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February 2013

## Memorandum on Required Training for Construction Sector Migrant Workers

*The construction sector plays a significant role in Singapore's economy. It is a major employer of migrant workers, who are required to undergo skills training before coming to work here.*

*This memorandum considers how effective this requirement is in meeting its intended purpose: to boost productivity.*

In 2011, a Transient Workers Count Too (TWC2) team embarked on a research project on the costs and benefits for Bangladeshi workers of coming to work in the construction industry in Singapore. Attempting to secure a random sample of workers, we first conducted interviews with departing workers at Changi Airport in October-November 2011, but this proved unsatisfactory, not least because we were too ambitious in seeking to persuade workers whose thoughts were concentrated on returning home to complete a 71 question survey.

We decided to undertake a more focused survey with a shorter questionnaire and this was more successful, resulting in the collection of the data published in 'Worse Off for Working? - Kickbacks, intermediary fees and migrant construction workers in Singapore', which was published in August 2012. We did not inquire about workers' training in this survey.

The original survey had included questions on training. The responses to these suggested that many workers were receiving training that they either did not subsequently use, or used very little. We decided that this warranted further investigation.

A shorter questionnaire was drafted, specifically on training. This shorter questionnaire was then used in conducting 124 surveys in Little India. They were combined with 65 questionnaires in the

original survey that provided full and reliable data on training. Together, these surveys provided data for the memorandum that follows.

TWC2 is very grateful to Grace Baey and Jairus Yip for the time and effort they put into conducting the surveys and to Katie Rainwater for pulling together background research and analysis on this memorandum.

The memorandum was shared with the Building & Construction Authority in February 2013 and TWC2 representatives subsequently had a useful discussion with a BCA team in April 2013. Following the publication of a couple of other reports on this subject (For details, see <http://twc2.org.sg/2014/04/13/half-of-construction-workers-deployed-outside-their-skill-areas/> ), we have decided to release this memorandum.

# Memorandum on Required Training

## Introduction

On 1 July 2012, the Building and Construction Authority (BCA)<sup>1</sup> opened the registration of foreign construction workers under the Multi-Skilling Scheme.<sup>2</sup> The new scheme is the latest in a series of initiatives and policies enacted under the direction of the Construction Productivity Roadmap.<sup>3</sup> Developed by the BCA in tandem with its parent agency, the Ministry of National Development (MND), the Roadmap is intended to "transform the construction industry and raise its productivity".<sup>4</sup>

The Roadmap aims to wean the industry from a reliance on a low-wage, low-skilled foreign construction workforce. This workforce has long been identified as the source of the industry's poor productivity record.<sup>5</sup> Both the "demand [for] and [the] supply of [the] low cost, lower skilled foreign workforce" is to be reduced.<sup>6</sup> New regulations described in the Roadmap prohibit employers from hiring foreign construction workers who have not received a basic trade certification (awarded subsequent to the completion of a test and a self-funded course of several months duration in their home countries). In addition, new regulations require long-term workers to earn multiple or advanced trade certifications. While basic skilled foreign workers are eligible to remain in the construction industry for a decade before they are required to upgrade their certification, modifications to the two-tiered levy structure discourage employers from hiring foreign workers who lack multiple or advanced skill certifications as they are assessed at a higher levy rate.<sup>7</sup>

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<sup>1</sup> The Building and Construction Authority is a government agency charged with "championing the development of an excellent built environment for Singapore." See: Building and Construction Authority. "About Us." [http://www.bca.gov.sg/AboutUs/about\\_bca.html](http://www.bca.gov.sg/AboutUs/about_bca.html)

<sup>2</sup> Building and Construction Authority. "Raising construction productivity through technology adoption and workforce upgrading." [http://www.bca.gov.sg/Newsroom/pr05032012\\_MS.html](http://www.bca.gov.sg/Newsroom/pr05032012_MS.html)

<sup>3</sup> The Roadmap can be accessed on the website of the BCA. "Construction Productivity Roadmap". [http://www.bca.gov.sg/newsroom/others/pr03032011\\_CPA.pdf](http://www.bca.gov.sg/newsroom/others/pr03032011_CPA.pdf). Also see "Overview on Construction Productivity Roadmap". [http://www.bca.gov.sg/newsroom/others/pr16052012\\_SCPWB.pdf](http://www.bca.gov.sg/newsroom/others/pr16052012_SCPWB.pdf).

<sup>4</sup> "Construction Productivity Roadmap", p. 5.

