recruitment process, which may involve flows of money, people, and/or information.

^b It is clear from the sheer costs of migration that the construction industry in Singapore tends to attract Bangladeshi migrants predominantly from the middle-class stratum of society (see Baey and Yeoh 2015, p.14-20). In the study sample (n=205), 84.4 percent of respondents had at least secondary school qualifications. Amongst men's narratives of their decision-making process, migration was utilised primarily as a strategy for income generation to maintain the daily upkeep of households, as well as accrue savings and capital to build better livelihoods for the future.

4. Lack of transparency in job placement process

Since workers' visas are tied to a single employer under Singapore's work permit system, workers often emphasised the importance of being placed in a good company with sound employment practices. Despite paying exorbitant sums of money to access job placement services at the training centre, however, workers often remained largely uninformed about the company they are placed in. In Zaved's (28 year-old, Special Pass Holder) words, "They only say that they will give [us a] good company. Only this. What is good or bad, we were not able to understand it. [The agent collects the] same amount from all. What is allocated depends on fate."

Figure 2: Prospective migrants at a training centre in Dhaka, Bangladesh



Photo credit: Grace Baey

Precarious employment in the construction industry

When examining aspects of precarious employment in the construction industry, it is important to take into account issues of migrant indebtedness (as outlined previously), as well as workers' marginalised socio-legal status in Singapore that tend to increase their susceptibility various forms of risk and vulnerability at the workplace. In this section, we outline four key contributing factors, namely: low wages; job insecurity; workers' weak bargaining power; lapses in workplace safety enforcement; and challenges seeking redress in the case of employment disputes.

1. Low wages

Despite paying the largest amounts of pre-departure fees compared with migrant workers of other nationalities, Bangladeshi migrants tend to occupy the lowest rungs of the wage ladder in the construction industry (*The Straits Times*, February 2, 2014). Survey results reveal that the majority of workers (57.2 percent) earned a basic salary of SGD 20 (USD 16) or less per day, and only 20.5 percent received annual salary increments. Furthermore, 32.7 percent of workers reported that illegal monthly deductions were made to their salaries on the pretext of employers helping them save (commonly known as "savings money"), where the median amount deducted was SGD 50 (USD 37.5).




2. Job insecurity and workers' weak bargaining power

When asked whether or not they felt that they were able to negotiate their working conditions with employers, many workers cited the fear of early repatriation as the main reason why they were hesitant to raise specific concerns. Saddled with large amounts of debt to finance their migration, the thought of having one's work permit cancelled prematurely seemed almost inconceivable for many. Furthermore, finding a new employer often entails extra costs since Bangladeshi migrants are typically reliant on agents to gain access to the job market in Singapore. As a result, many continued to work in less than ideal or even risky circumstances, for fear of being sent home.

3. Lapses in workplace safety enforcement

In Singapore, the construction industry remains the top contributor of workplace fatalities, accounting for 57 percent of all fatalities in 2013, with most incidents involving falls from heights, slips, and trips (WSH Institute 2014). Amongst interviews with injured workers, the study found that workers' fatigue stemming from long working hours and tight project deadlines were key contributing factors to workplace accidents. Since many workers felt that they had little ability to negotiate working conditions with their employers, this leaves them susceptible to exploitative and/or unsafe workplace practices, sometimes leading to fatal consequences.

Table 1: Summary of key issues and challenges

 <p>Village</p> <ul style="list-style-type: none"> - Migrant indebtedness - Protracted length of debt repayment stemming from large loans taken out to finance migration 	 <p>Training Centre</p> <ul style="list-style-type: none"> - Excessive training and job placement fees - Unforeseen delays in training and job placement process - Lack of transparency in job placement process 	 <p>Worksite</p> <ul style="list-style-type: none"> - Low wages - Job insecurity - Workers' weak bargaining power at the workplace - Lapses in safety enforcement - Lack of proper salary documentation
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1. Challenges seeking redress for employment disputes

When workers encounter salary disputes with their employers, they often face difficulty navigating the legal system in Singapore, especially when not furnished with proper documentation, such as monthly itemised payslips, to make a strong claim. Such was Kalam’s (43 year-old, Special Pass Holder) case when he tried lodging a formal complaint against his employer who failed to pay him proper overtime wages. When the administrative officer requested for “proof” to justify the alleged shortfall, Kalam had to reply: “I cannot. Everything (i.e. his employment contract, salary slips, and time-stamps) the company take! Cannot give.”

Policy recommendations

1. Mandatory payment of workers’ salaries through electronic transfer

Setting minimum industry standards for the payment of workers’ salaries will help ensure greater transparency and accountability in existing employment practices. In addition, workers should receive itemised payslips, with a clear breakdown of the computation of their salaries and deductions (if any). This move will disincentivise employers from making illegal salary deductions, whilst ensuring that workers are furnished with proper payslips.

2. Allow workers access to job mobility in the construction sector

Having invested large sums of money to secure work in Singapore, Bangladeshi migrants typically plan to stay for at least five to ten years to accrue sufficient savings and capital for improving family livelihoods back home. Employers should not be given the power to cancel workers’ permits arbitrarily, and workers should be given sufficient notice of termination, whilst being allowed to seek alternative employment in Singapore during this time.

3. Increase transparency in job placement processes

Workers currently have little say in the type of company they are placed in, having little or no access to overseas job markets except through agents or relatives. Alongside information about basic salary, allowances, and deductions, a standardised employment contract should be issued together with workers in-principle approval letters, with clear information on expected working hours, and the nature of work they will be involved in.

4. Step up enforcement of workplace safety measures

Notwithstanding existing policies that punish errant employers for flouting workplace safety regulations, greater enforcement measures need to be in place through increasing random site checks, whilst giving more autonomy to safety supervisors to administer proper workplace safety practices. In addition, workers should not be compelled to undertake work that they are untrained to do, or take on extra overtime hours if they do not wish to.

Key Readings

Baey, G. and Brenda S.A. Yeoh. 2015. “Migration and Precarious Work: Negotiating Debt, Employment, and Livelihood Strategies amongst Bangladeshi Migrant Men working in Singapore’s Construction Industry.” *Migrating out of Poverty Working Paper No. 26*. University of Sussex: Falmer, Brighton.

The Straits Times, February 2, 2014. “\$1.50 an hour is just too little for anyone.” Available at <http://www.straitstimes.com/the-big-story/case-you-missed-it/story/150-hour-just-too-little-anyone-20140212> (accessed September 26, 2014).

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Migrating out of Poverty RPC

The Asia Research Institute (ARI), National University of Singapore, is the Southeast Asian core partner for the Migrating out of Poverty Research Programme Consortium (RPC), which aims to provide policy approaches that will help maximise the potential benefits of migration for poor people whilst minimising its risks and costs. Following on from the Migration DRC which was established in 2003, Migrating out of Poverty is undertaking a programme of research, capacity-building, training, and the promotion of dialogue to provide the strong evidential and conceptual bases needed for such policy approaches. Migrating out of Poverty RPC is funded by the UK Government’s Department for International Development (DFID), although the views expressed in this policy briefing do not express DFID’s official policy.

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