<sup>5</sup> Singapore's construction industry performs poorly relative to construction industries in other developed nations and to other sectors in Singapore. In 2010, the BCA released statistics demonstrating that the productivity level of Singapore's construction industry is one-third of Japan's industry and one-half of Australia's. See: "What ails Singapore's building industry?" *Straits Times*, 13 March 2010. The industry's poor productivity record has long been thought to stem from its reliance on low-wage, low-skilled foreign workers. See, for example, Former Manpower Minister Lee Boon Yang statements in "Actions to re-invent construction industry", *Straits Times*, 21 October 1999. For an academic perspective on the relationship between Singapore's reliance on foreign workers and its productivity, see A. Debrah Yaw and George Ofori (2001). "The state, skill formation and productivity enhancement in the construction industry: the case of Singapore". *International Journal of Human Resource Management*, 12 (2): 184 - 202.

<sup>6</sup> "Construction Productivity Roadmap". Reduction in the supply of foreign workers is to be achieved through modifications to the Man-Year Entitlement (MYE) system. A graduated reduction in MYE allocations reduces the number of foreign workers that construction contractors are eligible to hire.

<sup>7</sup> Building and Construction Authority. "Your NTS/PRC 'Basic Skilled' Construction Workers can work longer in Singapore". [http://www.bca.gov.sg/manpower/Revision\\_In\\_Maximum\\_POE.html](http://www.bca.gov.sg/manpower/Revision_In_Maximum_POE.html). Building and Construction Authority.

According to the BCA and the MND, improvements to the quality of Singapore's foreign construction workforce will positively impact the nation. Gains in productivity will enable Singaporean contractors to be "more cost competitive" and to "offer their customers better value".<sup>8</sup> In addition, the retention of an experienced and skilled workforce will enable construction projects to be completed through the efforts of smaller numbers of foreign workers.

**Transient Workers Count Too (TWC2) believes that policies that encourage the retention of an experienced and skilled foreign construction workforce are also in the best interest of the low-wage foreign workers on whose behalf we advocate. However, we contend that BCA mandatory trade training policies are ill-conceived and thus incapable of guiding the industry to realize these objectives. In addition to being ineffective, policies mandating trade training for all foreign construction workers create an unjust burden for foreign workers who must pay for the training and certification with their money and time.**

The new skill certification regulations build upon an approach to productivity that the BCA has pursued for more than a decade. For the past fifteen years, the BCA has encouraged Singaporean construction employers to hire foreign employees who have undergone self-funded trade training and certification in their home countries. Trade training courses are offered at Overseas Testing Centres (OTCs), established by Singapore companies with licenses from the BCA. While the intent of the training programme is to equip workers with the basic knowledge of a construction trade that they will perform in Singapore, **a recent TWC2 poll of Bangladeshi construction workers found that the majority of respondents were never asked to perform the trade in which they had trained and were instead required to perform other jobs.**<sup>9</sup> While a minority of foreign construction workers is afforded the opportunity to practice their trade in Singapore, mandatory trade training proves a superfluous expenditure of money (more than one thousand dollars) and time (approximately four months) for most workers.

Employers' disregard of the trade training of their foreign workforce suggests that mandatory trade training is failing to change labour processes in Singapore's construction industry. Policies mandating trade training for all foreign workers have failed to impact some employers' longstanding reliance on labour-intensive, low-technology labour processes. The construction industry in Singapore is not predominantly organized according to a trade-based system of labour. Instead labour-only subcontracting (in which workers are shuffled between job sites without regard to their skills or training)

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Ministry of Manpower. "Levies and quotas for hiring foreign workers." <http://www.mom.gov.sg/foreign-manpower/foreign-worker-levies/Pages/levies-quotas-for-hiring-foreign-workers.aspx>

<sup>8</sup> "Speech by the Senior Minister of State for National Development, Ms Grace Fu, at the Committee of Supply Debate on 'Construction Productivity'",

<http://app.mnd.gov.sg/Newsroom/NewsPage.aspx?ID=2377&category=Parliamentary>

<sup>9</sup> TWC2 chose to focus a major research initiative on construction workers in Singapore on Bangladeshis. This national group was chosen as Bangladeshis appear to be particularly prevalent in the industry. While conditions for Bangladeshis (such as wages for entry level workers) may be worse than for other national groups, we do not expect that a survey of other non-traditional source country workers would yield significantly different results in most respects. See preface for further information on the data collection, and Appendix One for the survey form used in the second phase of the survey, incorporating and expanding on questions from the first phase.

prevails. Because BCA policy has incentivized employers (in the form of a lower levy) for simply *hiring* trade labour, employers have not all taken the initiative to reorganize work in a manner that utilizes the trade skills of their employees. Policy has thus enabled employers to enjoy a tax break (in the form of a lower levy for hiring trade labour) while also continuing to utilize the labour-intensive, low-technology labour processes that the policy is designed to eradicate. Further discouraging the use of trade labour, the BCA is also “imposing regulatory requirements and minimum standards to drive *widespread adoption of labour-saving technology*”.<sup>10</sup> As academic researchers have aptly reasoned, “There is no simple relationship between ‘high technology’ and ‘high skills’ in construction – indeed de-skilling can be involved, particularly with the use of more prefabricated components”.<sup>11</sup> The trade-training of the entire foreign construction workforce is thus made redundant both by employers relying on low-tech, labour intensive processes and those who have transitioned to high-tech, labour-saving techniques.

Given that the industry drastically underutilizes workers' current trade training, it is highly unlikely that new labour certification requirements will inspire construction employers to organize all work according to trades. **The new regulations will therefore unjustly require foreign workers to expend money and time pursuing trade certifications that they are not given the opportunity to put to use. TWC2 recommends abolishing ALL mandatory skill certification requirements and the bifurcated levy rate that offers an incentive to employers for hiring workers in possession of multiple or advanced trade certifications. Instead, TWC2 recommends that the BCA allow trade training and certification to proceed on a voluntary basis.**

While precedent suggests that mandatory trade training will not result in the entire workforce being engaged in trade labour, there is much that the BCA can do to foster the industry's retention of a skilled, experienced foreign workforce. **For one, it is imperative that the BCA work in partnership with the Ministry of Manpower to eradicate the collection of kickbacks and high intermediary fees.** As described in a 2012 TWC2 report it appears that the majority of employers in the construction industry receive “kickbacks”, or payments in exchange for offers of employment.<sup>12</sup> Kickbacks for a one-year employment contract average more than \$1000. They are one factor contributing to the high intermediary fees (averaging more than \$7000 for inexperienced workers and more than \$3000 for experienced workers) that foreign workers typically must pay in order to secure jobs in the construction industry. Kickbacks and high intermediary fees discourage the retention of a skilled and experienced workforce as they contribute to a high worker turnover rate. Kickbacks discourage workers from renewing their contracts and high intermediary fees create a significant barrier to re-entry to the industry after a period of unemployment.

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<sup>10</sup> See the Construction Productivity Roadmap.

<sup>11</sup> Wilkinson, Barry; Leggett, Chris and Somsong Patarapanich. (1986). National ideology, technology and employment: the construction industry in Singapore. *New technology, work and employment*. 1 (1): 71.

<sup>12</sup> TWC2. Worse off for working? Kickbacks, intermediary fees and migrant construction workers in Singapore. [http://twc2.org.sg/wp-content/uploads/2012/08/Worse-off-for-working\\_initial-report\\_v2.pdf](http://twc2.org.sg/wp-content/uploads/2012/08/Worse-off-for-working_initial-report_v2.pdf)

This report consists of the following sections. In the first section, the new BCA trade certification policies are described in the context of past approaches to trade-training. The second section describes why the BCA's approach to productivity improvements through mandatory trade training is misguided. The third section describes how mandatory trade training is expensive and time-consuming for foreign workers. The fourth section outlines policy recommendations.

## **I. The Mandatory Trade Training of Foreign Workers**

The Construction Productivity Roadmap attempts to increase productivity by building upon the Skill Certification System. Implemented in the mid-1980s when it became apparent that foreign workers would remain a mainstay of the industry, the certification system was introduced to foster construction trade training for low-skill foreign workers as well as Singaporeans. The Construction Industry Development Board (a precursor to the BCA) offered their first training courses and tests in 1984. In 1995, the Development Board enacted the Overseas Testing Scheme. The Scheme designated Overseas Testing Centres (operated by private Singaporean companies) where prospective construction workers could receive the same training and certification as was offered in Singapore.<sup>13</sup> The certification process (in its current incarnation) requires workers to demonstrate both theoretical and practical knowledge of a construction trade.

In 1991, the bifurcation of the levy (a monthly tax on employers of foreign labour) rewarded employers for sending their foreign employees for training and certification. Employers hiring workers who passed a trade test and received certification as skilled were charged at a lower levy rate than those who hired uncertified workers. As costs for the training and certification were borne by prospective workers, the demand for workers with trade certifications burgeoned. The maintenance of a bifurcated levy (in 1999 as stark as \$470 for an unskilled worker and \$30 for a skilled worker) offered a strong incentive for employers to hire skilled labour.<sup>14</sup>

The 2011 Construction Productivity Roadmap completely phases out the hiring of unskilled foreign construction workers. More significantly, it introduces a new classification system for foreign construction workers. The former "skilled" and "unskilled" classifications are replaced with "higher skilled" and "basic skilled". Workers formerly classified as "skilled" under the old system have been automatically re-classified as "basic skilled" under the new system. Two pathways have been designated for "basic skilled" workers (that is, workers who have been trained and certified in one trade) to receive classification as "higher skilled".

First, workers can register under the CoreTrade Scheme. This scheme was introduced in 2008 to encourage the "construction industry to build up its core group of competent and experienced

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<sup>13</sup> Foreign workers can now be tested before they come. *Straits Times*, 21 July 1995.

<sup>14</sup> Written exams for construction workers. *Straits Times*. 18 November 1999.

workers in key construction trades...to anchor and lead the construction workforce".<sup>15</sup> In order to be designated as CoreTrade Tradesmen, workers must be "experienced" and "skilled" in their trade (that is, deemed capable of ensuring "that construction works are carried out in a proper manner, and high quality results are delivered").<sup>16</sup> From October 2012, prospective Tradesmen must also attend a "familiarization course" before undergoing a skills assessment.

The second pathway through which a worker can become classified as "higher skilled" is the Multi-Skilling Scheme. From 1 July 2012 onwards, workers who have undergone training and skills assessments in two or more trades and who have four or more years of experience in Singapore's construction industry are eligible to register as "multi-skilled". According to the BCA, fostering the development of multi-skilled workers will help to raise productivity because, "Multi-skilled workers will be competent in multiple construction trades and are able to carry out more than one type of work task on-site. Employers will have greater flexibility in deploying such multi-skilled workers on-site hence reducing downtime and improving their productivity".<sup>17</sup>

## **II. Why the BCA's Approach to Productivity Improvement through Mandatory Trade Training is Misguided**

On paper, the CoreTrade Scheme and the Multi-Skilling Scheme seem to be logical solutions to the construction industry's productivity woes. However the BCA's plans to raise productivity by building upon the existing skills certification system is based on an unrealistic appraisal of this system. While the skills certification requirement has been successful in ensuring that foreign workers are trained in construction trades, most foreign workers do not appear to be employed in a capacity that enables them to utilize their training. Of 189 Bangladeshi construction workers who responded to a survey question inquiring whether they performed the trade in which they were trained for their first Singapore job, 142 workers (or 75%) replied in the negative.<sup>18</sup> Of 113 Bangladeshi workers who responded to a question asking them to estimate what percentage of time on all jobs in Singapore was spent performing the trade in which they trained, 90 (or 79%) indicated that they spent less than half of all time in all jobs performing their trade, with 68 (or 58%) of all respondents claiming that they had never performed the trade in which they trained (i.e. They made some use of the skill in which they trained, but very limited use overall). (The 113 respondents had worked in Singapore for an average of 3.76 years).

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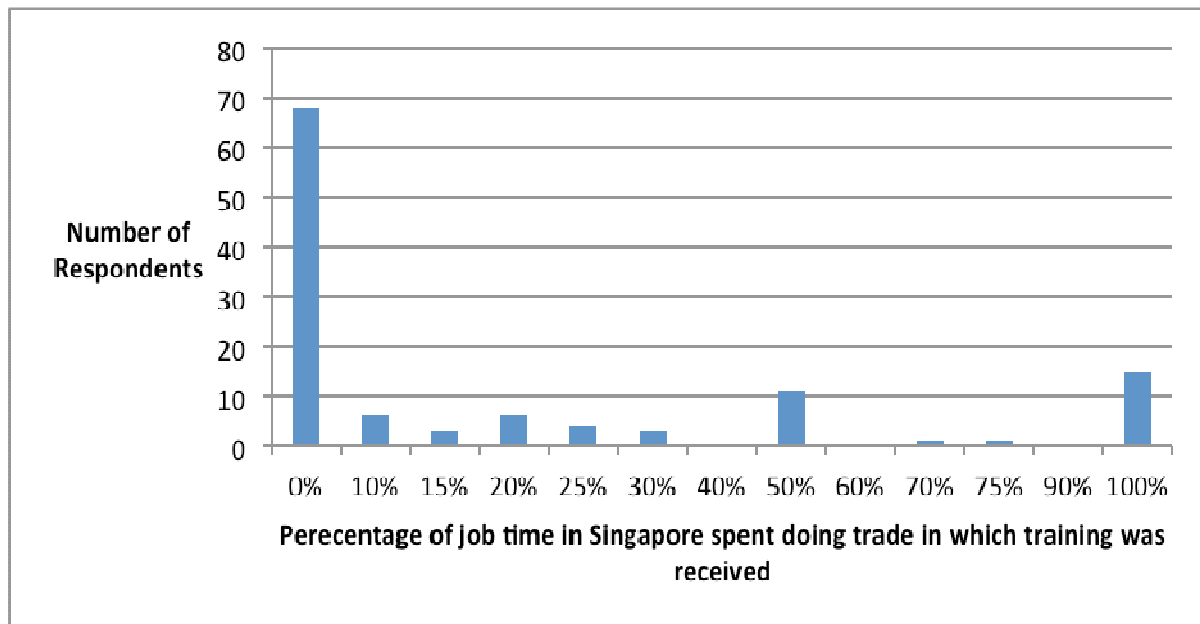
<sup>15</sup> Building and Construction Authority. "Construction Registration of Tradesmen (CoreTrade)" [https://www.bca.gov.sg/CoreTrade/coretrade\\_introduction.html](https://www.bca.gov.sg/CoreTrade/coretrade_introduction.html)

<sup>16</sup> Building and Construction Authority. "Registration of CoreTrade Personnel – Registration Requirements." [https://www.bca.gov.sg/CoreTrade/registration\\_requirements.html](https://www.bca.gov.sg/CoreTrade/registration_requirements.html)

<sup>17</sup> Annex B - Construction Skills Framework. [http://www.bca.gov.sg/newsroom/others/pr05032012\\_MSB.pdf](http://www.bca.gov.sg/newsroom/others/pr05032012_MSB.pdf)

<sup>18</sup> Of the 189 respondents, 65 were surveyed at the airport and 124 were surveyed in Little India. 81.5% of the airport respondents did not perform the trade in which they trained. 71.7% of respondents in Little India did not perform the trade in which they trained.





There are several reasons why the trade training of a large proportion of Singapore's foreign construction workforce is proving redundant. Most importantly, policy mandating trade certification for all foreign workers has not provided sufficient incentive for all Singaporean employers to upgrade their labour-intensive, low-skilled labour processes to utilize their employees' trade-training. Although Singapore's construction industry once consisted of groups of apprentices overseen by skilled tradesmen, this organization of labour is no longer the norm.<sup>19</sup> Large contractors – the firms with the most resources and expertise to promote human capital intensive and high technology labour processes – typically employ only a small core of site labour.<sup>20</sup> Pressured by tight profit margins, large contractors cut costs by subcontracting major construction processes and hiring temporary site labour. As a result, much of Singapore's foreign construction workforce is employed by small subcontractors who often do not have the resources or the expertise to affect changes to labour processes. This is especially the case if they are labour-only subcontractors, firms that are notoriously often managed by persons unschooled in construction methods.

Because trade certification policy has rewarded employers (in the form of a lower levy) for simply *hiring* trade labour, employers have not been required to re-organize labour processes in a manner that utilizes the trade skills of their employees. BCA policy thus enables employers to enjoy a tax-break (in the form of a lower levy for hiring trade labour) while also continuing to utilize the labour-intensive, low-skilled work processes that the policy is designed to eradicate. Thus instead of transforming the manner in which construction work is performed, a primary effect of the skill

<sup>19</sup> Debrah A. Yaw and George Ofori. (1997). Flexibility, Subcontracting and HRM in the construction industry in Singapore: can the system be refined? *The International Journal of Human Resource Management*. 8 (5).

<sup>20</sup> Debrah A. Yaw and George Ofori. (2001). The state, skill formation and productivity enhancement in the construction industry: the case of Singapore. *International Journal of Human Resource Management*. 12 (2): 185.



certification system appears to have been the production of a trade-certified workforce whose costly and time-consuming training is often rendered superfluous through disuse.

If the BCA is serious about promoting trade labour, it should pass policies requiring contractors to ensure that all construction processes are performed according to a trade-based organization of labour. Unfortunately, while mandating trade training for the entire foreign construction workforce, the Construction Industry Roadmap establishes the contradictory objective of “imposing regulatory requirements and minimum standards to drive *widespread adoption of labour-saving technology*”.<sup>21</sup> As academic researchers have aptly reasoned, “There is no simple relationship between ‘high technology’ and ‘high skills’ in construction - indeed, de-skilling can be involved, particularly with the use of more prefabricated components”.<sup>22</sup> The BCA is therefore promoting policies that if successful would likely result in a de-skilling of labour, at the same time as they are mandating additional trade training for all foreign workers.

### **III. Mandatory Trade Training: A Costly and Time-consuming Burden for Foreign Construction Workers**

Given that employers neither pay for their employees' training and certification nor compensate their employees for their time, foreign workers are the party most directly harmed by the mandatory trade training and certification policy. The policy creates hardship for foreign workers, first, because they are required to finance their own training and certification. In most cases, workers are not privy to how much they pay for basic training as this fee is generally lumped together with other costs and a hefty service fee. Association of Employment Agencies (Singapore) president K. Jayaprema was quoted in a 2013 *Straits Time* article as stating that construction workers spend \$1000 to \$2000 on training and certification.<sup>23</sup> A journalist investigating OTCs in 1999 pegged the OTC's shares of workers' employment agency fees at a hefty \$2500 to \$3000.<sup>24</sup> Workers also pay for training and certification with their time. In our survey of 123 Bangladesh construction workers, we found that most workers spent about four months on full-time training.<sup>25</sup>

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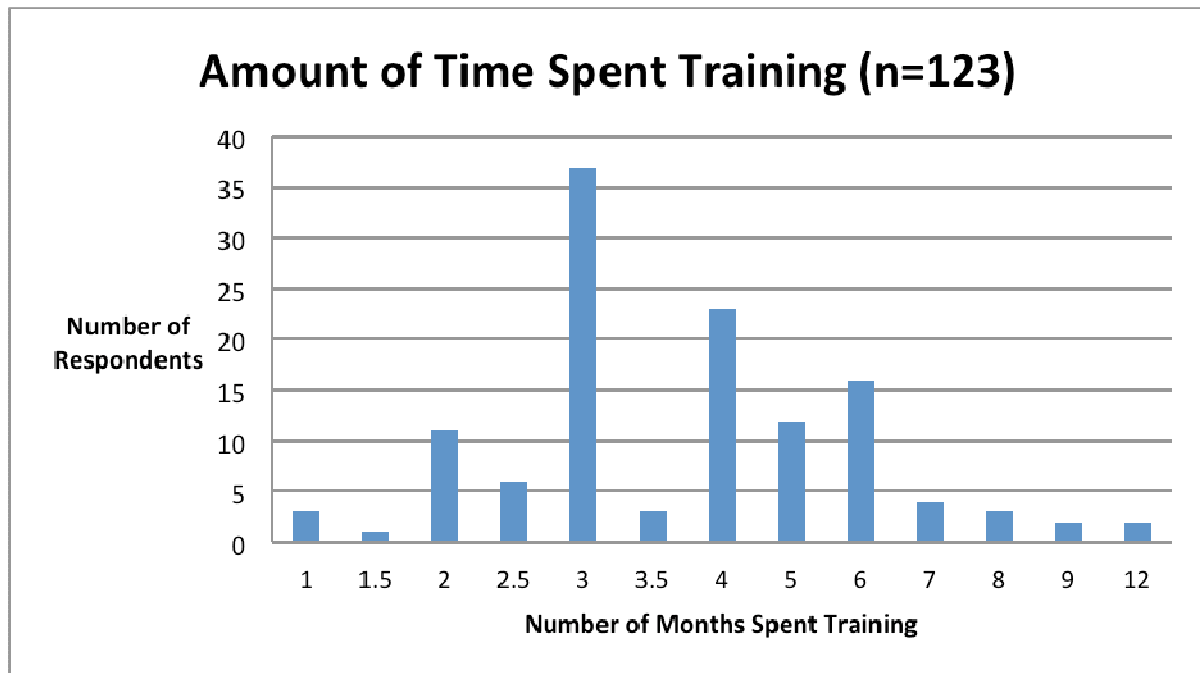
<sup>21</sup> See the Construction Productivity Roadmap.

<sup>22</sup> Barry Wilkinson, Chris Leggett and Somsong Patarapanich. (1986). National ideology, technology and employment: the construction industry in Singapore. *New technology, work and employment*. 1 (1): 71.

<sup>23</sup> Amelia Tan and Maryam Moktar. (2013, January 3). Low pay may deter foreign workers. *The Straits Times*.

<sup>24</sup> Saron Vasoo. (1999, December 12). Training for work in Singapore. *Straits Times*.

<sup>25</sup> Our respondents spent an average of 4.11 months on training. The median amount of time spent training was 3.75 months.



While foreign workers are clearly the victims of the BCA policy that mandates trade training, the 25 Singaporean companies (mostly large construction contractors) that receive BCA licenses to operate OTCs are the undisputed winners. Given the high worker turnover in Singapore's construction industry, OTCs are ensured a steady stream of customers. A 1999 *Straits Time* report on three (then) newly-established OTCs in Bangladesh suggested that the training policy meant "big business" for the companies and estimated that each OTC could be earning a million dollars per month.<sup>26</sup> Some OTCs may be profiting from more than just offering trade training. Some Bangladeshi workers stated (in interviews with TWC2 volunteers) that their jobs in Singapore were arranged by an OTC (rather than a local employment agency). The Singapore government has long maintained that it is unable to mitigate the high fees that workers pay for jobs in Singapore because the activities of source-country employment agencies are beyond its control. Several workers informed us that they dealt only with an OTC and not an employment agency. It appears likely that OTCs may be involved in labour recruitment. (And thus may enjoy the exorbitantly high fees that workers are charged for their jobs. As described in the TWC2 report released in 2012, first-time Bangladeshi migrants pay an average of SG\$7256, or the equivalent of nearly 15 months of their basic salaries in Singapore, to secure a one year contract.)

#### IV. Conclusion and Policy Recommendations

Since the introduction of a bifurcated levy rate in the 1990s, foreign construction workers have been asked to endure costly and time-consuming training which is mostly disregarded by their employers.

<sup>26</sup> Saron Vasoo. (1999, December 12). Training for work in Singapore. *Straits Times*.

New policies introduced under the direction of the Construction Industry Roadmap will require foreign workers to endure even more redundant training. TWC2 therefore urges the BCA to take the following actions:

1. **Abolish ALL mandatory trade certification requirements and the bifurcated levy rate that offers an incentive to employers for hiring workers in possession of multiple or advanced trade certifications.**

Our survey suggests that more than three-fourths of workers are not given the opportunity to utilize their trade training in their first job. Most also do not use their trade training in subsequent jobs. It is clear that the creation of a trade-certified workforce has not led to the trade-based organization of construction labour processes. It is unjust to require all foreign workers to expend time and money on training that they are not given the opportunity to utilize. At the same time, mandating trade training for all foreign workers offers Singaporean companies an unfair hand-out.

2. **Allow trade training certification to continue on a voluntary basis with government-funding to support contractors that train their workforces.**

Construction employers have complained that OTCs (owned and operated on a for-profit basis by approximately 25 of the largest Singaporean construction contractors) attempt to capitalize on economy-of-scale and maximize profits by restricting their offerings to the easier-to-teach courses. As a result, some employers who have attempted to make use of the BCA's mandatory trade training requirement by locating workers trained in the trade that they practice have claimed that they were unsuccessful.<sup>27</sup>

If all workers are not required to undergo trade training simply to meet a certification requirement, then trade training would proceed according to market demand. Of course, construction firms are notoriously reluctant to factor costs (such as training) that will benefit the industry in the long run into short-term project bids.<sup>28</sup> For the Singapore industry to develop a skilled and experienced construction workforce, the support of the BCA is therefore required. The BCA has implemented the Workforce Training and Upgrading Scheme to co-fund the cost of additional (i.e. beyond basic) trade training for foreign workers as well as Singaporeans.<sup>29</sup> The BCA could initiate a similar scheme to fund basic training for foreign workers.

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<sup>27</sup> Ernest Ng Kah Hoe. (2003, Feb 26). Push for better skilled workers? Sounds familiar... *Straits Times*. Chia Wai Chon. (2009, Aug 25). Foreign workers may have wrong skills. *Straits Times*.

<sup>28</sup> Gerald Bosch and Peter Philips (eds). (2003). *Building chaos: An international comparison of deregulation in the construction industry*. London and New York: Routledge.

<sup>29</sup> BCA. "Workforce development: Workforce training and upgrading." <http://www.bca.gov.sg/workforce/wtu.html>

3. **If the BCA elects to continue the mandatory trade training certification policy, then the BCA should required all licensed Overseas Testing Centres (OTCs) to ensure that Singapore-bound workers are not overcharged for their jobs or training.**

Singapore has long maintained that employment agencies in labor source countries are the reason that foreign workers pay exorbitant fees to find jobs and that the problem can not be remedied except by the actions of source-country governments. However, given that all Singapore-bound foreign construction workers pass through a Singapore owned and managed OTC, Singapore has the presence in labour source countries to ensure that workers are not overcharged for their jobs. As a condition of holding an OTC license, the BCA should require all Singaporean firms to ensure that they are only dealing with employment agencies that collect a fee within the parameters of the legal limit. If they cannot trust local employment agencies to refrain from collecting fees in excess of the legal limit, then the OTC should take control of recruitment. Charging workers intermediary fees that exceed the legal limit should be a source of concern to the BCA as these fees enable intermediaries to pay employers kickbacks for hiring foreign workers, a practice that leads to high worker turnover as discussed below.

4. **The BCA should work with the Ministry of Manpower to eradicate practices, such as the collection of kickbacks and high intermediary fees, contributing to worker turnover.**

Kickbacks discourage workers from renewing their contracts and high intermediary fees create a significant barrier to re-entry to the industry after a period of unemployment.

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## Appendix One

### TWC2 Short Survey

Training Issues, and the Costs and Benefits of Migration for Bangladeshi Construction Workers

EMPLOYMENT HISTORY	
1	What year did you first begin working in Singapore?
2	How many years have you worked in Singapore?
WAGE	
3	What was your basic salary when you first began working in Singapore?
4	<p>What is your current basic salary?</p> <p>Hourly overtime pay: _____</p> <p>Typical working hours: _____ Overtime? _____ Any off day? _____</p> <p>Typical current monthly salary: _____ Deductions: _____</p>
TRAINING	
5	In what trade were you trained at a Bangladesh training center?
6	How long did you spend in training?
7	Were you employed to perform your trade for your first job in Singapore? <input type="checkbox"/> Yes <input type="checkbox"/> No
8	Since arriving in Singapore, what percentage of your work time do you estimate you have spent performing your trade?

9	<p>Since arriving in Singapore, have you received additional skill certifications? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, please answer Questions 10 to 15.</p>
10	What type of skill certification?
11	<p>(a) Did you take the course on your own initiative? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(b) Were you encouraged or required by your employer?</p>
12	<p>(a) How much did the course cost?</p> <p>(b) Who paid for the course?</p>
13	<p>(a) Has the course helped you to get or keep a job?</p> <p>(b) Do you find additional training useful or necessary?</p>
14	How has the training changed your job scope?
15	What effect has the extra certification had on your wage? On potential future job opportunities?
<b>SUPPLY COMPANY</b>	
16	<p>Do you work for a worker supply company? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, please answer Questions 17 to 21.</p>

17	How many workers does your company employ?
18	Does your company allow its employees to renew their contracts?
19	Do they charge for contract renewal? <input type="checkbox"/> Yes <input type="checkbox"/> No  If YES, how much?
20	Do you think your company prefers to obtain workers directly from Bangladesh/India rather than renew the contracts of experienced workers? <input type="checkbox"/> Yes <input type="checkbox"/> No
21	Did you have work six days a week with this company? <input type="checkbox"/> Yes <input type="checkbox"/> No  If NO, can you say how regularly you worked?  If YES, how frequently did you have overtime work?
<b>LABOR MARKET MOBILITY</b>	
22	How many different Singapore employers have you had?  (*A supply company counts as one employer)

***If survey is performed in Little India, or worker has had more than one employer:***

23	Why did you leave your previous job?
24	Did you have a definite new job when you left your most recent job? <input type="checkbox"/> Yes <input type="checkbox"/> No

***If survey is performed at Changi Airport:***

25	Why are you returning to Bangladesh?
26	Did you finish your contract? <input type="checkbox"/> Yes <input type="checkbox"/> No



27	<p>If NO,</p> <ul style="list-style-type: none"> <li>(a) What was the reason this termination?</li> <li>(b) Whose decision was this and why?</li> <li>(c) How much time notice did you have?</li> </ul>
28	<p>IF YES:</p> <ul style="list-style-type: none"> <li>(a) Whose decision was it (you or your employer) not to continue the employment arrangement?</li> <li>(b) Why was this decision made?</li> <li>(c) Do you have a job to return to in Singapore or will you try to find one? (Ask details about job)</li> <li>(d) Will you be facing societal/family pressures when you go back?</li> <li>(e) Have you covered your debts?</li> <li>(f) How much of the agent fee have you not recovered?</li> <li>(g) What financial problems does your family have?</li> <li>(h) Do you still owe money?</li> </ul>

END